



AUDIT COMMITTEE MEETING  
MINUTES

2 OCTOBER 2017

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

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**CITY OF GREATER GERALDTON****AUDIT COMMITTEE MEETING  
TO BE HELD ON MONDAY 2 OCTOBER 2017 AT 3.30PM  
IN THE COMMITTEE MEETING ROOM – CIVIC CENTRE****MINUTES****1 DECLARATION OF OPENING**

The meeting was declared open at 3.35 pm by Chairman Mayor Van Styn.

**2 ATTENDANCE****Present:**

Mayor Van Styn

Cr McIlwaine

Cr Caudwell

T Bate - by telephone

Cr Reymond (proxy) *entered the meeting at 3.44pm*

**Officers:**

R McKim, CEO

B Davis, Director Corporate & Commercial Services

P Radalj, Manager Treasury and Finance

A Van Der Weij, Financial Accountant

M Adam, Coordinator Governance (*Minutes*)

**By Invitation:**

M Cavallo – Auditor, by telephone

**Apologies:** Nil

**Leave of Absence:** Nil

**3 CONFIRMATION OF PREVIOUS MINUTES**

Recommendation: That the minutes of the City of Greater Geraldton Audit Committee meeting held on 21 February 2017, as attached be accepted as a true and correct record of proceedings.

**COMMITTEE DECISION**

**MOVED Cr Caudwell , SECONDED Cr McIlwaine**

**That the minutes of the City of Greater Geraldton Audit Committee meeting held on 21 February 2017, as attached be accepted as a true and correct record of proceedings.**

**CARRIED 4/0**

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

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#### 4 ITEMS FOR AUDIT COMMITTEE REVIEW

AC053 AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL	
<b>AGENDA REFERENCE:</b>	<b>D-17-70574</b>
<b>AUTHOR:</b>	<b>M Adam, Governance Coordinator</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>12 September 2017</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020</b>
<b>ATTACHMENTS:</b>	<b>No</b>

#### **EXECUTIVE SUMMARY:**

The purpose of this report is for Council to review a summary of Audit Committee activities for the period 1 July 2016 to 30 June 2017.

#### **EXECUTIVE RECOMMENDATION:**

That Council by Simple Majority pursuant to Section 5.20 of the Local Government Act RESOLVES to

1. RECEIVE the summary of Audit Committee activities for the period.
2. RECOMMEND that Council accepts the summary of Audit Committee activities for the period July 2016 to June 2017.

#### **PROPONENT:**

The proponent is the City of Greater Geraldton

#### **BACKGROUND:**

In accordance with the *Local Government Act 1995* section 7.1A (1):

*“A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it”.*

The City of Greater Geraldton Audit Committee Charter incorporates the following reporting requirements:

*5.2 The Committee shall report annually to the Council summarising its activities during the previous financial year.*

Below is a summary of the activities of the Audit Committee for the period 1 July 2016 to 30 June 2017 for the purposes of providing the above mentioned report to Council:

#### Audit Committee Meeting – 3 October 2016

- i. Adopt the Audit Report for the financial period ending 30 June 2016 and endorse actions taken by staff to resolve identified items in the reports;

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

- ii. Note the summary of the Current Operational Risk Management review and the status of the City Business Continuity Management( BCM) Planning;
- iii. Note the report on the management actions from the AMD Financial Systems Audit 2016; and
- iv. Receive the annual report of Audit Committee activities for the period July 2015 to June 2016 and recommend the report for acceptance by Council.

#### Audit Committee Meeting – 21 February 2017

- i. Endorse the 2016 Compliance Audit Return and report the results to Council.
- ii. Note the summary of the City of Greater Geraldton's Current Procurement contracts;
- iii. Endorse the acceptance of the quote for Extension of external audit services for the financial year 2017/2018;
- iv. Note the results of the review of compliance – Local Government Operational Guidelines 09 – Audit in Local Government;
- v. Endorse the implementation of the Strategic Internal Audit Plan 2017-2021; and
- vi. Endorse amendment to Audit Committee Charter and recommend the proposed amendments to Council.

### **ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:**

#### **Economic:**

There are no economic impacts.

