



AUDIT COMMITTEE MEETING
MINUTES

23 JANUARY 2024

TABLE OF CONTENTS

1 DECLARATION OF OPENING THE MEETING WAS DECLARED OPEN BY MAYOR CLUNE AT 3.30PM..... 2

2 ATTENDANCE 2

3 CONFIRMATION OF PREVIOUS MINUTES 2

4 ITEMS FOR AUDIT COMMITTEE REVIEW 4

AC135 2022-23 ANNUAL FINANCIAL REPORT 4

AC136 RISK MANAGEMENT UPDATE..... 8

AC137 2023 - 2024 WORK HEALTH & SAFETY IMPLEMENTATION PLAN..... 14

AC138 APPLICATION OF COUNCIL POLICY 4.28 MANAGING UNREASONABLE CUSTOMER CONDUCT 18

AC139 CONFIDENTIAL - CYBERSECURITY RISK REDUCTION ACTIVITIES 22

AC140 PROGRESS REPORT ON AUDIT RECOMMENDATIONS– JANUARY 2024. 23

AC141 STRATEGIC INTERNAL AUDIT PLAN 2021-2025..... 26

AC142 COMPLIANCE AUDIT RETURN 2023..... 30

5 FRAUD CONTROL – STANDING ITEM..... 33

AC143 FRAUD AND CORRUPTION CONTROL PLAN AUDIT 2022 33

6 GENERAL BUSINESS/ LATE ITEM 36

7 MEETING CLOSURE 36

CITY OF GREATER GERALDTON**AUDIT COMMITTEE MEETING
HELD ON TUESDAY 23 JANUARY 2024 AT 3.30PM
IN THE GREENOUGH ROOM – CIVIC CENTRE****M I N U T E S**

- 1 DECLARATION OF OPENING** The meeting was declared open by Mayor Clune at 3.30pm

2 ATTENDANCEPresent:

Mayor Clune
Cr Colliver
Cr Denton
Cr Librizzi

Officers:

R McKim, Chief Executive Officer
P Radalj, Director Corporate Services
N Jane, Chief Financial Officer
B Pearce, Manager Corporate Compliance and Safety
D Duff, Manager ICT Services
M Adam, Minute Secretary

By Invitation:

Nil

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 12 December 2023 as attached be accepted as a true and correct record of proceedings.

MOVED: Cr Denton SECONDED: Cr Colliver

COMMITTEE DECISION

That the minutes of the City of Greater Geraldton Audit Committee meeting held on 12 December 2023 as attached be accepted as a true and correct record of proceedings.

CARRIED 4/0

Name	Vote (For or Against)
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

4 ITEMS FOR AUDIT COMMITTEE REVIEW

AC135	2022-23 ANNUAL FINANCIAL REPORT
-------	---------------------------------

AGENDA REFERENCE:	D-23-168158
AUTHOR:	Nita Jane, Chief Financial Officer
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	2 January 2024
FILE REFERENCE:	GO/11/0020-002
ATTACHMENTS:	Yes (x4) 2 x Confidential
	A. 2022-23 Annual Financial Report
	B. Auditors Report 2022-23
	C. Confidential – Management Letter
	D. Confidential – Auditors Closing Report

EXECUTIVE SUMMARY:

The purpose of this report is for the Audit Committee to consider and accept the 2022-23 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 2023;
2. RECEIVE the Audit Report for the financial year ended 30 June 2023;
3. NOTE that the Auditor has provided an unqualified audit opinion for the Annual Financial Report year ended 30 June 2023;
4. RECOMMEND to Council the adoption of the Audited Financial Report for the year ended 30 June 2023;
5. NOTE the findings identified during the audit and REQUEST they be listed for review until completed.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

In accordance with s6.4 of the *Local Government Act 1995*, the 2022-23 Annual Financial Report was prepared and submitted to the Office of the Auditor General on 29 September 2023.

The audit was completed by RSM Australia on behalf of the Office of the Auditor General (OAG). The final audit site visit was conducted from 2 to 6 October 2023. On the 12 December 2023, the Audit Committee met with representatives from the Office of the Auditor General and contract auditor RSM Australia for the audit Exit Meeting. Draft reports were presented and discussed.

At the conclusion of the audit, the following final reports have been issued:

- Independent Auditor's Report
- Management Letter
- Auditors Closing Report

These reports along with the Audited Financial Report for the year ended 30 June 2023 are attached for the information of the Audit Committee.

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 fulfill 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:

Item AC122 - 2021-22 Annual Financial Report (held on 13 December 2022).

COMMUNITY/COUNCILLOR CONSULTATION:

No community consultation has been undertaken. The Annual Financial Report and Audit Report 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 meeting of electors and made available on the City website.

LEGISLATIVE/POLICY IMPLICATIONS:

Local Government Act 1995, section 1.4 Terms used:

auditor means —

(a) *in relation to an audit, other than a performance audit —*

(i) in relation to a local government that has an audit contract that is in force — a person for the time being appointed under Part 7 Division 2 to be the auditor of the local government; and

(ii) in relation to a local government that does not have an audit contract that is in force — the Auditor General;

and

(b) *in relation to a performance audit — the Auditor General;*

Local Government Act 1995, section 6.4 Financial report:

(1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.

