



## AUDIT COMMITTEE MEETING

### AGENDA

22 FEBRUARY 2022

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**CITY OF GREATER GERALDTON**

**AUDIT COMMITTEE MEETING  
TO BE HELD ON TUESDAY 22 FEBRUARY 2022 AT 3.00PM  
IN THE GREENOUGH ROOM – CIVIC CENTRE**

**A G E N D A**

**1 DECLARATION OF OPENING**

**2 ATTENDANCE**

Present:

Officers:

By Invitation:

Apologies:

Leave of Absence:

**3 CONFIRMATION OF PREVIOUS MINUTES**

Recommendation: That the minutes of the City of Greater Geraldton Audit Committee meeting held on 6 December 2021 as attached be accepted as a true and correct record of proceedings.



AUDIT COMMITTEE MEETING  
MINUTES

6 DECEMBER 2021

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**CITY OF GREATER GERALDTON****AUDIT COMMITTEE MEETING  
HELD ON TUESDAY 6 DECEMBER 2021 AT 2pm  
IN THE GREENOUGH ROOM – CIVIC CENTRE****MINUTES****1 DECLARATION OF OPENING**

The meeting was declared open at 2pm by **Shane Van Styn, Mayor**

**2 ATTENDANCE**Present:

Mayor Van Styn  
Deputy Mayor J Clune  
Cr N Colliver  
Cr M Reymond

Officers:

R McKim, Chief Executive Officer  
P Radalj, Director Corporate and Commercial Services  
N Jane, Acting Chief Financial Officer  
T Machukera, Financial Accountant  
K Wheeler – Minute Secretary

By Invitation:

Mark Ambrose - Office of the Auditor General (by telephone)  
Alisdair Whyte - RSM (by telephone)  
AJ Neo - RSM (by telephone)

Apologies:

Nil

Leave of Absence:

Nil

**3 ELECTION OF CHAIRPERSON**

Cr Colliver nominated Mayor Van Styn for the position of Chairperson of the Committee. The Mayor accepted the nomination.

*No other nominations were received*

**COMMITTEE DECISION**

**MOVED Cr Clune SECONDED Cr Colliver**

Signed \_\_\_\_\_ Dated \_\_\_\_\_

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**That the Audit Committee appoint Mayor Van Styn as Chairperson**

**CARRIED 4/0**

**4 ELECTION OF PROXY CHAIRPERSON**

Mayor Van Styn nominated Cr Clune for the position of Proxy Chairperson of the Committee. Cr Clune accepted the nomination.

*No other nominations were received*

**COMMITTEE DECISION**

**MOVED Cr Colliver, SECONDED Mayor Van Styn**

**That the Audit Committee appoint Cr Clune as Proxy Chairperson**

**CARRIED 4/0**

*Mayor Van Styn assumed the role as the Chairperson of the Meeting*

**5 CONFIRMATION OF PREVIOUS MINUTES**

Recommendation: That the minutes of the City of Greater Geraldton Audit Committee meeting held on 28 September 2021 as attached be accepted as a true and correct record of proceedings.

**COMMITTEE DECISION**

**MOVED Cr Colliver, SECONDED Mayor Van Styn**

**That the minutes of the City of Greater Geraldton Audit Committee meeting held on 28 September 2021 as attached be accepted as a true and correct record of proceedings.**

**CARRIED 4/0**

Signed \_\_\_\_\_ Dated \_\_\_\_\_

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## 6 ITEMS FOR AUDIT COMMITTEE REVIEW

AC112	EXIT MEETING OAG AND RSM
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<b>AGENDA REFERENCE:</b>	<b>D-21-136923</b>
<b>AUTHOR:</b>	<b>N Jane, A/Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate &amp; Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>29 November 2021</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020</b>
<b>ATTACHMENTS:</b>	<b>Yes (x4) 3 x Confidential</b>
	<b>A. Exit Meeting Agenda</b>
	<b>B. Confidential – Management Letter</b>
	<b>C. Confidential – Audit Closing Report</b>
	<b>D. Confidential – Audit Planning Memorandum</b>

### EXECUTIVE SUMMARY:

The purpose of this report is to provide the Office of the Auditor General (OAG) and Audit Partner from RSM opportunity to present to the Audit Committee an overview of their findings following the 2020-21 financial audit.

### EXECUTIVE RECOMMENDATION:

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:

1. RECEIVE the Office of Auditor General overview of the audit finding for the year ended 30 June 2021 (as outlined in the Audit Closing Report); and
2. PROVIDE FEEDBACK to the Office of Auditor General on the findings and any other matter related to the audit.

### PROPONENT:

The proponent is the City of Greater Geraldton.

### BACKGROUND:

The annual financial report will be general purpose financial statements for the financial year ended 30 June 2021. The Auditor General is required by the Act to provide an opinion on the financial report and other legal and regulatory requirements in accordance with the *Local Government (Audit) Regulations 1996*. The objective of the Auditor General's audit is to obtain reasonable assurance about whether the City's financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report.

As outlined in the Audit Planning Memorandum (Attachment D), a final audit exit meeting is held to cover the presentation and discussion of the audit closing report, which outlines any significant audit related matters concerning the

Signed \_\_\_\_\_ Dated \_\_\_\_\_

financial report, management letters and improvement suggestions for future audits.