#### **Social:**

There are no social impacts.

#### **Environmental:**

There are no environmental impacts.

#### **Cultural & Heritage:**

There are no cultural or heritage impacts.

### **RELEVANT PRECEDENTS:**

The Audit Committee Charter requires the committee to report annually to Council summarising the activities of the previous financial year. The Audit Committee Annual Report was last reviewed by the Committee 3 October 2016, Item number AC046.

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

There has been no community/councillor consultation.

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

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**LEGISLATIVE/POLICY IMPLICATIONS:**

There are no legislative or policy implications.

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Good Governance & Leadership
Strategy 4.5.2	Ensuring finance and governance policies, procedures and activities align with legislative requirements and best practice

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT**

The provision of an annual report to Council on the activities of the Audit Committee ensures that the committee meets compliance requirements of the *Audit Committee Charter s.5.2* and reporting recommendations of the Department of Local Government and Communities *Audit in Local Government Operational Guideline number 09- 2013*.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS**

No alternatives have been considered.

**COMMITTEE DECISION:****MOVED Cr McIlwaine , SECONDED Cr Caudwell**

That Council by Simple Majority pursuant to Section 5.20 of the Local Government Act **RESOLVES** to

1. **RECEIVE** the summary of Audit Committee activities for the period.
2. **RECOMMEND** that Council accepts the summary of Audit Committee activities for the period July 2016 to June 2017.

**CARRIED 4/0**

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

AC054	STATUS OF RISK MANAGEMENT SYSTEMS
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<b>AGENDA REFERENCE:</b>	<b>D-17-72640</b>
<b>AUTHOR:</b>	<b>B Pearce, Coordinator Procurement &amp; Risk</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Corporate &amp; Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>20 September 2017</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020</b>
<b>APPLICANT / PROPONENT:</b>	<b>City of Greater Geraldton</b>
<b>ATTACHMENTS:</b>	<b>Yes (1 confidential)</b> <b>A. City Risk Profile Report</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to advise the Audit Committee of the current status of risk management at the City.

**EXECUTIVE RECOMMENDATION;**

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

1. NOTE the City of Greater Geraldton's status with regards to:
  - a. The status of the City's risk management.
  - b. The status of Promapp.
  - c. Require the City provide a full risk management report to Council by 19 December 2017

**PROponent:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

As required by Local Government (Audit) Regulations 1996 Regulation 17 and the City of Greater Geraldton Risk Management Framework (RMF), the City is required to identify and manage risk to the City's operations.

**Risk Report**

The attached *Risk Report* details the following:

1. The status of identified high risks (as per RMF appendix F)
2. The status of risk treatment plans

**EMT Risk Reporting**

With the successful advent of Promapp as the centralised risk software system EMT Risk Reports have become possible.

This report is intended to be a standing monthly risk report, however due to staffing issues a few recent reports were submitted on a bimonthly basis instead.

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

Operational Risk Reports have been presented to EMT as follows;

1. Oct 2016 – Jan 2017 EMT Risk Report
2. Feb 2017 EMT Risk Report
2. Mar 2017 EMT Risk Report
3. May 2017 EMT Risk Report
4. Jun – July 2017 EMT Risk Report
3. Aug 2017 EMT Risk Report

In addition to these specific operational risk reports to EMT, direct risk reports have been provided to Management & Employees as follows;

1. Weekly Promapp Risk Action Email sent to all action owners
2. April -Director Risk treatment report
3. April- Management & Director treatment report
4. June -CEO risk action advice
5. July Management & Director treatment action report
6. August Director risk review

**Promapp Risk Module Implementation**

With the rollout of Promapp software, the City is now able to instantly see the current status of City managed risks. The below illustrates the relative priority of each risk across the heat map, and allows management to view quickly any risks that are overdue or which require a treatment review.