(2) The financial report is to —

(a) be prepared and presented in the manner and form prescribed; and

(b) contain the prescribed information.

(3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —

(a) the accounts of the local government, balanced up to the last day of the preceding financial year; and

(b) the annual financial report of the local government for the preceding financial year.

Local Government Act 1995, section 7.12AD Reporting on a financial audit:

(1) The auditor must prepare and sign a report on a financial audit.

(2) The auditor must give the report to —

(a) the mayor, president or chairperson of the local government; and

(b) the CEO of the local government; and

(c) the Minister.

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.

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
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 4.7	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 auditor. These ratings are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequences 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.

MOVED: Cr Librizzi SECONDED: Cr Colliver

COMMITTEE DECISION

1. **RECEIVE the Annual Financial Report for the financial year ended 30 June 2023;**
2. **RECEIVE the Audit Report for the financial year ended 30 June 2023;**
3. **NOTE that the Auditor has provided an unqualified audit opinion for the Annual Financial Report year ended 30 June 2023;**
4. **RECOMMEND to Council the adoption of the Audited Financial Report for the year ended 30 June 2023;**
5. **NOTE the findings identified during the audit and REQUEST they be listed for review until completed.**

CARRIED 4/0

Name	Vote (For or Against)
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

AC136	RISK MANAGEMENT UPDATE
-------	------------------------

AGENDA REFERENCE:	D-23-168176
AUTHOR:	B Pearce, Manager Corporate Compliance & Safety
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	28 November 2023
FILE REFERENCE:	GO/11/0020-002
ATTACHMENTS:	Yes (x2) A. 2023 Strategic Risk Workshop B. City of Greater Geraldton Strategic Risk Review Summary Report Final

EXECUTIVE SUMMARY:

The purpose of this report is to provide an update to the Audit Committee as to the City of Greater Geraldton's risk management profile.

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 status of the City of Geraldton Geraldton's risk management profile;
2. REQUIRE the CEO to report back to the Audit Committee the ongoing status of the City's risk profile which is to include;
 - a. An updated management action plan to close out the LGIS/Marsh report findings;
 - b. An update on the completed enterprise risks internal review program; and
 - c. A completed risk maturity assessment.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

In accordance with the *Local Government (Audit) Regulation 1996, section 17*, and the City of Greater Geraldton Risk Management Framework, the City is required to report on the effectiveness of the organisations management of risk. This report provides an update on the status of the City's risk management, and the risk review programs in program. Moderate or low risks of an operational or departmental nature are not included in this report.

Strategic Risk Review:

In July 2023 the City engaged LGIS WA/Marsh Advisory to facilitate a risk review program with the City's Executive Management Team. This review involved a desktop review of the City's Risk Management Framework, its supporting documents, and the City's Strategic Risk Register. For the purpose of this review the City defined Strategic risks as external risk exposures that the City cannot prevent, and which have a significant impact to the City's ability to achieve its future plans and ongoing viability.

Following this document review a facilitated risk review workshop was conducted by LGIS WA/Marsh Advisory. This workshop assisted the Executive Management Team assess and update the strategic risks impacting the City of Greater Geraldton. This updated strategic risks is attached to this report.

Upon completion of the document review and the workshop, LGIS WA/Marsh Advisory provided the Strategic Risk Review Summary Report (attached). This report detailed the risk review program deliverables and provided the following key findings.

Key findings:

- There is a positive appetite for increased organisational awareness of risk management processes, and communication at executive level to review control and treatment actions.
- Actionable deliverables and internal processes are heavily aligned to personnel, rather than a position function. Documented position or departmental allocations would decrease a risk of information loss, inform capacity of position functions and strengthen internal reporting processes.
- The combined review of the City's Risk Framework, internal system risk register, and Council Policy 4.24 Risk Appetite & Tolerance would strongly benefit a consistent approach, analysis, evaluation and reporting of risk.
- The City would benefit from a structured monitoring and review of strategic risk treatments. This is best achieved following a determination and communication on monitoring and review schedules to guide all key stakeholders in achieving the Community Strategic Plan 2021-2031 Objectives.
- The monitoring and review of strategic risk treatments should link to the documented and structured review of Strategic Risk *Control Effectiveness* Ratings.
- Activities to drive the consistent application of risk management through internal engagement and management processes, on potential risks, would assist to decrease identified inconsistencies. The longer term goal, should the above recommendations be adopted, would be to switch from reactive observations, to a focus on preventative actions to achieve the identified Strategic Direction Outcomes.

The following provides the updated summary of the City's assessed strategic risks. This table details, the risk exposure and maps these risks to what Strategic Community Plan outcomes that could be impacted, and what risk theme(s) as per the Risk Management Framework the risk aligns with.