The audit committee is responsible for understanding the results of financial and performance audits conducted within the local government and overseeing whether recommendations are implemented by management. The committee's responsibilities include meeting with the OAG to discuss the results of the financial audit (audit exit meeting) and reviewing reports from the OAG including auditor's reports, closing reports and management letters.

### **COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:**

#### **Community:**

There are no adverse community impacts.

#### **Economy:**

There are no adverse economic impacts.

#### **Environment:**

There are no adverse environmental impacts.

#### **Leadership:**

Holding an Exit Meeting provides opportunity for the Audit Committee to undertake its functions including to discuss with the auditors their findings.

#### *Disclosure of Interest:*

No Officer involved in the preparation of this report has a declarable interest in this matter.

### **RELEVANT PRECEDENTS:**

Each year an audit entrance and exit meeting is held with OAG, the Audit Committee and the contract auditor.

Item AC102 – Entrance Meeting – OAG & RSM presented to the Audit Committee on 31 May 2021 a copy of the Audit Planning Memorandum and held the entrance meeting.

### **COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

### **LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government (Audit) regulations 1996, section 16:*

*An audit committee has the following functions —*

*(a) to guide and assist the local government in carrying out —*

*(i) its functions under Part 6 of the Act; and*

*(ii) its functions relating to other audits and other matters related to financial management;*

Signed \_\_\_\_\_ Dated \_\_\_\_\_

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- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —*
- (i) *report to the council the results of that review; and*
- (ii) *give a copy of the CEO's report to the council;*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —*
- (i) *regulation 17(1); and*
- (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government —*
- (i) *is required to take by section 7.12A(3); and*
- (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
- (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
- (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.*

#### **FINANCIAL AND RESOURCE IMPLICATIONS:**

Provision is made in the annual budget to undertake the audit function.

#### **INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce
Outcome 4.4	Healthy financial sustainability that provides capacity to respond to changes in economic conditions and community priorities
Outcome 4.7	Council understands its roles and responsibilities and leads by example

Signed \_\_\_\_\_ Dated \_\_\_\_\_

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

The audit committee is part of the lines of defence which all work together to manage risks and ensure that controls are implemented and effective.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternative options were considered.

**COMMITTEE DECISION**

**MOVED** Cr Colliver, **SECONDED** Cr Clune

**That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:**

- 1. RECEIVE the Office of Auditor General overview of the audit finding for the year ended 30 June 2021 (as outlined in the Audit Closing Report); and**
- 2. PROVIDE FEEDBACK to the Office of Auditor General on the findings and any other matter related to the audit.**

**CARRIED 4/0**

Signed \_\_\_\_\_ Dated \_\_\_\_\_

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**AC113 REVIEW OF THE AUDIT COMMITTEE TERMS OF REFERENCE**

<b>AGENDA REFERENCE:</b>	<b>D-21-130376</b>
<b>AUTHOR:</b>	<b>M Adam, Coordinator Governance</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>22 November 2021</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1)</b> <b>Draft Audit Committee Terms of Reference</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is provide a draft of the Audit Committee Terms of Reference 2021 to the newly elected Audit Committee, for consideration and endorsement.

**EXECUTIVE RECOMMENDATION:**

That Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:

1. Endorse the Audit Committee Terms of Reference – 6 December 2021

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

The Audit Committee Terms of Reference 2021 (attachment AC113) is provided for the purpose of deliberation and discussion by the newly elected Audit Committee, and to ensure that Audit Committee Members have shared understanding of the role of the committee.

At the Ordinary Meeting of Council on 26 November 2021 (report CEO085) Council resolved as follows;

*Part A.*

*RE-ESTABLISH the following listed Council Committees:*

- b. City of Greater Geraldton Audit Committee;*

*Part B*

*REQUIRE each internal Council Committee at their first meeting held following this resolution to:*

- a. APPOINT by Committee resolution an Elected Member as Chairperson, and Elected Member as a proxy Chairperson for the Committee; and*
- b. REVIEW the terms of reference of the Committee and report to Council any required changes in relation to named membership of the Committee.*

Signed \_\_\_\_\_ Dated \_\_\_\_\_

The Audit Committee Terms of Reference 2021 (TOR) are based on the provisions of the *Local Government Act 1995*, the *Local Government (Audit) Regulations 1996*, and Operational Guideline 9 - *The appointment, function and responsibilities of audit committees*, provided by the Department of Local Government Sport and Cultural Industries.

The previous Audit Committee Charter has been reviewed by city officers and forms the basis of the draft TOR (Attachment AC113). The TOR has been updated to align with the amended provisions of the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996*, in relation to audit and audit committees. Superseded provisions have been removed and additional or amended clauses are highlighted in yellow on the attachment. An Audit Committee member induction checklist has also been added.

### **COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:**

#### **Community:**

There are no adverse community impacts.

#### **Economy:**

There are no adverse economic impacts.

#### **Environment:**

There are no adverse environmental impacts.

#### **Leadership:**

The objective of the Audit Committee is to assist the Council in fulfilling their oversight responsibilities in relation to;

- systems of risk management and internal control;
- the processes for monitoring compliance with legislation, including the code of conduct;
- financial and performance reporting; and
- external and internal audit.

#### *Disclosure of Interest:*

No Officer involved in the preparation of this report has a declarable interest in this matter.

### **RELEVANT PRECEDENTS:**

The Audit Committee Charter was reviewed by the Audit Committee on 2 December 2019 (report AC082).

