



AUDIT COMMITTEE MEETING
MINUTES

23 OCTOBER 2018

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CITY OF GREATER GERALDTON**AUDIT COMMITTEE MEETING
HELD ON TUESDAY 23 OCTOBER 2018 AT 1.30PM
IN THE COMMITTEE MEETING ROOM – CIVIC CENTRE****MINUTES****1 DECLARATION OF OPENING**

The meeting was declared open at **1.31** pm by Chairman Mayor Shane Van Styn.

2 ATTENDANCEPresent:

Mayor S Van Styn
Cr N McIlwaine
Cr L Freer

Officers:

R McKim, CEO
B Davis, Director Corporate & Commercial Services
P Radalj, Manager Treasury and Finance
R Doughty, Financial Accountant
N Hope, Acting Manager Corporate Services
M Adam, Coordinator Governance (*Minutes*)

By Invitation:

M Cavallo - Auditor (by telephone)

Apologies:

Nil

Leave of Absence:

Nil

Absent:

Cr D Caudwell

3 CONFIRMATION OF PREVIOUS MINUTES

Recommendation: That the minutes of the City of Greater Geraldton Audit Committee meeting held on 15 March 2018 as attached be accepted as a true and correct record of proceedings.

Signed _____ Dated _____

COMMITTEE DECISION

MOVED Cr McIlwaine, SECONDED Cr Freer

That the minutes of the City of Greater Geraldton Audit Committee meeting held on 15 March 2018 ,as attached, be accepted as a true and correct record of proceedings.

CARRIED 3 /0

Signed _____ Dated _____

4 ITEMS FOR AUDIT COMMITTEE REVIEW

AC067	AUDIT REPORT CITY OF GREATER GERALDTON 2017/2018
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AGENDA REFERENCE:	D-18- 084842
AUTHOR:	R Doughty, Financial Accountant
EXECUTIVE:	B Davis, Director Corporate & Commercial Services
DATE OF REPORT:	11 October 2018
FILE REFERENCE:	GO/11/0020
ATTACHMENTS:	Yes (x2)
	A. 2017/2018 Financial Report
	B. 2017/2018 Management Letter

EXECUTIVE SUMMARY:

The purpose of this report is to present to the Audit Committee the audit report for the financial period ending 30 June 2018.

EXECUTIVE RECOMMENDATION:

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

1. ADOPT the Audit Report for the financial period ending 30 June 2018;
2. NOTE that for the annual financial report for the year ended 30 June 2018 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 5 to the 8 of February 2018 and the final on-site audit from the 3 to the 6 of September 2018. At the conclusion of these audits, the Auditor issue two reports:

- An Independent Auditor's Report to the Ratepayers dated 11 October 2018.
- A Report to the Audit Committee dated 11 October 2018 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 2018;

Signed _____ Dated _____

A copy of the audited financial statements for 2017/18, is attached for the information of the Audit Committee.

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 2016/2017 for the City of Greater Geraldton on 2 October 2017, AC058.

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. Functions of audit committee

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;*

Signed _____ Dated _____

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

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

There are no Risk Implications.

ALTERNATIVE OPTIONS CONSIDERED

There were no alternative options considered

COMMITTEE DECISION

MOVED Cr Freer, SECONDED Cr McIlwaine

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 2018;**
- 2. NOTE that for the annual financial report for the year ended 30 June 2018 the Auditor has provided an unqualified audit opinion.**

Carried 3/0

Signed _____ Dated _____

AC068	REVIEW OF AUDIT COMMITTEE CHARTER
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AGENDA REFERENCE:	D-18-062779
AUTHOR:	M Adam, Governance Coordinator
EXECUTIVE:	B Davis, Director Corporate and Commercial Services
DATE OF REPORT:	8 October 2018
FILE REFERENCE:	GO/11/0020
ATTACHMENTS:	Yes (x3)
	A. Draft Audit Committee Charter v1.6
	B. A Guide to Local Government Auditing Reforms June 2018
	C. Comparison Table

EXECUTIVE SUMMARY:

The purpose of this report is for the Audit Committee to review the Audit Committee Charter and identify any changes required, with reference to recent amendments to the *Local Government (Audit) Regulations 1996* in relation to the role of Audit Committees.