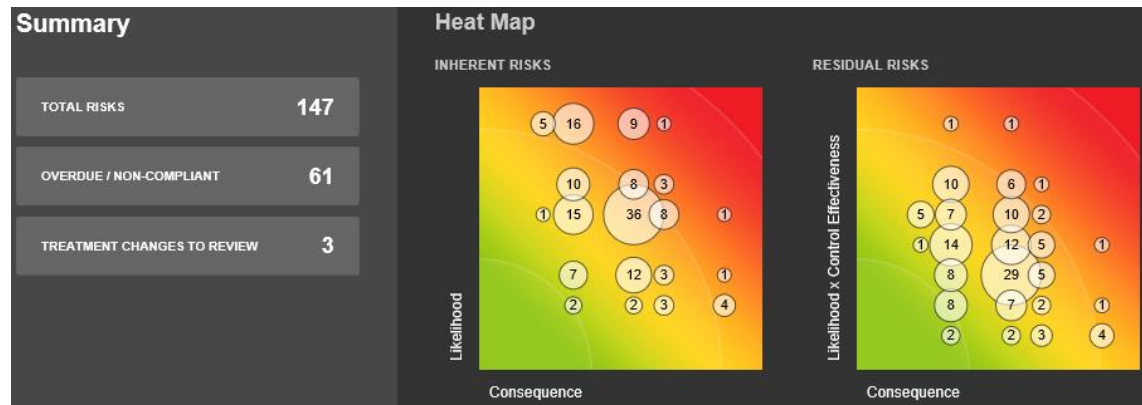


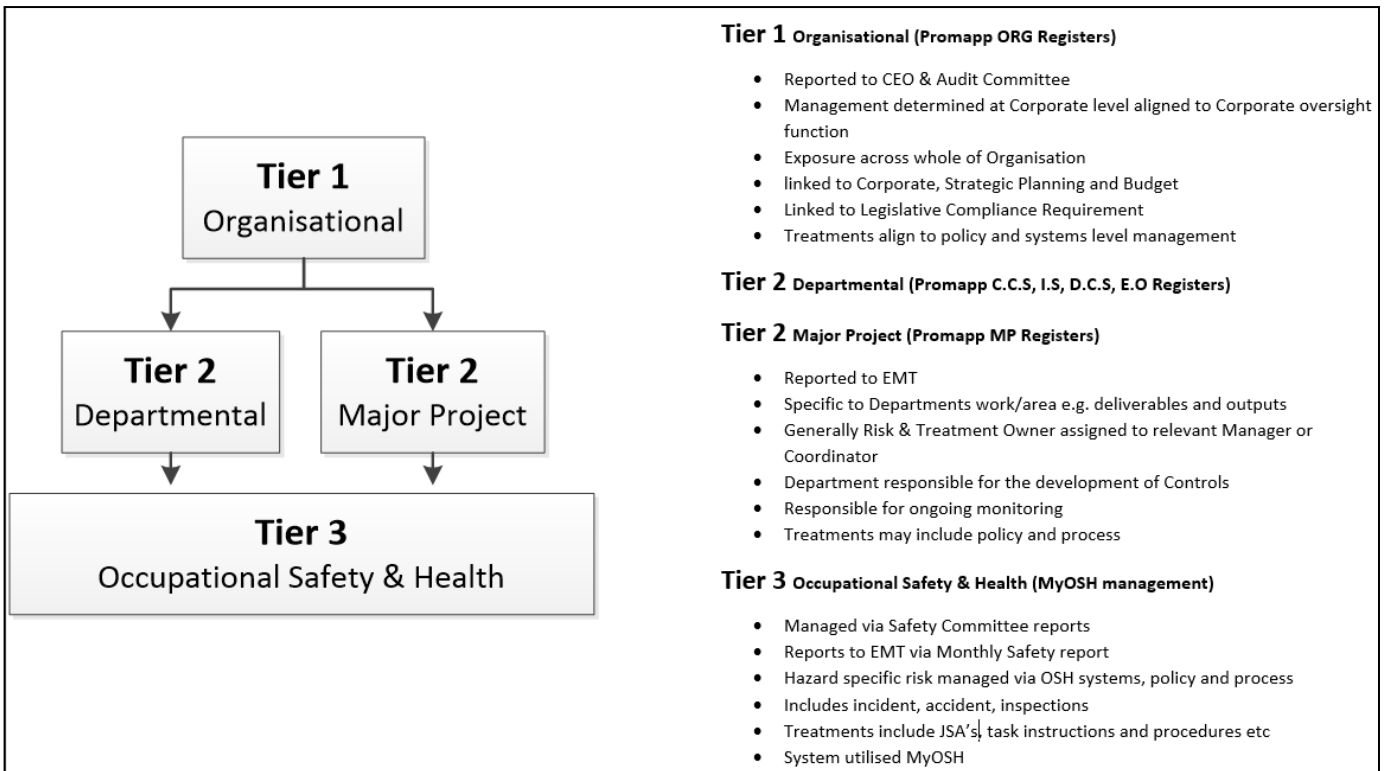
Figure extracted 7 Sept 2017

Over the last 12 months all except 2 operational areas have had 2 full risk workshops (the remaining areas have had 1 workshop