### **COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

### **LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government Act 1995 s. 7.12A, 7.13(1)*

*Local Government (Audit) Regulations 1996 r17*

*Local Government (Financial Management) Regulations 1996 r 5(2)(c)*

Signed \_\_\_\_\_ Dated \_\_\_\_\_

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**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive.
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce.
Outcome 4.4	Healthy financial sustainability that provides capacity to respond to change in economic conditions and community priorities.
Outcome 4.5	A culture of safety, innovation and embracing change.

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

The Audit Committee is required by Council Resolution of 26 November 2021 (Report CEO085) to review its TOR at the first meeting of the committee after the ordinary election of the Council.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

The Audit Committee may choose to simply discuss the TOR with the view to enhancing understanding by newly elected committee members. The committee may also choose to discuss and recommend changes to the TOR. Note that the Committee is able to seek a review of the TOR at a future time.

**COMMITTEE DECISION**

**MOVED Cr Colliver, SECONDED Cr Reymond**

**That Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:**

- 1. Endorse the Audit Committee Terms of Reference – 6 December 2021**

**CARRIED 4/0**

Signed \_\_\_\_\_ Dated \_\_\_\_\_

AC114	2020-21 ANNUAL FINANCIAL REPORT
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<b>AGENDA REFERENCE:</b>	<b>D-21- 134415</b>
<b>AUTHOR:</b>	<b>N Jane, Acting Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>22 November 2021</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020</b>
<b>ATTACHMENTS:</b>	<b>Yes (x3), 1 X Confidential</b>
	<b>A. 2020-21 Annual Financial Report</b>
	<b>B. Auditors Report 2020-21</b>
	<b>C. Confidential – Management Letter</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is for the Audit Committee to consider and accept the 2020-21 Annual Financial Report and Auditor's Report.

**EXECUTIVE RECOMMENDATION:**

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:

1. RECEIVE the Annual Financial Report for the financial year ended 30 June 2021;
2. RECEIVE the Audit Report for the financial year ended 30 June 2021;
3. NOTE that the Auditor has provided an unqualified audit opinion for the Annual Financial Report year ended 30 June 2021;
4. RECOMMEND to Council the adoption of the audited Financial Report for the year ended 30 June 2021;
5. NOTE the findings identified during the Audit and REQUEST they be listed for review until completed.
  - a. Expand grant register to include all grant revenue including that recognised under AASB1058.

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

The audit was conducted by RSM on behalf of the Office of the Auditor General (OAG). The final audit site visit was conducted from 11-15 October 2021. At the conclusion of the audit, the following reports are issued:

- Independent Auditor's Report
- Management Letter – Final Audit Results

The Report and Management Letter are attached along with the Audited Financial Statements for 2020-21 for the information of the Audit Committee.

Signed \_\_\_\_\_ Dated \_\_\_\_\_

**COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:****Community:**

There are no adverse community impacts.

**Economy:**

There are no adverse economic impacts.

**Environment:**

There are no adverse environmental impacts.

**Leadership:**

The Audit Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting.

***Disclosure of Interest:***

No Officer involved in the preparation of this report has a declarable interest in this matter.

**RELEVANT PRECEDENTS:**

The Audit Committee received the 2019-20 Financial Report on 27 January 2021, AC093. The Interim Audit Report for 2020-21 was received on 28 September 2021, AC103.

**COMMUNITY/COUNCILLOR CONSULTATION:**

No community consultation has been undertaken. The annual financial report and audit certificate are included in the City's Annual Report, which will be presented to Council for adoption, then released to the community as a public document. The annual report is subsequently presented to an annual electors meeting and made available on the City website.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government (Audit) regulations 1996, section 16:*

*An audit committee has the following functions —*

*(a) to guide and assist the local government in carrying out —*

*(i) its functions under Part 6 of the Act; and*

*(ii) its functions relating to other audits and other matters related to financial management;*

*(b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*

*(e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*

*(f) to oversee the implementation of any action that the local government —*

*(i) is required to take by section 7.12A(3); and*

*(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*

*(g) to perform any other function conferred on the audit committee by these regulations or another written law.*

Signed \_\_\_\_\_ Dated \_\_\_\_\_

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce
Outcome 4.4	Healthy financial sustainability that provides capacity to respond to changes in economic conditions and community priorities
Outcome 4.7	Council understands its roles and responsibilities and leads by example

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

Findings outlined in the management letter have been assigned a risk rating by the Office of Auditor General. These ratings are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. Consideration is given to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Management have provided responses to each of the findings.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternative options were considered by City Officers.

**COMMITTEE DECISION**

**MOVED Cr Colliver, SECONDED Cr Clune**

**That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:**

- 1. RECEIVE the Annual Financial Report for the financial year ended 30 June 2021;**
- 2. RECEIVE the Audit Report for the financial year ended 30 June 2021;**

Signed \_\_\_\_\_ Dated \_\_\_\_\_

3. **NOTE** that the Auditor has provided an unqualified audit opinion for the Annual Financial Report year ended 30 June 2021;
4. **RECOMMEND** to Council the adoption of the audited Financial Report for the year ended 30 June 2021;
5. **NOTE** the findings identified during the Audit and **REQUEST** they be listed for review until completed.
  - a. Expand grant register to include all grant revenue including that recognised under AASB1058.

**CARRIED 4/0**

### Note

The Mayor provided questions via email for the Committee before the meeting as listed below. The CFO provided responses at the meeting and via email.