EXECUTIVE RECOMMENDATION:

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

1. ENDORSE amendments to the Audit Committee Charter v1.6

PROPONENT:

The proponent is the City of Greater Geraldton

BACKGROUND:

The Audit Committee Charter was last reviewed by the Audit Committee on 15 March 2018, AC059. On 27 June 2018 amendments were passed to the *Local Government (Audit) Regulations 1996* giving the Audit Committee a new role, with greater involvement in assisting the CEO to carry out reviews, under regulation 17, of systems and procedures concerning risk management, internal control and legislative compliance. The amendments empower the Committee to monitor and advise the CEO in relation to reviews of certain systems prescribed by the Audit Regulations and the *Local Government (Financial Management) Regulations 1996*.

The reforms are intended to assist CEO's to formulate recommendations to Council to address issues identified in reviews. The Audit Committee will also support the auditor as required, and have functions to oversee:

- The implementation of audit recommendations, made by the auditor and accepted by Council: and
- Accepted recommendations arising from reviews of local government systems and procedures.

Signed _____ Dated _____

The attached article from Civic Legal provides an overview of the changes (attachment AC068-D)

Suggested amendments to the Audit Committee Charter are noted in attachment AC068C - Comparison Table, and within Draft Audit Committee Charter v.1.6 - attachment AC068A, for the Audit Committees consideration.

COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:

Community:

There are no adverse community impacts.

Environment:

There are no adverse environment impact.

Economy:

There are no adverse economic impacts.

Governance:

An audit committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions. Clear and comprehensive terms of reference, setting out the committee's roles and responsibilities, are therefore essential.

RELEVANT PRECEDENTS:

The Audit Committee previously reviewed its charter on 15 March 2018, AC059.

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

Local Government (Financial Management) Regulations 1996

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

Amendments to the *Local Government (Audit) Regulations 1996* have changed the role of the Audit Committee, consequently amendments to the Audit Committee Charter are required to ensure that the Committee undertakes the new role as prescribed under the Regulations.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS

There were no alternative options considered by City officers.

COMMITTEE DECISION

MOVED Cr McIlwaine, **SECONDED** Cr Freer

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

- 1. ENDORSE amendments to the Audit Committee Charter v1.6**

Carried 3/0

Signed _____ Dated _____

AC069	BUSINESS CONTINUITY MANAGEMENT PROGRAM
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AGENDA REFERENCE:	D-18-069885
AUTHOR:	J Graham, Manager Corporate Services
EXECUTIVE:	B Davis, Director Corporate & Commercial Services
DATE OF REPORT:	10 September 2018
FILE REFERENCE:	RM/6/0012
ATTACHMENTS:	No

EXECUTIVE SUMMARY:

The purpose of this report is to provide an update to the Audit Committee as to the City of Greater Geraldton's Business Continuity Management (BCM) Program.

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 development of the City of Greater Geraldton Business Continuity Management Program; and
2. REQUIRE the CEO to report back to the Audit Committee following each BCM exercise.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

As per the report AC063 to the Audit Committee, 15 March 2018, the City has completed the development of the City wide BCM plans; and will conduct a desktop exercise of the BCM Plans on 2 November 2018.

The desktop exercise will test the Executive Management Team (EMT) Event Response Plan and a selection of critical BCM Sub-plans. This being the initial exercise its primary purpose is to train EMT and the BCM crisis support team in how to utilise and respond to a business disruption. Lessons learnt from this exercise will subsequently be incorporated into the BCM plans.

To support the ongoing maintenance and validation of the City's BCM program, EMT has established a BCM Working Group. The group has commenced planning for a full BCM exercise in January 2019. Moving forward the intent is to take advantage of the relative quiet period in January each year to conduct BCM exercises.

Signed _____ Dated _____

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

There are no adverse community impacts.

Environment:

There are no adverse environment impacts.

Economy:

There are no adverse economic impacts.

Governance:

There are no adverse governance impacts.