Risk Register Reference	Risk Exposure	Strategic Community Plan	Risk Theme
1330	Failure or loss of City asset or infrastructure	3.1 & 3.3	Assets - Asset Management Practices
1540	Cyber or Information Security Incident	4.8	Asset Management - ICT Systems & Infrastructure: & Operations - Business / Community Disruption / Emergency Event
1357	Major Emergency event (Natural or Human caused) with external agency management	1.4 & 3.6	Assets - Environmental Management & Operations - Business / Community Disruption / Emergency Event

Risk Register Reference	Risk Exposure	Strategic Community Plan	Risk Theme
New Risk	Major Bushfire Emergency event (Natural or Human caused)	1.4 & 3.6	<i>Assets</i> - Environmental Management & <i>Operations</i> - Business / Community Disruption / Emergency Event
1507	Work Health & Safety injury or Harm	4.3 & 4.5	<i>People</i> - Work, Health, Safety & Security Management Practices
1328	Reduction or Loss of External Funding	4.4	<i>Operations</i> - Financial Management
1359	Impact on operations due to shortage of resources e.g. Fuel, Gas, Electricity, Contractors, Utilities (Water etc.)	2.2, 4.4 & 4.9	<i>Operations</i> - Business / Community Disruption / Emergency Event
1337	Forced Organisational change	4.5 & 4.9	<i>Operations</i> - Business / Community Disruption / Emergency Event & <i>Operations</i> - Statutory, Regulatory or Other Compliance Obligations
1357	Climate Change impacts	3.1, 3.5 & 3.6	<i>Assets</i> - Asset Management Practices & <i>Operations</i> - Business / Community Disruption / Emergency Event
1360	Regional Population & Economic Decline	2.4 & 4.4	<i>Operations</i> - Business / Community Disruption / Emergency Event
1506	Organisational Culture	4.3 & 4.5	<i>People</i> - Work, Health, Safety & Security Management Practices
1334	Technology advances more rapidly than council is able to adapt	4.8	<i>Assets</i> - Management of Facilities / Venues / Events

Enterprise risk review:

The City commenced an internal review of the enterprise risks in October 2023. Enterprise risks as defined by the Risk Management Framework are risk to City operations, which the City has some ability to mitigate or prevent.

The enterprise risks internal review program issued the City's risk register to all managers and the executive management team, with guidance on the process to complete the annual review process. This review is to be completed by first quarter 2024.

High or Extreme Risks:

The City across its multiple risk registers currently has identified 16 risks with a rating of high, with none having a residual risk rating of extreme. Please note

these risks are subject to change following the enterprise risks internal review program.

These following high risks are currently listed in the City's risk register are listed in order over risk exposure severity.

Risk Register Reference	Risk Exposure	Risk Portfolios/Register
1494	Tenders Exceed budget	<i>MP.</i> Aquarena 50m Pool Upgrade
1549	Walkaway Nangetty Bridge 3014 at risk of failure	<i>ENT.</i> Enterprise Risk
260	Major Aerodrome Emergency Incident	<i>Branch</i> - Geraldton Airport
1355	Theft/Holdup of City Employees Transporting/handling Cash	<i>ENT.</i> Enterprise Risk
245	Major Security Incident/Event at City facilities or sites	<i>ENT.</i> Enterprise Risk
238	Emergency Evacuation of City Facility	<i>ENT.</i> Enterprise Risk
154	Major Disruption/Cancellation of City Event	<i>Branch</i> - Community & Cultural Development
1344	Potential Health/Disease Impacts to Mullewa Residents due to Wastewater / Effluent Treatment Systems	<i>Branch</i> - Maintenance Operations <i>Branch</i> - Land & Regulatory
296	Harm to minor under City guardianship for youth outreach program	<i>Branch</i> - Community & Cultural Development
1326	Injury or Illness to Community Member(s)	<i>ENT.</i> Enterprise Risk
1558	Inability to resource project: Contractors, Material, and Consultants	<i>MP.</i> Meru project
1598	Injury to a community member(s) or worker(s)	<i>MP.</i> RRG 23/24 GDS, NGY, WAW, FL, PL
198	Major Medical Emergency at City Facility or Site	<i>ENT.</i> Enterprise Risk
1500	Injury to a community member(s) or worker(s)	<i>MP.</i> Aquarena 50m Pool Upgrade
1481	Injury to a community member(s) or worker(s)	<i>MP.</i> Renewals 23/24 Footpaths Program
1562	Injury to a community member(s) or worker(s)	<i>MP.</i> Renewals 23/24 Roads Program

Note

MP. means Major Project risks, *ENT.* means Enterprise risks, and *Branch* are internal Branch or departmental risks

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

There are no adverse community impacts relating to this risk update.

Economy:

There are no adverse economic impacts relating to this risk update.

Environment:

There are no adverse environment impacts relating to this risk update.

Leadership:

The Audit Committee plays a key role in ensuring the City as a local government fulfills management and oversight responsibilities in relation to organisational and strategic risk management.

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

- AC039 – Status of City Risk Management Activities
- AC044 – Status of Risk Management & Compliance Activities
- AC084 – Risk Management Profile
- AC120 – Risk Management Profile

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

This item has compliance and polity implications as follows:

- *Local Government (Audit) Regulations 1996, Regulation 17*
- Department of Local Government, Sports, and Cultural Industries Integrated Planning Guideline
- City of Greater Geraldton Risk Management Framework
- Council Policy 4.7 Risk Management
- Council Policy 4.24 Risk Appetite and Tolerance

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications relating to the risk profile update.