#### ***Sub Note1 – Page 3 of the Financials***

*That is a radically different deficit to budget. It is noted that prepayment of FAGS has bumped this down by \$3.1M. The note however seems to say that prepayments would have lifted the prior year also. Did we receive "extra" Fags this year i.e. Two years' worth this year?*

*FAGS were prepaid in both 19/20 and 20/21.*

*The budget set was a very conservative budget in uncertain times. Projections were that fees and charges would be significantly impacted by COVID restrictions, and therefore expenditure was reduced wherever possible.*

*Main reasons for result being so different to budget are:*

- Fees and charges income not impacted as severely by COVID restrictions as expected (Airport), stimulus in building sector and Meru – extra \$2.6m*
- Interest earnings – extra \$158k*
- Employment expenses - \$790k under budget*
- Materials and contracts - \$1.67m under budget*

#### **Note 2**

*Bad debts are well up. Can this be details? I note in note 38 Virgin owes us \$96k*

Signed \_\_\_\_\_ Dated \_\_\_\_\_

*Provision for Doubtful Debts includes Virgin and Pindan.*

**Note 3 and Note 14**

*Where did the CBD reserve go?*

*Major Initiatives Reserve*

*Public Open Space reserve in Note 20 states \$1.3m but note 14 states \$154,251*

*All POS Funds have been transferred from Trust (note 20 – balances are zero) to Reserve (Note 14 - Money in Lieu of Public Open Space) \$1,286,015. The balance of the Trust Fund is \$154,751.*

**Note 7a and Note 15**

*Land fair value has falls \$24m? Can we get details of this?*

*Land and building assets were revalued during the 2020/21 financial year.*

*The bulk of the decrement related to airport tech park. This land was previously (in 2017) valued on the basis that it was subdivided. This year the land was valued in its current unsubdivided state.*

*APV noted that there was “a significant overall decrease in land over the past four years, with some areas dropping as much as 50%”.*

**Note 8C**

*What is the effective life of the runway at the airport?*

*The subbase component of Runway 03/21 has an estimated useful life of 100 years and an estimated remaining useful life as at 30 June 2021 of 59 years.*

*The asphalt seal component of Runway 03/21 has an estimated useful life of 20 years and an estimated remaining useful life as at 30 June 2021 of 18 years*

**Note 11**

*Sundry creditors have gone from \$6m to \$11m. Can I get details of this increase?*

*In the 2019/20 year due to the impacts of COVID on suppliers, a concerted effort was made to pay creditors within 7 days. By the end of 2020/21, payment times had extended. The value also includes creditors*

Signed \_\_\_\_\_ Dated \_\_\_\_\_

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*associated with Cyclone cleanup works, LRCIP program delivery, other capital works and transfer to POS Reserve.*

**Note 34**

*Have spelled my name wrong! - "Shayn"*

*This will be corrected.*

**IT Audit**

*Can we get a briefing on what resolutions are in place for suer access as raised in the IT finding?*

*Discussed during AC112 Exit Meeting OAG and RSM*

Signed \_\_\_\_\_ Dated \_\_\_\_\_

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**7 GENERAL BUSINESS**

**8 MEETING CLOSURE**

There being no further business the meeting was declared closed at **2.47pm**

Signed \_\_\_\_\_ Dated \_\_\_\_\_

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Audit Committee Action Items

22 February 2022

Title	Item/ References	Action	Item# or Date Completed	Executive recommendation
Strategic Internal Audit Plan 2021-2025	AC105 (CFO)	<ol style="list-style-type: none"> <li>1. ENDORSE the Strategic Internal Audit Plan for 2021-2025 as presented; and</li> <li>2. <b>REQUEST an update on progress at the next Audit Committee meeting.</b></li> </ol>	AC117 - Report on Management Actions Annual Financial Report and Audit Reports	<i>RECEIVE the Progress Reports on the current status of management actions related to Internal Audits and the Annual Financial Report.</i>
Financial Management Systems Review 2021	AC106 (CFO)	<ol style="list-style-type: none"> <li>1. RECEIVE the Financial Management Systems Review 2021</li> <li>2. ENDORSE actions taken or proposed to be taken by staff to resolve items identified in the report; and</li> <li>3. <b>REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee Meeting.</b></li> </ol>	AC117 - Report on Management Actions Annual Financial Report and Audit Reports	<i>RECEIVE the Progress Reports on the current status of management actions related to Internal Audits and the Annual Financial Report.</i>
Work Health and Safety Update	AC108 ( Manager Corporate Compliance and Safety	<ol style="list-style-type: none"> <li>1. ACKNOWLEDGE receipt of the Internal Audit Safety Management Systems report:</li> <li>2. <b>REQUIRE the status of the Internal Audit Safety Management Systems Improvement Action Plan to be provided to the Audit Committee.</b></li> </ol>	AC116 - Internal Audit - Safety Management Systems improvement action plan update.	<i>NOTE the update on the Internal Audit Safety Management Systems Improvement Action Plan update</i>