each). This has enabled the City to effectively identify risks requiring management.

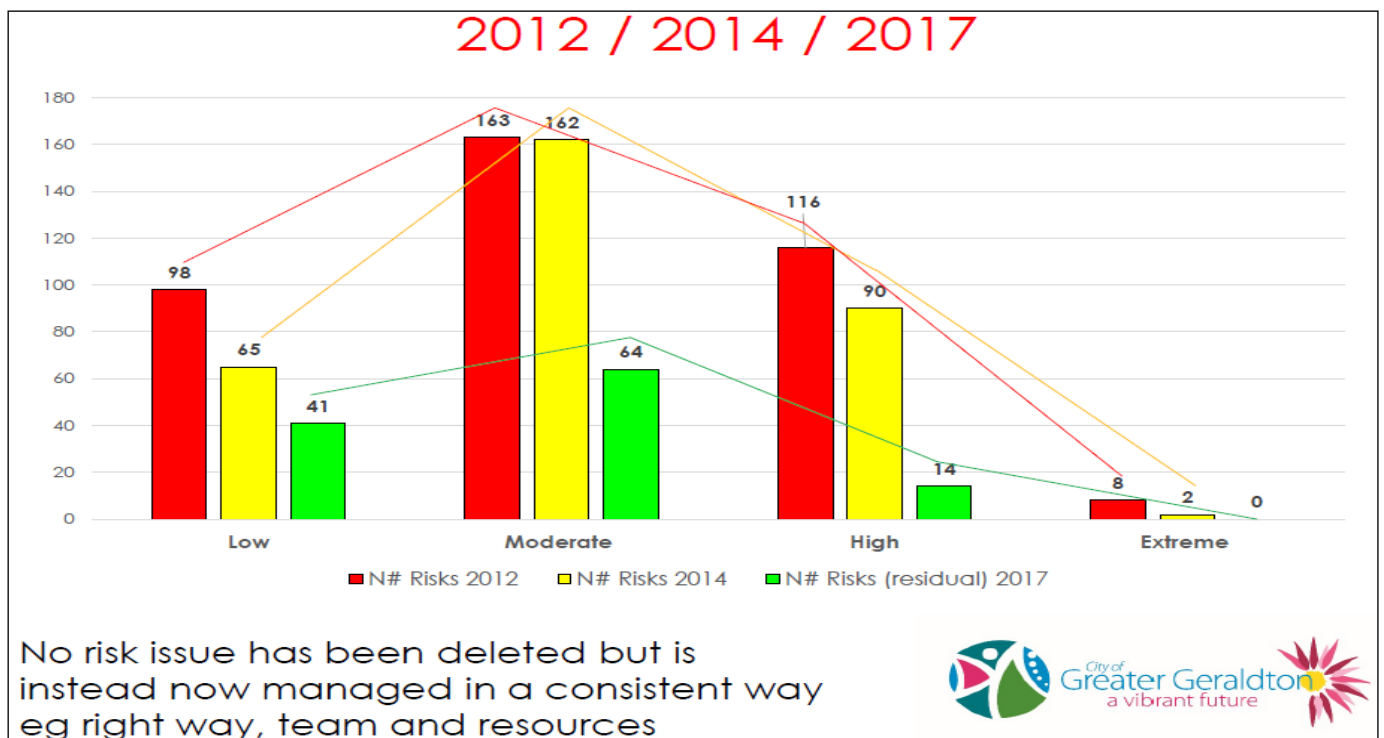
It should be noted in the implementation of Promapp, the City aligned all risk into three categories as follows.