RELEVANT PRECEDENTS:

This item has the following relevant precedents;

- AC039 – Status of City Risk Management Activities
- AC044 – Status of Risk Management & Compliance Activities
- AC056 – Status of Business Continuity Plan
- AC063 - Business Continuity Management Implementation Program

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

This item has compliance and policy implications as follows;

- *Local Government (Audit) Regulations 1996* Regulation 17
- Department of Local Government & Communities Integrated Planning
- City of Greater Geraldton Risk Management Framework
- Council Policy 4.7 Risk Management

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

Title: Governance	4.5 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 BCM program is a critical risk mitigation strategy to manage disruption to City operations. Its successful implementation has better equipped the City to deal with a potential disruption.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS

No alternative options were considered as the BCM program has been previously reviewed and approved.

COMMITTEE DECISION

MOVED Cr McIlwaine, **SECONDED** Cr Freer

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

1. **NOTE** the development of the City of Greater Geraldton Business Continuity Management Program; and
2. **REQUIRE** the CEO to provide a report back to the Audit Committee immediately following each BCM exercise, in November 2018 and January 2019.
3. **Table** the BCM reports for detailed discussion at the next Audit Committee Meeting.

Carried 3/0

Note

The Mayor enquired as to when the full BCM exercise was to be scheduled.

Signed _____ Dated _____

AC070	PROCUREMENT AUDIT
AGENDA REFERENCE:	D-18-075602
AUTHOR:	J Graham, Manager Corporate Services
EXECUTIVE:	B Davis, Director Corporate & Commercial Services
DATE OF REPORT:	3 October 2018
FILE REFERENCE:	GO11/0020
ATTACHMENTS:	Yes (X 2)
	A. Auditor General's report
	B. Procurement Action Plan

EXECUTIVE SUMMARY:

The purpose of this item is to provide the Audit Committee with a copy of the recent Auditor General's report on the City's procurement processes, along with a procurement action plan to address the findings of the report.

EXECUTIVE RECOMMENDATION:

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

1. Acknowledge receipt of the Auditor General's report
2. Accept the City's procurement action plan
 - a. Require the CEO to report back to the Committee on the status of the action plan at the next Audit Committee meeting.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The Office of the Auditor General (OAG) commenced a procurement audit of the City of Greater Geraldton late 2017. The Audit was concluded in mid-2018 after two site visits and numerous pieces of correspondence between the OAG and the City, with a final report being provided in September 2018. The Coordinator of Procurement and Risk was directed to formulate an action plan to address the findings of the Audit Report (AC070 attachment A). It is important to note that several of the findings of the report were historical in nature and had already been addressed, this includes the two significant findings.

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

There are no adverse community impacts.

Environment:

There are no adverse environment impacts.

Signed _____ Dated _____

Economy:

There are no adverse economic impacts.

Governance:

The procurement systems of the City are acknowledged as vital in complying with the *Local Government Act 1995*. This Audit and the associated action plan ensures that the City maintains a robust procurement framework.

RELEVANT PRECEDENTS:

The City has held regular audits of its financial and management systems which have been relayed back to the Committee. This is the first external audit by the Office of the Auditor General.

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

The Auditor General has now (as of July 2017) the authority to review Local Government Authorities. Any action arising from this report would link back to the *Local Government Act 1995* and Regulations.

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 procurement action plan is a risk mitigation strategy to support the continued effective management of procurement at the City

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS

No alternative course of action was considered

Signed _____ Dated _____

COMMITTEE DECISION

MOVED Cr Freer, SECONDED Cr McIlwaine

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

- 1. Acknowledge receipt of the Auditor General's report**
- 2. Accept the City's procurement action plan;**
 - a. Require the CEO to report back to the Committee on the status of the action plan at the next Audit Committee meeting.**

Carried 3/0

Signed _____ Dated _____

AC071 RISK AND COMPLIANCE MANAGEMENT	
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AGENDA REFERENCE:	D-18-075526
AUTHOR:	J Graham, Manager Corporate Services
EXECUTIVE:	B Davis, Director Corporate & Commercial Services
DATE OF REPORT:	3 October 2018
FILE REFERENCE:	RM/6/0012
ATTACHMENTS:	No

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 Framework and associated Council Policies CP4.7 Risk Management, CP4.24 Risk Appetite and Tolerance and CP4.26 Compliance Management and the Compliance Management 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 status of the Risk Management Framework and associated Council Policies CP4.7 Risk Management, CP4.24 Risk Appetite and Tolerance and CP4.26 Compliance Management
2. Note the status of the Compliance Management Plan.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

As per the report AC063 to the Audit Committee, 15 March 2018, the City presented the Risk Management Framework to Council (25 September 2018) which has been endorsed. Council Policies CP4.7 Risk Management, CP4.24 Risk Appetite and Tolerance and CP4.26 Compliance Management have been issued for Councillor feedback and are intended to be presented at the 27 November 2018 Council meeting for final endorsement.