INTEGRATED PLANNING LINKS:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership, and well informed decision-making.
Outcome 4.2	Decision making is ethical, informed, and inclusive
Outcome 4.5	A culture of safety, innovation and embracing change

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

The purpose of this report is wholly associated with current risk management practices in the City. Following completion of the internal review of the enterprise risks, the City shall update dates its risk maturity assessment.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternative options were considered as risk management is integral to City operations.

MOVED: Denton SECONDED: Colliver

COMMITTEE DECISION

1. **NOTE** the status of the City of Geraldton Geraldton's risk management profile;
2. **REQUIRE** the CEO to report back to the Audit Committee the ongoing status of the City's risk profile which is to include;
 - a. An updated management action plan to close out the LGIS/Marsh report findings;
 - b. An update on the completed enterprise risks internal review program; and
 - c. A completed risk maturity assessment.

CARRIED 4/0

Name	Vote (For or Against)
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

AC137 2023 - 2024 WORK HEALTH & SAFETY IMPLEMENTATION PLAN	
---	--

AGENDA REFERENCE:	D-23-160282
AUTHOR:	B Pearce, Manager Corporate Compliance & Safety
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	28 November 2023
FILE REFERENCE:	RM/8/0008
ATTACHMENTS:	Yes (x1) 2023 - 2024 Work Health & Safety Implementation Plan

EXECUTIVE SUMMARY:

The purpose of this report is to inform the Audit Committee of the current status of the City of Greater Geraldton 2023 - 2024 Work Health & Safety Implementation Plan.

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 2023 - 2024 Work Health & Safety Implementation Plan; and
2. REQUIRE an update on the status of the 2023 - 2024 Work Health & Safety Implementation Plan at the next Audit Committee.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

In May of this year, the City's Executive Management Team (EMT) reviewed and confirmed the City's draft 2023 - 2024 Work Health & Safety Implementation Plan (the Plan). The Plan was previously reported to the Audit Committee in the form of a Strategy, this was updated in the document development to a Plan. EMT accepted the Plan and confirmed that its final endorsement and implementation would be via the City's Safety & Health Committee.

In June of this year the City's Safety & Health Committee held a meeting. At this meeting the Health & Safety Representative's and the City's management representatives confirmed the Plan and endorsed its implementation. Following this endorsement the Plan was issued to all managers and uploaded to the City's Safety hub on the intranet for all staff to be able to access.

The Plan confirms 8 key activities that are required to be undertaken to support the implementation of Work Health & Safety (WHS) at the City.

These activities are as follows:

1. Complete all actions detailed in WHS Audit Action Plan.

2. Annual verification of the City's implementation, maintenance, and review of the Work Health & Safety Management System (WHSMS) across City operations.
3. The implementation of a risk management approach to managing health and safety to make every effort, where reasonably practicable, to eliminate or control risks from hazards, including psychosocial hazards associated with the workplace and the work performed by workers.
4. The establishment of measurable objectives and targets to facilitate continual improvement of health and safety in the workplace, with the aim of reducing work-related illness and injury.
5. The provision of appropriate health and safety training, and the dissemination of health and safety information to all City workers and others in the workplace. The communication of the WHS Policy and Plan throughout the City via public display, inductions, and training.
6. Consulting with workers and others (as required) about decisions that may affect their health and safety.
7. The provision of adequate human and financial resources to ensure effective implementation of the WHSMS.
8. The documentation and communication of health and safety responsibilities for all workers.

Following the plans commencement, EMT and the Safety & Health Committee receive reports on activities listed in the Plan monthly and when the full Safety & Health Committee meets. The Plan is a confirmed standing item on the Safety & Health Committee's agenda.

As detailed in the attached Plan extract, it provides direction on the regular actions that all workers or management is required to complete.

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

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

Economy:

There are no adverse economic impacts arising the Plan. The cost of compliance with WHS, however is noted as having an effect on the City, local businesses and community associations. This is due to the requirement for all parties to have documented an effective administration process relating to proactively managing safety.

Environment:

There are no adverse environmental impacts.

Leadership:

The City's establishment of a compliant WHS System that is supported by a Plan, demonstrates the City's ongoing leadership in ensuring effective application and management of the City's WHS systems.

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 as follows:

- AC091 Work Health & Safety Bill update.
- AC108 Work Health & Safety update.
- AC116 Internal audit safety management systems improvement action plan update.
- AC123 LGIS External Audit of Work Health & Safety Systems.

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

Work Health & Safety Act 2020

Work Health & Safety Regulations 2022

Operational Policy 041 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 WHS obligations require the application of resources to meet compliance obligations. Such operational requirements are accounted for in the City's workforce planning and annual budget process.

INTEGRATED PLANNING LINKS:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership, and well-informed decision-making.
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 compliant WHSMS is a critical risk management and compliance control for the City.

The Plan shall be a primary risk mitigation management plan supporting the City's management of WHS risks into the future.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternatives have been considered.

MOVED: Cr Librizzi SECONDED: Cr Colliver

COMMITTEE DECISION

1. **RECEIVE** the 2023 - 2024 Work Health & Safety Implementation Plan; and
2. **REQUIRE** an update on the status of the 2023 - 2024 Work Health & Safety Implementation Plan at the next Audit Committee.