Audit Regulation 17 Review 2021	AC110 (CFO)	<ol style="list-style-type: none"> <li>1. RECEIVE the Audit Regulation 17 Review 2021</li> <li>2. ENDORSE actions taken or proposed to be taken by staff to resolve items identified in the report; and</li> <li>3. <b>REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee Meeting.</b></li> </ol>	AC117 - Report on Management Actions Annual Financial Report and Audit Reports	<i>RECEIVE the Progress Reports on the current status of management actions related to Internal Audits and the Annual Financial Report.</i>
2020-2021 Annual Financial Report	AC114 (CFO)	<ol style="list-style-type: none"> <li>1. RECEIVE the Annual Financial Report for the financial year ended 30 June 2021;</li> <li>2. RECEIVE the Audit Report for the financial year ended 30 June 2021;</li> <li>3. NOTE that the Auditor has provided an unqualified audit opinion for the Annual Financial Report year ended 30 June 2021;</li> <li>4. RECOMMEND to Council the adoption of the audited Financial Report for the year ended 30 June 2021;</li> <li>5. <b>NOTE the findings identified during the Audit and REQUEST they be listed for review until completed.</b> <ol style="list-style-type: none"> <li>a. <b>Expand grant register to include all grant revenue including that recognised under AASB1058.</b></li> </ol> </li> </ol>	AC117 - Report on Management Actions Annual Financial Report and Audit Reports	<i>RECEIVE the Progress Reports on the current status of management actions related to Internal Audits and the Annual Financial Report.</i>

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#### 4 ITEMS FOR AUDIT COMMITTEE REVIEW

AC115	COMPLIANCE AUDIT RETURN 2021
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<b>AGENDA REFERENCE:</b>	<b>D-22-005352</b>
<b>AUTHOR:</b>	<b>M Adam, Coordinator Governance</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>20 January 2022</b>
<b>FILE REFERENCE:</b>	<b>RM/6/0020</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1)</b> <b>Compliance Audit Return 2021</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is for the Audit Committee to review the 2021 Compliance Audit Return (CAR) and provide a report to the Council.

**EXECUTIVE RECOMMENDATION:**

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 and regulation 14 of the Local Government (Audit) Regulations 1996 RESOLVES to:

1. REVIEW the results of the Compliance Audit Return 2021.
2. REPORT to Council the results of the Audit Committee review of the Compliance Audit Return 2021, at the Ordinary Meeting of Council on 29 March 2022.

**PROONENT:**

The proponent is the City of Greater Geraldton

**BACKGROUND:**

In accordance with section 7.13(1) of the *Local Government Act 1995* and regulation 14 of the *Local Government (Audit) Regulations 1996*, the City is required to carry out a compliance audit for the period 1 January 2021 to 31 December 2021 and prepare a Compliance Audit Return (CAR) in a form approved by the Minister.

The 2021 CAR is provided to the City by the Department of Local Government, Sport and Cultural Industries (the Department), electronically via the Departments Smart Hub portal, and the areas of compliance are restricted to those considered high risk.

**COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:****Community:**

There are no adverse community impacts.

**Environment:**

There are no adverse environmental impacts.

**Economy:**

There are no adverse economic impacts.

**Leadership:**

Review of the Compliance Audit Return and reporting to the Council by the Audit Committee is a regulatory requirement under the provisions of the *Local Government (Audit) Regulations 1996 r.14 (3A)*.

**RELEVANT PRECEDENTS:**

The Audit Committee reviewed the 2020 Compliance Audit Return for the City of Greater Geraldton on 27 January 2021, AC101, and submitted a report to the Council on 23 February 2021 (report CCS567).

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government Act 1995 s. 7.13(1)*

*Local Government (Audit) Regulations 1996 r. 14*

**14. Compliance audits by local governments**

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) *The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) *After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —*
  - (a) *presented to the council at a meeting of the council; and*
  - (b) *adopted by the council; and*
  - (c) *recorded in the minutes of the meeting at which it is adopted.*

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT**

Local Governments are legislatively required to carry out a compliance audit for the period 1 January to 31 December in each year and prepare a return in the form approved by the Minister. The return must be reviewed by the Audit Committee and the Committee are required to report to the Council the results of the review and Council are required to adopt the CAR and submit to the Department CEO by the 31 March following the period to which the return relates. Compliance with these provisions addresses the risk associated with regulatory obligation.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS**

No alternatives have been considered.



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## Greater Geraldton - Compliance Audit Return 2021

### Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

<b>Commercial Enterprises by Local Governments</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A	Not required as no major trading undertaken	Brian Robartson
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A	As above	Brian Robartson
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	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 2021?	N/A	As above	Brian Robartson
4	s3.59(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 2021?	N/A	As above	Brian Robartson
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Brian Robartson



<b>Delegation of Power/Duty</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A	There were no delegations made to committees	Margot Adam
2	s5.16	Were all delegations to committees in writing?	N/A		Margot Adam
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		Margot Adam
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Margot Adam
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	N/A		Margot Adam
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Margot Adam
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Margot Adam
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Margot Adam
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Margot Adam
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	N/A	There were no decisions by the council to amend or revoke a delegation	Margot Adam
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Margot Adam
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes		Margot Adam
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		Margot Adam

<b>Disclosure of Interest</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Sheri Moulds



No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	N/A		Sheri Moulds
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Sheri Moulds
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Margot Adam
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	Yes		Margot Adam
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Margot Adam
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Margot Adam
8	s5.88(1) & (2)(b) Admin Reg 28	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, in the form prescribed in Admin Reg 28?	Yes		Sheri Moulds
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Margot Adam
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) 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		Margot Adam
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Margot Adam
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Margot Adam
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		Margot Adam