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





This risk hierarchy has enable the City to successful remove risk duplication - see following comparisons of risk.



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

**Economic:**

There are no economic impacts.

**Social:**

There are no social impacts.

**Environmental:**

There are no environmental impacts.

**Cultural & Heritage:**

There are no cultural or heritage impacts.

**RELEVANT PRECEDENTS:**

This item has the following relevant precedents.

1. AC039- Status of City Risk Management Activities
2. AC044 – Status of Risk Management & Compliance Activities

**COMMUNITY/COUNCILLOR CONSULTATION:**

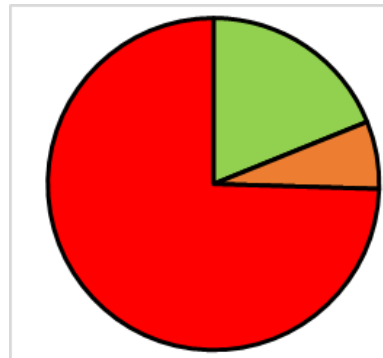
No consultation was undertaken in reference to this item.

**Risk Treatments**

Currently all risks identified in Promapp have a documented treatment plan listed either for development or confirmed as being in place.

An internal audit of 540 risk treatments and actions confirmed the following,

1. **18.9% TREATMENT ACHIEVED**  
compliant sign off, treatment plan in place
2. **6.6% PARTIALLY COMPLIANT**  
basic treatment achieved however further work required.
3. **74.6% NON-COMPLIANT**  
documented treatment not in place or overdue (see notes below)



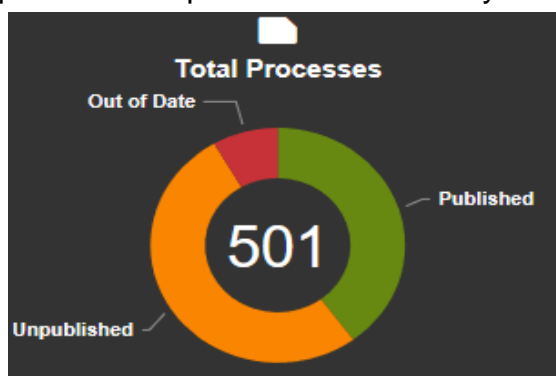
Note: that the treatments are inclusive of documented recorded to trim (City record management system) such as policies, procedures, management plans, checklists as well as documented processes in Promapp. While it is obviously preferential to document all treatments, it is acknowledged that in most cases risk is still being managed by the department.

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

The City is currently reviewing resource requirements to ensure all risk treatments are successful documented.

**Promapp Process Module Implementation**

Since its implementation the City has commenced recording all business processes into Promapp. The graph below summarises the current number of processes captured across the City.



Published	200
Unpublished	260
Out of Date	41

Graph as at 13 Sept 2017

42 teams have successfully commenced recording processes into Promapp with 9 departments yet to record processes in Promapp.

**Promapp Training**

The City has successfully trained 8 internal Promapp Champions to provide Promapp support to all staff. All Department have completed Promapp training.

**LEGISLATIVE/POLICY IMPLICATIONS:**

This item has compliance and policy implications as follows;

1. Local Government (Audit) Regulations 1996 Regulation 17
2. Department of Local Government & Communities Integrated Planning
3. City of Greater Geraldton Risk Management Framework
4. Council Policy 4.7 Risk Management

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Good Governance & Leadership
Strategy 4.5.2	Ensuring finance and governance policies, procedures and activities align with legislative requirements and best practice

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

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

**RISK MANAGEMENT**

The purpose of this report is wholly associated with the current risk management practices in the City.

**ALTERNATIVE OPTIONS CONSIDERED**

No alternatives were considered.