CARRIED 4/0

Name	Vote (For or Against)
Mayor J Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

AC138	APPLICATION OF COUNCIL POLICY 4.28	MANAGING UNREASONABLE CUSTOMER CONDUCT
-------	------------------------------------	--

AGENDA REFERENCE:	D-23-161843
AUTHOR:	N Hope, Manager Organisational Development
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	30 November 2023
FILE REFERENCE:	GO/19/0008
ATTACHMENTS:	No

EXECUTIVE SUMMARY:

The purpose of this report is to update the Audit Committee on the application of Council Policy *4.28 Managing Unreasonable Customer Conduct*, listing the number of customers to whom the policy has applied in the 2022/23 reporting year.

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 information provided below in relation to Council Policy 4.28 Managing Unreasonable Customer Conduct.
2. REQUIRE the CEO to report back annually to the Audit Committee at the first meeting held after the close of the relevant financial year.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The City of Greater Geraldton Council Policy - *4.28 Managing Unreasonable Customer Conduct* has a set of strategies to manage the risks to the City's resource management, staff health and productivity, posed by a growing prevalence of unreasonable conduct by a small number of high-demand customers.

The policy objectives are to provide the overarching principles and guidance as the basis for a fair, equitable and transparent mechanism for dealing with unreasonable conduct by customers that will achieve an effective balance between:

- Meeting the genuine needs of customers fairly and equitably;
- Providing a safe working environment for staff, volunteers and elected members;
- Providing a safe experience for customers of the City; and
- Ensuring that City resources are used efficiently, effectively and equitably, to manage the City's responsibilities to discharge its statutory functions and represent the interests of all persons in the District.

Council Policy 4.28 *Managing Unreasonable Customer Conduct*, reporting requirements list that annually, at the first Audit Committee meeting held after the close of the relevant financial year, the Chief Executive Officer (CEO) will report to the committee.

In the 2022/23 financial year, the City of Greater Geraldton reports the following:

<i>The number of customers to whom this policy has been applied in 2022/23:</i>	1
<i>The nature of the unreasonable conduct:</i>	<i>Poor Conduct</i>
<i>The action taken or limits imposed:</i>	<i>Letter sent to customer in May 2023, to advise that the restriction on contact with the City would remain in place only permitting written correspondence, this was expanded on with the addition of one employee name that could be contacted via the telephone, however, only relating to one planning application matter.</i>
<i>The number of reviews undertaken and their outcomes:</i>	One

Although the City still experiences an unacceptable level of unreasonable conduct by customers applying this policy more frequently has been mitigated due to security or police attendance (where serious enough) and the enforcement of orders placed on individuals by the courts prohibiting their attendance at the Council office.

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

This policy is aimed at unreasonable conduct that falls well outside of community norms and is expected to affect only a very few persons, who will receive prior warnings of the consequences of their conduct or behaviour.

Economy:

This policy addresses growing issues that left unattended may result in unnecessary costs to the productivity and operational efficiency of the City, as well as costs associated with stress-related impacts on employee's health.

Environment:

There are no adverse environmental impacts.

Leadership:

The *Local Government Act 1995* requires that Councils establish good governance principles through the introduction of policies and guidelines.

Providing a safe working and customer friendly environment is a key responsibility of management.

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

Council review or amend Council Policies as and when required.

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation in 2022/23.

LEGISLATIVE/POLICY IMPLICATIONS:

Pursuant to section 2.7 of the *Local Government Act 1995* the role of Council includes determination of Council Policies:

2.7. Role of council

- (1) *The council —*
 - (a) *governs the local government's affairs; and*
 - (b) *is responsible for the performance of the local government's functions.*
- (2) *Without limiting subsection (1), the council is to —*
 - (a) *oversee the allocation of the local government's finances and resources; and*
 - (b) *determine the local government's policies.*

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no current financial or resource implications. However, if there is an incident that requires security attendance, whether this be short or longer-term presence, this is an additional financial implication to the City.

INTEGRATED PLANNING LINKS:

Strategic Direction: Community	Aspiration: Our Culture and heritage is recognised and celebrated. We are creative and resilient. We can all reach our full potential.
Outcome 1.2	We are a community accountable for our actions
Outcome 1.4	Community safety, health and well-being is paramount
Strategic Direction: Economy	Aspiration: A healthy thriving and resilient economy that provides opportunities for all whilst protecting the environment and enhancing our social and cultural fabric.
Outcome 2.4	A desirable place to live, work, play, study, invest and visit
Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
Outcome 4.1	Meaningful customer experiences created for the people we serve
Outcome 4.3	Accountable leadership supported by a skilled and

	professional workforce
Outcome 4.5	A culture of safety, innovation and embracing change
Outcome 4.7	Council understands its roles and responsibilities and leads by example

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

Ensuring that the Council Policy Register is current and comprehensive supports the role of Council in the good government of the City of Greater Geraldton. Council Policy 4.28 and its associated processes is wholly associated with mitigating the risk to City employees and the users or attendees at City facilities.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternative options were considered by City Officers.