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No	Reference	Question	Response	Comments	Respondent
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Margot Adam
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?*  *Question not applicable after 2 Feb 2021	N/A		Sheri Moulds
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	N/A		Sheri Moulds
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	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		Sheri Moulds
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) 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?	N/A	No reporting of this nature was required	Sheri Moulds
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Sheri Moulds
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	Yes		Margot Adam
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	Yes		Margot Adam
		*Question not applicable after 2 Feb 2021			



No	Reference	Question	Response	Comments	Respondent
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes		Margot Adam
23	s5.104(3) & (4)	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)?	No		Margot Adam
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		Margot Adam
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes		Margot Adam

#### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(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) (unless section 3.58(5) applies)?	Yes		Brian Robartson
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		Brian Robartson



<b>Elections</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Elect Regs 30G(1) & (2)	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?	Yes		Margot Adam
2	Elect Regs 30G(3) & (4)	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?	Yes		Margot Adam
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Yes		Margot Adam



<b>Finance</b>						
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>	
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes		Renee Doughty	
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	The Audit Committee has no delegated powers under part 7 of the Act	Renee Doughty	
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	Yes	The auditor's report was submitted as part of the 2020/21 Annual Report and carried by absolute majority at the OCM December 2021.	Renee Doughty	
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	Management Actions on audit findings maintained and reported to Audit Committee.	Renee Doughty	
5	s7.12A(4)(a) & (4)(b)	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?	N/A	No significant matters reported.	Renee Doughty	
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A	No report required.	Renee Doughty	
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes	Report dated 9 December 2021. Received 21 December 2021 (CCS662) as part of Annual Report.	Renee Doughty	



<b>Integrated Planning and Reporting</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	22 June 2021	Trish Palmonari
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	22 June 2021	Trish Palmonari
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Trish Palmonari

<b>Local Government Employees</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	The City of Greater Geraldton endorsed Standards for CEO Recruitment, Performance and Termination however we have not had to advertise a position of CEO in 2021.	Nicky Prow
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	N/A	No CEO or Senior Employee vacancies advertised during 2021.	Nicky Prow
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	No CEO or Senior Employee vacancies advertised during 2021.	Nicky Prow
4	Admin 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)?	N/A	No CEO or Senior Employee vacancies advertised during 2021.	Nicky Prow
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	The City had no senior employees in 2021.	Nicky Prow
6	s5.37(2)	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?	N/A	No council decision made to reject as no Senior employees dismissed in 2021.	Nicky Prow



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<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	N/A	There are no senior employees as defined by section 5.37. The CEO is the complaints officer	Margot Adam
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121 (2)?	Yes		Margot Adam
3	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Margot Adam



<b>Optional Questions</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	26 October 2021	Renee Doughty
2	Audit 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 Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	Yes	26 October 2021	Renee Doughty
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	Yes		Margot Adam
4	s5.90A(2) & (5)	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		Margot Adam
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		Margot Adam
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Policy is under review	Sheri Moulds
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes	Uploaded to the website 30 July 2021	Sheri Moulds
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes		Renee Doughty
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all it's expenditure, revenue and income?	Yes		Renee Doughty



<b>Tenders for Providing Goods and Services</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (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	N/A	Brodie Pearce
2	s3.57 F&G Reg 11	Subject to F&G Reg 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 F&G Reg 11(1)?	Yes	N/A	Brodie Pearce
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes	N/A	Brodie Pearce
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	Yes	N/A	Brodie Pearce
5	F&G Reg 14(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	N/A	Brodie Pearce
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes	N/A	Brodie Pearce
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes	N/A	Brodie Pearce
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes	N/A	Brodie Pearce
9	F&G Reg 18(4)	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	N/A	Brodie Pearce
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes	N/A	Brodie Pearce



No	Reference	Question	Response	Comments	Respondent
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	Yes	N/A	Brodie Pearce
12	F&G Reg 23(1) & (2)	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?	Yes	N/A	Brodie Pearce
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	Yes	N/A	Brodie Pearce
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	Yes	N/A	Brodie Pearce
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A	No Panels advertised	Brodie Pearce
16	F&G Reg 24AD(6)	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?	N/A	N/A	Brodie Pearce
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	Yes	N/A	Brodie Pearce
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A	N/A	Brodie Pearce
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	N/A	Brodie Pearce
20	F&G Reg 24AH(3)	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?	N/A	N/A	Brodie Pearce
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	N/A	Brodie Pearce



Department of  
**Local Government, Sport  
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	Yes	N/A	Brodie Pearce

I certify this Compliance Audit Return has been adopted by council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
Signed Mayor/President, Greater Geraldton

\_\_\_\_\_  
Signed CEO, Greater Geraldton

AC116	INTERNAL AUDIT SAFETY MANAGEMENT SYSTEMS IMPROVEMENT ACTION PLAN UPDATE
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<b>AGENDA REFERENCE:</b>	<b>D-22-012791</b>
<b>AUTHOR:</b>	<b>B Pearce, Manager Corporate Compliance &amp; Safety</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>2 February 2022</b>
<b>FILE REFERENCE:</b>	<b>RM/6/0012</b>
<b>ATTACHMENTS:</b>	<b>No</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to update the Audit Committee on the status of the City of Greater Geraldton's Internal Audit Safety Management Systems Improvement Action Plan

**EXECUTIVE RECOMMENDATION:**

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:

1. NOTE the update on the Internal Audit Safety Management Systems Improvement Action Plan update

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

As reported to the Audit Committee in report AC108 the City developed the Internal Audit Safety Management Systems Improvement Action Plan (the Action Plan) based on the finds of the internal audit of the City's safety management systems.