**COMMITTEE DECISION:**

**MOVED** Cr McIlwaine , **SECONDED** Cr Caudwell

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

- 1. NOTE the City of Greater Geraldton's status with regards to:**
  - a. The status of the City's risk management.**
  - b. The status of Promapp.**
  - c. Require the City provide a full risk management report to Council by 19 December 2017**

**CARRIED 4/0**

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

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AC055	RISK MANAGEMENT FRAMEWORK REVIEW
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<b>AGENDA REFERENCE:</b>	<b>D-17-72661</b>
<b>AUTHOR:</b>	<b>B Pearce, Coordinator Procurement &amp; Risk</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Corporate &amp; Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>19 September 2017</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020</b>
<b>APPLICANT / PROPONENT:</b>	<b>City of Greater Geraldton</b>
<b>ATTACHMENTS:</b>	<b>Yes (x2)</b>
	<b>A. Risk Management Framework version 4</b>
	<b>B. RMF Comparison Table</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to seek the Audit Committee's endorsement of the updated Risk Management Framework.

**EXECUTIVE RECOMMENDATION;**

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

1. Endorse the updated Risk Management Framework; and
  - a. Required the updated Risk Management Framework be presented to Council for endorsement.

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

The Risk Management Framework requires a review every 2 years. The City completed this review and recommends it be updated to reflect the City's implementation of the Promapp Risk Module and increased maturity in the management of risk.

Please refer to the attached *Risk Management Framework Comparison* table for full details of recommend amendments inclusive of the reasons for the proposed changes.

**ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:****Economic:**

There are no economic impacts.

**Social:**

There are no social impacts.

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

**Environmental:**

There are no environmental impacts.

**Cultural & Heritage:**

There are no cultural or heritage impacts.

**RELEVANT PRECEDENTS:**

This item has the following relevant precedents;

1. AC039- Status of City Risk Management Activities
2. AC044 – Status of Risk Management & Compliance Activities

**COMMUNITY/COUNCILLOR CONSULTATION:**

The updated Risk Management Framework was issued for consultation to all City EMT and Management on 8 August 2017.

In addition the recommend updated was issued to Councillors on ## August 2017 requesting review and comments.

**LEGISLATIVE/POLICY IMPLICATIONS:**

This item has compliance and policy implications as follows;

1. Local Government (Audit) Regulations 1996 Regulation 17
2. Department of Local Government & Communities Integrated Planning
3. City of Greater Geraldton Risk Management Framework
4. Council Policy 4.7 Risk Management

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Good Governance & Leadership
Strategy 4.5.2	Ensuring finance and governance policies, procedures and activities align with legislative requirements and best practice

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT**

The purpose of this report is wholly associated with the current risk management practices in the City. This amendment ensures the continued management of risk in an efficient contemporary means.

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

**ALTERNATIVE OPTIONS CONSIDERED**

The following options were considered by City Officers:

Maintain the Version 3 risk management process and rating levels, this option however was not recommended as the City had identified issues with version 3 of the Risk Management Framework which was designed for manual management of risk. The recommend updated ensure the City can make full use of the Promapp Risk Module and update process to ensure efficiency gains in process.

**COMMITTEE DECISION:**

**MOVED** Cr McIlwaine , **SECONDED** Cr Caudwell

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

- 1. Endorse the updated Risk Management Framework; and**
  - a. Required the updated Risk Management Framework be presented to Council for endorsement.**

**CARRIED 4 /0**

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

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AC056	STATUS OF BUSINESS CONTINUITY PLAN
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<b>AGENDA REFERENCE:</b>	<b>D-17-72652</b>
<b>AUTHOR:</b>	<b>B Pearce, Coordinator Procurement &amp; Risk</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Corporate &amp; Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>20 September 2017</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020</b>
<b>APPLICANT / PROPONENT:</b>	<b>City of Greater Geraldton</b>
<b>ATTACHMENTS:</b>	<b>No</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to provide the Audit Committee with an update on the City's Business Continuity Plan (BCP).

**EXECUTIVE RECOMMENDATION;**

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

1. NOTE the City of Greater Geraldton's updated Business Continuity Plan; and
2. HOLD a BCP exercise in the first quarter 2018;
  - a. Require a report back to the Audit Committee on the completion of a BCP exercise.