MOVED Cr Librizzi SECONDED Cr Denton

COMMITTEE DECISION

1. **NOTE** the information provided below in relation to Council Policy 4.28 Managing Unreasonable Customer Conduct.
2. **REQUIRE** the CEO to report back annually to the Audit Committee at the first meeting held after the close of the relevant financial year.

CARRIED 4/0

Name	Vote (For or Against)
Mayor J Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

AC139	CONFIDENTIAL	-	CYBERSECURITY	RISK	REDUCTION
ACTIVITIES					

AGENDA REFERENCE: D-23-170011
AUTHOR: D Duff, Manager ICT Services
EXECUTIVE: P Radalj, Director Corporate Services
DATE OF REPORT: 18 December 2023
FILE REFERENCE: GO/11/0020-002
ATTACHMENTS: Yes (x1) Confidential
 Draft ICT Disaster Recovery Plan

This item has been provided to the Audit Committee under separate cover

Note: This report to the Audit Committee has been listed as confidential , as it deals with a matter that if disclosed , could be reasonably expected to – impair the effectiveness of any lawful method of procedure for preventing , detecting , investigating or dealing with any contravention or possible contravention of the law s.5.23(2)(f)(i) Local Government Act 1995.

Only the Committee Decision is available for public record

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

- NOTE the risk reduction activities and their progress**

COMMITTEE DECISION

MOVED Cr Librizzi SECONDED Cr Colliver

- NOTE the risk reduction activities and their progress**

CARRIED 4/0

Name	Vote (For or Against)
Mayor J Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

Item Non AC139 remains confidential as it deals with a matter that if disclosed , could be reasonably expected to – impair the effectiveness of any lawful method of procedure for preventing , detecting , investigating or dealing with any contravention or possible contravention of the law s.5.23(2)(f)(i) Local Government Act 1995.

AC140	PROGRESS REPORT ON AUDIT RECOMMENDATIONS– JANUARY 2024
-------	---

AGENDA REFERENCE:	D-23-170788
AUTHOR:	N Jane, Chief Financial Officer & D Duff, Manager ICT Services
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	2 January 2024
FILE REFERENCE:	GO/11/0020-002
ATTACHMENTS:	Yes (x2) Confidential A. Progress Report on Financial and Regulation 17 Audit Recommendations – January 2024 B. Progress Report on ICT Audit Recommendations – January 2024

EXECUTIVE SUMMARY:

This report is to provide the Audit Committee with an update on the progress of actions taken by management to implement audit recommendations.

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 Management Actions from Financial Statement, Information System and internal audits.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The *Local Government Act 1995* requires the City to prepare an Annual Financial Report and submit it to the auditor. The auditor is to prepare a report on the financial audit and provide the report to the Mayor, the CEO and the Minister. In addition, regulations require additional reviews including a Financial Management Systems review (Local Government Financial Management Regulation) and Audit Regulation 17 review.

The Auditor General is responsible for undertaking the audit of the annual financial report. The City appointed AMD to complete the Financial Management Systems review and Audit Regulation 17 review which was conducted in 2021.

When receiving the audit reports, the Audit Committee requested progress updates on implementation of the proposed management actions.

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 audits assists the Audit Committee to fulfill its governance and oversight responsibilities. The report enables the Audit Committee to monitor the timeliness of agreed actions and understand the reasons for any delay.

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

Progress reports on audit recommendations provided to the committee:

- AC127 – IT Audit Reports – Progress on Actions – 13 December 2022
- AC126 – Progress Report on Management Actions from Audit Reports – 13 December 2022
- AC117 – Report on Management Actions Annual Financial Report and Audit Reports – 22 February 2022
- AC104 – Progress Report – Management Actions on Audits – 28 September 2021

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

Local Government Act 1995, section 1.4 – auditor means Auditor General

Local Government Act 1995, section 6.4 – requirement to prepare an annual financial report

Local Government Act 1995, section 7.12AD – auditor to prepare report on financial audit

Local Government (Audit) Regulations 1996, section 16 – audit committee functions

Local Government (Audit) Regulations 1996, section 17 – review of systems and procedures in relation to risk management, internal control and legislative compliance, conducted every 3 financial years

Local Government (Financial Management) Regulations 1996, section 5 – review of systems and procedures, conducted every 3 financial years

Council Policy 4.6 Information Security Management System

FINANCIAL AND RESOURCE IMPLICATIONS:

The annual budget makes provision for the conducting of required audit activities.

INTEGRATED PLANNING LINKS:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary
--	--

	leadership and well informed decision-making.
Outcome 4.2	Decision making is ethical, informed and inclusive
Outcome 4.7	Council understands its roles and responsibilities and leads by example
Outcome 4.8	Deliver secured technology that supports sustainability, the environment, service delivery and the community

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

Findings outlined in each audit report 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.