The Action Plan in summary, outlined the following actions to be addressed.

**Training:****Employee training**

- Updated orientation program to ensure all employees are formally inducted.
- Undertook information sessions and created online training model to induct all staff in the use of the City's Safety Management Plan (the primary manual for safety processes in the City).
- Implementation of Verification of Competency program for all plant and equipment operators.
- Developed and commenced the rollout of online training models for the City's safety procedure suites.
- Undertook workplace emergency management plan training for City facility emergency wardens

- Specialist Work Health & Safety (WHS) team facilitated training sessions updated and rolled out relating to risk management and specialist safety topics.
- An update to the distribution of safety information was implemented, this includes the provision of the following information to all staff on an ongoing basis,
  - Monthly incident report summary report
  - Weekly reports on vehicle safety
  - Safety Investigation reports to EMT and the Safety Committee
  - Safety Committee meeting minutes
  - Safety information Sheets & Safety Alerts
  - Safety Procedure suite updates

### **Contractors**

- Provided WHS information sessions to City suppliers.
- Updated the Contractor safety induction program with the WHS team attending sites to verify all contractors and their employees are inducted and have the required training and licenses.

### **Volunteers**

- Corporate volunteers safety training review underway
- Identification of City volunteer coordinators who are to be trained in conducting safety inductions.
- WHS Team, upon request by City volunteer coordinators attends sites and undertakes safety training of volunteers
- Bushfire Volunteer training review is underway with the City's Emergency Management team working with the Department of Fire & Emergency Services and the local Bushfire Brigades in relation to volunteer bushfire brigade members. This is being managed and reported separately to the Action Plan.

### **Documentation update:**

A full review and update of all City safety documentation is underway. This will ensure that the City can transition immediately to WHS aligned legislation upon its implementation in March 2022.

A part of this review has had the WHS team complete a comparison assessment of the current Occupational Safety & Health legislation with the WHS legislation. This assessment is being used to ensure the City's safety documentation both is compliant with WHS and any gaps identified can be managed and corrected if required.

### **Implementation of safety processes:**

The implementation of the Action Plan so updates of the following City safety processes.

- Contractor safety management and supervisor requirements
- City inspections processes e.g. Work crew safe work observations, Facility Inspections, and Safety Leadership walks

- Confirmation of Quarterly Safety Committee meetings
- Incident management and responses processes updated
- Workplace risk management training and templates reviewed and implemented
- Plant and equipment verification of competency implemented
- Updated Fitness for work program and in progress
- Development of safety change management procedure suite
- Update the visitor and contractor facility visitor procedure
- 2022 – 2024 Safety Strategy development

### **COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:**

#### **Community:**

The implementation of the Action Plan supports the safety and wellbeing of volunteers and the community accessing or involved in Council activities.

#### **Economy:**

There are no adverse economic impacts arising from the implementation of the Action Plan. The cost of compliance with WHS, however will affect the City, local businesses and community associations. This will be due to the increase in administration for all who must proactively manage and document effective safety management.

#### **Environment:**

There are no adverse environmental impacts.

#### **Leadership:**

The City's implementation of the Action Plan and a compliant Work Health & Safety Management System demonstrates the City's ongoing leadership in ensuring effective management and government of the City's safety.

#### *Disclosure of Interest:*

No Officer involved in the preparation of this report has a declarable interest in this matter.

### **RELEVANT PRECEDENTS:**

The Audit Committee previously considered WHS on 03 March 2020, AC091 and AC108.

### **COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

### **LEGISLATIVE/POLICY IMPLICATIONS:**

Occupational Safety & Health Act 1984  
Occupational Safety & Regulation 1996  
Work Health & Safety Act 2020  
Operational Policy OP041 Occupational Health & Safety  
City of Greater Geraldton Safety Management Plan  
City of Greater Geraldton Safety Management System

**FINANCIAL AND RESOURCE IMPLICATIONS:**

The implementation and ongoing management of the new WHS requirements will require the application of additional resources to meet compliance obligations.

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce
Outcome 4.5	A culture of safety, innovation and embracing change

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

The implementation of the WHS aligned Safety Management Plan and System is a critical risk management and compliance control for the City.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternatives have been considered.

AC117	REPORT ON MANAGEMENT ACTIONS ANNUAL FINANCIAL REPORT AND AUDIT REPORTS
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<b>AGENDA REFERENCE:</b>	<b>D-22-014082</b>
<b>AUTHOR:</b>	<b>R Doughty, Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>4 February 2022</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x 2 Confidential)</b>
	<b>A. Progress Report – Financial Management Systems Review Report June 2021 and Audit Regulation 17 Review May 2021</b>
	<b>B. Progress Report – Interim and Annual Financial Report 30 June 2021</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to provide an updated report on Internal Audit and Annual Financial Report management actions.

**EXECUTIVE RECOMMENDATION:**

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:

1. RECEIVE the Progress Reports on the current status of management actions related to Internal Audits and the Annual Financial Report.