**PROponent:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

The City has during the period of May – August updated the Continuity Plan (BCP) to reflect recent amendments to the City's structure and services.

A BCP desktop exercise was deferred in recent months due to the disruption associated with the recruitment of the CEO and a number of management roles.

The BCP still requires some critical functions to be finalised in Promapp. This will be completed over the next 6 – 12 months depending on resource availability and process criticality. Once this is completed the BCP will be able to respond to the loss of core operational staff which is the final outstanding BCP response scenario.

The BCP is ready for an exercise associated with the loss of core operational ICT and infrastructure resources.

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



It is expected that once all positions are filled and processes are captured a desktop exercise shall be scheduled in the first quarter of 2018.

### **ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:**

#### **Economic:**

There are no economic impacts.

#### **Social:**

There are no social impacts.

#### **Environmental:**

There are no environmental impacts.

#### **Cultural & Heritage:**

There are no cultural or heritage impacts.

### **RELEVANT PRECEDENTS:**

This item has the following relevant precedents;

1. AC039- Status of City Risk Management Activities
2. AC044 – Status of Risk Management & Compliance Activities

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

No consultation was undertaken in reference to this item.

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

This item has compliance and policy implications as follows;

1. Local Government (Audit) Regulations 1996 Regulation 17
2. Department of Local Government & Communities Integrated Planning
3. City of Greater Geraldton Risk Management Framework
4. Council Policy 4.7 Risk Management

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

There are no financial or resource implications.

### **INTEGRATED PLANNING LINKS:**

Title: Governance	Good Governance & Leadership
Strategy 4.5.2	Ensuring finance and governance policies, procedures and activities align with legislative requirements and best practice

### **REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

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

**RISK MANAGEMENT**

The BCP is a major risk mitigation to the disruption to City operations. Its successful implementation has better equipped the City to deal with a potential disruption.

**ALTERNATIVE OPTIONS CONSIDERED**

No alternatives were considered.

**COMMITTEE DECISION:**

**MOVED** Cr McIlwaine , **SECONDED** Cr Caudwell

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

1. **NOTE** the City of Greater Geraldton's updated Business Continuity Plan;
2. **HOLD** a BCP exercise in the first quarter 2018;
  - a. **Require** a report back to the Audit Committee on the completion of a BCP exercise.
3. **REQUIRE** the CEO to provide the first draft of the Business Continuity Plan to the Audit Committee by 30 March 2018.

**CARRIED 4/0**

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

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AC057	INFORMATION TECHNOLOGY INTERNAL AUDIT REPORT
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<b>AGENDA REFERENCE:</b>	<b>D-17-72994</b>
<b>AUTHOR:</b>	<b>A Van der Weij, Financial Accountant</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Department of Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>19 September 2017</b>
<b>FILE REFERENCE:</b>	<b>FM/3/0003</b>
<b>APPLICANT / PROPONENT:</b>	<b>City of Greater Geraldton</b>
<b>ATTACHMENTS:</b>	<b>Yes x1 A. Internal Audit Report</b>

**EXECUTIVE SUMMARY:**

This report provides the Audit Committee with the Information Technology Internal Audit Report presented by AMD Chartered Accountants.

**EXECUTIVE RECOMMENDATION;**

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

1. NOTE the findings and recommendations described in the Information Technology Internal Audit Report; and
2. ENDORSE actions (to be) taken by staff to resolve items identified in the report.

**PROponent:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

The Audit Committee at their meeting on 21 February 2017 endorsed the implementation of the Strategic Internal Audit Plan.

The Information Technology Internal Audit is the first audit conducted as part of an ongoing range of scheduled Internal Audits and Reviews in order to meet the City's internal audit objectives and statutory requirements.

**ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:****Economic:**

There are no economic impacts.

**Social:**

There are no social impacts.

**Environmental:**

There are no environmental impacts.

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

**Cultural & Heritage:**

There are no cultural or heritage impacts.

**RELEVANT PRECEDENTS:**

There are no relevant precedents.