COMMITTEE DECISION

MOVED Cr Colliver SECONDED Cr Denton

- 1. RECEIVE the Progress Reports on Management Actions from Financial Statement, Information System and internal audits.**

CARRIED 4/0

Name	Vote (For or Against)
Mayor J Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

AC141	STRATEGIC INTERNAL AUDIT PLAN 2021-2025
-------	---

AGENDA REFERENCE:	D-23-171336
AUTHOR:	N Jane, Chief Financial Officer
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	3 January 2024
FILE REFERENCE:	GO/11/0020-002
ATTACHMENTS:	Yes (x2) Confidential
	A. Strategic Internal Audit Plan 2021-2025
	B. 2024 Internal Audit Proposal - AMD

The purpose of this report is to provide a progress update on the Strategic Internal Audit Plan for 2021-2025 and endorse actions for 2024. The key purpose of the plan is to ensure the implementation and establishment of adequate control systems, appropriate risk management and governance procedures to meet the City's objectives and statutory requirements.

EXECUTIVE RECOMMENDATION:

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

1. ENDORSE the auditable areas for 2024 as:
 - a. Annual review of Strategic Internal Audit Plan;
 - b. Review of prior year recommendations – Internal Audit;
 - c. Review of prior year recommendations – External Audit;
 - d. Fraud and Corruption Control Plan Audit (for 2023);
 - e. Financial Management Systems Review;
 - f. Audit Regulation Review;
 - g. Management of Compliance Obligations Review; and
2. REQUEST an update on progress at the next Audit Committee meeting.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

Internal audit provides independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

In September 2021, the Audit Committee endorsed the Strategic Internal Audit Plan for 2021-2025 (AC105). The audit areas identified and scheduled within the plan are summarised as follows:

Year 1 (2021) the following areas were audited, and actions undertaken:

- Review of Strategic Internal Audit Plan
- Review of prior year recommendations – internal and external audits
- Fraud and Corruption Control Plan

- Financial Management System Review (Reg 5)
- Audit Regulation 17 Review

Year 2 (2022) the following areas were audited, and actions undertaken:

- Review of Strategic Internal Audit Plan
- Review of prior year recommendations – internal and external audits
- Fraud and Corruption Control Plan

Since the endorsement of the Strategic Internal Audit Plan 2021-2025, the scope of the annual financial audits conducted by the Auditor General has expanded to include information systems. In addition, the Auditor General conducted the following performance audits:

- “State of Cyber Security in Local Government” in 2020-21; and
- “Information Systems – Local Government” in 2021-22.

These additional performance audits resulted in the decision not to conduct the planned Information Technology – Cyber Risk and Controls internal audit in 2022 as the scope was covered by the performance audit.

With the implementation of the new ERP System (IBIS), it is recommended that the audit of Project Tender and Contract Management originally planned for 2023 be rescheduled to 2025 once the implementation of the Supply Chain Management and Enterprise Asset Management modules in IBIS are completed. These modules incorporate project, contract, and tender management.

The internal auditor (Maria Cavallo - AMD Chartered Accountants) has been consulted on the proposed auditable areas and supports the proposal to include the following areas in the audit for 2024:

- Annual review of Strategic Internal Audit Plan
- Review of prior year recommendations – Internal Audit
- Review of prior year recommendations – External Audit
- Fraud and Corruption Control Plan Audit (for 2023)
- Financial Management Systems Review
- Audit Regulation Review
- Management of Compliance Obligations Review

Aligning the timing of these reviews will reduce duplication of effort by both the audit team and City officers, whilst providing a comprehensive review of these areas.

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

There are no adverse community impacts. Implementing this plan assists in ensuring 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 Audit Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to risk management, internal controls, and legislative compliance. The Strategic Internal Audit Plan outlines the required and proposed actions over the period of the plan.

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

The Audit Committee endorsed the Strategic Internal Audit Plan 2021-2025 at the meeting on 28 September 2021 (AC105).

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:

Provision is made in the budget to undertake reviews as required.

INTEGRATED PLANNING LINKS:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
Outcome 4.2	Decision making is ethical, informed and inclusive
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce
Outcome 4.7	Council understands its roles and responsibilities and leads by example

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

Auditable areas were identified by the Internal Auditor in conjunction with management, and defined in terms of the business risks, critical success factors and specific risk-based criteria. The criteria used to rank each area are as follows:

- Materiality/size – high priority was given to areas which involved larger dollar amounts.

- Strategic Importance – effort directed towards activities that are significant to the achievement of corporate objectives.
- Control Environment – consideration was given to the status of the current control environment.
- Inherent Risk – the level of risk associated with the nature of the underlying assets or the operations conducted by the activity.
- Regulatory Compliance – it is compulsory to comply with relevant legislation and regulations due to the nature of the industry.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternative options were considered.

COMMITTEE DECISION

MOVED Cr Colliver SECONDED Mayor Clune

1. **ENDORSE** the auditable areas for 2024 as:
 - a. Annual review of Strategic Internal Audit Plan;
 - b. Review of prior year recommendations – Internal Audit;
 - c. Review of prior year recommendations – External Audit;
 - d. Fraud and Corruption Control Plan Audit (for 2023);
 - e. Financial Management Systems Review;
 - f. Audit Regulation Review;
 - g. Management of Compliance Obligations Review; and
2. **REQUEST** an update on progress at the next Audit Committee meeting.