**PROPONENT:**

The proponent is the City of Greater Geraldton

**BACKGROUND:**

The Audit Committee at their meeting 10 September 2021 resolved to:

**AC105**

1. ***ENDORSE the Strategic Internal Audit Plan for 2021-2025 as presented; and***
2. ***REQUEST an update on progress at the next Audit Committee meeting.***

**AC106**

1. ***RECEIVE the Financial Management Systems Review 2021***
2. ***ENDORSE actions taken or proposed to be taken by staff to resolve items identified in the report; and***
3. ***REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee Meeting.***

**AC110**

1. ***RECEIVE the Audit Regulation 17 Review 2021***

2. **ENDORSE actions taken or proposed to be taken by staff to resolve items identified in the report; and**
3. **REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee Meeting.**

The Audit Committee at their meeting 6 December 2021 resolved to:

**AC114**

1. **RECEIVE the Annual Financial Report for the financial year ended 30 June 2021;**
2. **RECEIVE the Audit Report for the financial year ended 30 June 2021;**
3. **NOTE that the Auditor has provided an unqualified audit opinion for the Annual Financial Report year ended 30 June 2021;**
4. **RECOMMEND to Council the adoption of the audited Financial Report for the year ended 30 June 2021;**
5. **NOTE the findings identified during the Audit and REQUEST they be listed for review until completed.**
  - a. **Expand grant register to include all grant revenue including that recognised under AASB1058.**

The attached reports provide the Committee with an updated schedule. The reports include management actions that remained active and/or were still to be completed.

**COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:**

**Community:**

There are no adverse community impacts.

**Economy:**

There are no adverse economic impacts.

**Environment:**

There are no adverse environmental impacts.

**Leadership:**

Monitoring the actions resulting from various audits allows the Audit Committee to fulfil its governance and oversight responsibilities.

*Disclosure of Interest:*

No Officer involved in the preparation of this report has a declarable interest in this matter.

**RELEVANT PRECEDENTS:**

The Audit Committee regularly reviews reports relating to the auditing processes of the City.

The previous Financial Management Systems Review and Audit Regulation 17 Review was presented to the Audit Committee on 28 September 2021 – AC106 AC110.

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The previous Interim Audit Report was present to the Audit Committee on 28 September 2021 AC103.

The Annual Financial Report was presented to the Audit Committee on 6 December 2021.

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government (Audit) regulations 1996, section 16:*

*Local Government (Audit) regulations 1996, section 17:*

*Local Government (Financial Management) regulations 1996, section 5:*

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive
Outcome 4.4	Healthy financial sustainability that provides capacity to respond to changes in economic conditions and community
Outcome 4.7	Council understands its roles and responsibilities and leads by example

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

Findings outlined in audit reports are assigned a risk rating. These ratings are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. Preparation of a schedule of management actions and reporting progress to the Audit Committee ensures findings are appropriately addressed.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternatives have been considered.

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**5 FRAUD CONTROL – STANDING ITEM**

AC118	FRAUD AND CORRUPTION CONTROL PLAN AUDIT 2021
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<b>AGENDA REFERENCE:</b>	<b>D-22-014686</b>
<b>AUTHOR:</b>	<b>R Doughty, Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>7 February 2022</b>
<b>FILE REFERENCE:</b>	<b>FM/14/0002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x 1 Confidential)</b> <b>Fraud and Corruption Control Plan Audit 2021</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to present to the Audit Committee the Fraud and Corruption Control Plan Audit 2021.

**EXECUTIVE RECOMMENDATION:**

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:

1. RECEIVE the Fraud and Corruption Control Plan Audit 2021
2. ENDORSE actions taken or proposed to be taken by staff to resolve items identified in the report; and
3. REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee Meeting.

**PROONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

This Fraud and Corruption Control Plan (the Plan) details the City's intended action in implementing and monitoring fraud and corruption prevention, detection and response initiatives. The Plan calls for regular Fraud & Corruption Control Plan Audits (FCC Audits). The FCC Audit is designed to assist the City to monitor and review its misconduct resistance approach. The purpose is to identify: a) work areas where elements of the City misconduct resistance approach may need refreshing or improving; and b) elements of the misconduct resistance approach that may need attention across the entire organisation.

In accordance with the Strategic Internal Audit Plan 2025 and the City's Fraud and Corruption Control Plan 2019, AMD Chartered Accountants were engaged to undertake the review. The audit was undertaken onsite at the City 16 to 18 November 2021, their report is attached.

**COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:****Community:**

There are no adverse community impacts. Undertaking this audit ensures that we are accountable for our actions to the community

**Economy:**

There are no adverse economic impacts.

**Environment:**

There are no adverse environmental impacts.

**Leadership:**

The Fraud and Corruption Control Plan is core to good governance and establishes an effective structure to address fraud and misconduct risks and to detect and respond to fraud and corruption in accordance with the best practice guidelines as defined in Australian Standard AS8001-2008 Fraud and Corruption Standards.

*Disclosure of Interest:*

No Officer involved in the preparation of this report has a declarable interest in this matter.

**RELEVANT PRECEDENTS:**

The Fraud and Corruption Control Plan was presented to the Audit Committee on 2 December 2019.

The previous Fraud and Corruption Control Plan Audit report was presented to the Audit Committee on 27 January 2021.

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Council Policy 4.22 Fraud Control, Write-Off Debts & Waive Fees and Charges requires Council to examine its exposure to fraud.*

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

The Fraud and Corruption Control Plan puts in place the framework for prevention and detection to mitigate potential or actual fraudulent or corrupt conduct.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternatives have been considered.

**6 GENERAL BUSINESS**

**7 MEETING CLOSURE**