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government (Audit) Amendment Regulations 2013 Regulation 17.*

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Good Governance & Leadership
Strategy 4.5.2	Ensuring finance and governance policies, procedures and activities align with legislative requirements and best practice

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT****ALTERNATIVE OPTIONS CONSIDERED**

No alternatives have been considered.

**COMMITTEE DECISION:**

**MOVED** Cr Caudwell, **SECONDED** Cr McIlwaine

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

1. **NOTE** the findings and recommendations described in the Information Technology Internal Audit Report; and
2. **ENDORSE** actions (to be) taken by staff to resolve items identified in the report.

**CARRIED 4 /0**

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

AC058	AUDIT REPORT CITY OF GREATER GERALDTON 2016/2017
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<b>AGENDA REFERENCE:</b>	<b>D-17- 70574</b>
<b>AUTHOR:</b>	<b>A Van der Weij, Financial Accountant</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Department of Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>19 September 2017</b>
<b>FILE REFERENCE:</b>	<b>FM/3/0003</b>
<b>APPLICANT / PROPONENT:</b>	<b>City of Greater Geraldton</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1)</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to present to the Audit Committee the audit report for the financial period ending 30 June 2017

**EXECUTIVE RECOMMENDATION;**

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

1. ADOPT the Audit Report for the financial period ending 30 June 2017.
2. ENDORSE actions taken by staff to resolve any items identified in the audit reports; and
3. NOTE that for the annual financial report for the year ended 30 June 2017 the Auditor has provided an unqualified audit opinion.

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

The interim audit was conducted by AMD Chartered Accountants from the 6 to the 9 of February 2017 and the final on-site audit from the 4 to the 7 of September 2017. At the conclusion of these audits, the Auditor issue two reports:

- An Independent Auditor's Report to the Ratepayers dated 20 September 2017.
- A Report to the Audit Committee dated 20 September 2017 on the key findings and analysis.

Attached is the report addressed to the Audit Committee by the Auditor. In this report, the auditor has noted:

- The year-end observations with no specific Auditor comments and recommendations for the year ended 30 June 2017;

A copy of the audited financial statements for 2016-17, is attached for the information of the Audit Committee.

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

The auditor will be in attendance at the Audit Committee meeting via a telephone link up.

**ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:**

**Economic:**

There are no economic impacts.

**Social:**

There are no social impacts.

**Environmental:**

There are no environmental impacts.

**Cultural & Heritage:**

There are no cultural or heritage impacts.

**RELEVANT PRECEDENTS:**

The Audit Committee reviewed the Annual Report 2015/2016 for the City of Greater Geraldton on 3 October 2016, AC045.

**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 shortly, then released to the community. The annual report is subsequently presented to an annual electors meeting.

**LEGISLATIVE/POLICY IMPLICATIONS:**

Part 7 Division 3 of the Local Government Act 1995, regulation 16 *Local Government (Audit) Regulations 1996*:

**16. *Audit committee, functions of***

*An audit committee —*

*(a) is to provide guidance and assistance to the local government —*

*(i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*

*(ii) as to the development of a process to be used to select and appoint a person to be an auditor;*

*and*

*(b) may provide guidance and assistance to the local government as to —*

*(i) matters to be audited; and*

*(ii) the scope of audits; and*

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

*(iv) the carrying out of its functions relating to other audits and other matters related to financial management;*

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

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Good Governance & Leadership
Strategy 4.5.2	Ensuring finance and governance policies, procedures and activities align with legislative requirements and best practice

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT****ALTERNATIVE OPTIONS CONSIDERED**

There were no alternative options considered

**COMMITTEE DECISION:**

**MOVED** Cr McIlwaine , **SECONDED** Cr Caudwell

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

1. **ADOPT** the Audit Report for the financial period ending 30 June 2017.
2. **ENDORSE** actions taken by staff to resolve any items identified in the audit reports; and
3. **NOTE** that for the annual financial report for the year ended 30 June 2017 the Auditor has provided an unqualified audit opinion.

**CARRIED 4/0**

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

**5 MEETING CLOSURE**

There being no further business the meeting was declared closed at 4.47pm

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

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