CARRIED 4/0

Name	Vote (For or Against)
Mayor J Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

AC142	COMPLIANCE AUDIT RETURN 2023
-------	------------------------------

AGENDA REFERENCE:	D-24-000453
AUTHOR:	M Adam, Coordinator Governance
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	2 January 2024
FILE REFERENCE:	GO/11/0020-002
ATTACHMENTS:	Yes (x1) Compliance Audit Return 2023

EXECUTIVE SUMMARY:

The purpose of this report is for the Audit Committee to review the 2023 Compliance Audit Return (CAR) for the purposes of providing a report on the review 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 2023.
2. REPORT to Council the results of the Audit Committee review of the Compliance Audit Return 2023, at the Ordinary Meeting of Council on 27 February 2024.

PROPONENT:

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 2023 to 31 December 2023 and prepare a Compliance Audit Return (CAR) in a form approved by the Minister.

The 2023 CAR is provided to the City by the Department of Local Government, Sport and Cultural Industries (the Department) and the areas of compliance are restricted to those considered high risk.

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:

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)*.

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

The Audit Committee reviewed the 2022 Compliance Audit Return for the City of Greater Geraldton on 14 March 2023 AC130 and submitted a report to the Council on 28 March 2023 (report CS028).

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:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
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.

COMMITTEE DECISION

MOVED Cr Librizzi SECONDED Cr Denton

- 1. REVIEW the results of the Compliance Audit Return 2023.**
- 2. REPORT to Council the results of the Audit Committee review of the Compliance Audit Return 2023, at the Ordinary Meeting of Council on 27 February 2024.**

CARRIED 4/0

Name	Vote (For or Against)
Mayor J Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

5 FRAUD CONTROL – STANDING ITEM

AC143	FRAUD AND CORRUPTION CONTROL PLAN AUDIT 2022
-------	--

AGENDA REFERENCE:	D-23-170878
AUTHOR:	N Jane, Chief Financial Officer
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	3 January 2024
FILE REFERENCE:	GO/11/0020-002
ATTACHMENTS:	Yes (x1) Confidential Fraud and Corruption Control Plan Audit 2022.

EXECUTIVE SUMMARY:

The purpose of this report is to present to the Audit Committee the Fraud and Corruption Control Plan Audit 2022.

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 2022;
2. ENDORSE the 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.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The Fraud and Corruption Control Plan was reviewed and updated in 2022 and endorsed by the Audit Committee on 13 December 2022 (AC129).

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 and Corruption Control Plan Audits. The audit is designed to assist the City to monitor and review its misconduct resistance approach. The purpose is to identify:

- Work areas where elements of the City misconduct resistance approach may need refreshing or improving; and
- Elements of the misconduct resistance approach that may need attention across the entire organisation.

In accordance with the Strategic Internal Audit Plan 2021-2025 and the City's Fraud and Corruption Control Plan 2022, AMD Chartered Accountants were engaged to undertake the review.

The audit was conducted between December 2022 through to February 2023. Their report is attached.

The report highlights the proposed areas of improvement in the City's current Framework to assist with implementation and communication of the FCCP and embedding fraud risk management into the City's culture. Findings are categorised into the following sections to align with Australian Standard AS 8001-2021: Fraud and Corruption Control:

- i. Foundation for Fraud and Corruption Control
 - a. 1 moderate risk finding
 - b. 1 low risk finding
- ii. Preventing Fraud and Corruption
 - a. 2 moderate risk findings
 - b. 1 low risk finding
- iii. Detecting Fraud and Corruption
 - a. 1 low risk finding
- iv. Responding to Fraud and Corruption Events
 - a. No findings

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 AS8001-2021 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:

AC118 – Fraud and Corruption Control Plan Audit 2021 – 22 February 2022

AC094 – Fraud and Corruption Plan Audit - 27 January 2023

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:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
Outcome 4.2	Decision making is ethical, informed and inclusive
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce
Outcome 4.7	Council understands its roles and responsibilities and leads by example

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

The City is exposed to risks of fraud and corruption because of the volume of goods and services procured, often from local suppliers, and because of the high degree of devolved decision making vested in local governments. The Fraud and Corruption Control Plan forms part of an active Framework that manages this risk through identifying and monitoring fraud risk and implementing rigour and controls with respect to identified risks.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternative options were considered.

COMMITTEE DECISION

MOVED Cr Denton SECONDED Cr Colliver

- 1. RECEIVE the Fraud and Corruption Control Plan Audit 2022;**
- 2. ENDORSE the 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.**

CARRIED 4/0

Name	Vote (For or Against)
Mayor J Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

6 GENERAL BUSINESS/ LATE ITEMResponse to Auditors Recommendations

The Mayor requested information on:

- the way in which the auditors view the City's response to auditors recommendations
- The auditors view of the City's ability to meet the auditors recommendations

Director Radalj advised that the City will advise the auditors if the City does not agree with the auditors recommendation/s. In some instances the auditors may amend their recommendations. The City will consult with the auditors until consensus is reached.

In some matters the City may advise that an action to mitigate an audit recommendation may be deferred due to the transition from one (old) system to a new system. The recommendation will be reviewed when the new system is implemented.

The City provides a management response to audit recommendations and there is an ongoing action report on the actions undertaken to address audit recommendations. The report is provided to the Audit Committee.

7 MEETING CLOSURE

There being no further business, the meeting was declared closed at **4.20pm**