The Compliance Management Plan which supports the newly developed CP4.26 Compliance Management policy is under development. The City is currently undertaking a review of the City's compliance obligations which will be captured into the WALGA template Compliance Calendar. At this time the City has documented all compliance obligations associated with the *Local Government Act 1995* and Regulations, a review is commencing shortly to determine broader compliance obligations. When complete the City's Compliance Calendar will list compliance obligations across all legislation impacting City operations. In addition compliance obligations will link to relevant Departments and Officers to ensure compliance obligations are managed and complied with.

Signed _____ Dated _____

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

There are no adverse community impacts.

Environment:

There are no adverse environment impacts.

Economy:

There are no adverse economic impacts.

Governance:

There are no adverse governance impacts.

RELEVANT PRECEDENTS:

This item has the following relevant precedents.

- AC039 – Status of City Risk Management Activities
- AC044 – Status of Risk Management & Compliance Activities
- AC056 – Status of Business Continuity Plan
- AC063 - Business Continuity Management Implementation Program

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

This item has compliance and policy implications as follows;

- *Local Government (Audit) Regulations 1996* Regulation 17
- Department of Local Government & Communities Integrated Planning
- City of Greater Geraldton Risk Management Framework
- Council Policy 4.7 Risk Management

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

Title: Governance	4.5 Good Governance & Leadership
Strategy 4.5.2	Ensuring finance and governance policies, procedures and activities align with legislative requirements and best practice

Signed _____ Dated _____

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT

The risk and compliance management framework, policies and plans are critical risk mitigation strategies for the City.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS

No alternative options were considered as the risk and compliance management framework, policies and plans has been previously reviewed and approved.

COMMITTEE DECISION

MOVED Cr McIlwaine, **SECONDED** Cr Freer

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 Risk Management Framework and associated Council Policies CP4.7 Risk Management, CP4.24 Risk Appetite and Tolerance and CP4.26 Compliance Management**
2. **Note the status of the Compliance Management Plan.**

Carried 3/0

Signed _____ Dated _____

AC072 AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL

AGENDA REFERENCE:	D-18- 072948
AUTHOR:	M Adam, Governance Coordinator
EXECUTIVE:	B Davis, Director Corporate & Commercial Services
DATE OF REPORT:	25 September 2018
FILE REFERENCE:	GO11/0020
ATTACHMENTS:	No

EXECUTIVE SUMMARY:

The purpose of this report is to seek Audit Committee endorsement of the summary of activities, for the period 1 July 2017 to 30 June 2018, for submission as the annual report to Council.

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 summary of Audit Committee activities for the period 1 July 2017 to 30 June 2018.
2. SUBMIT the summary of Audit Committee activities for the period 1 July 2017 to 30 June 2018 to Council as the Audit Committee annual report of activities.

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 2017 to 30 June 2018 for the purposes of providing the above mentioned report to Council:

Audit Committee Meeting – 2 October 2017

Report Number	Title	Decision
AC053	Annual Report to Council	Summary of activities received, with a recommendation that Council accept the report.

Signed _____ Dated _____

AC054	Status of Risk Management Systems	The status of risk management and Promapp were noted. The Audit Committee required a further report be submitted to Council
AC055	Risk Management Framework Review	Framework endorsed and to be presented to Council
AC056	Status of Business Continuity Plan	Business Continuity Plan noted. A BCP exercise to be held in the first quarter 2018, and the CEO to provide a first draft of the BCP to the Audit Committee by March 2018
AC057	Information Technology Internal Audit Report	Note the findings and recommendations of the report and endorse actions by staff to resolve items identified in the report.
AC058	Audit Report City of Greater Geraldton	Adopt the Audit Report for the period ending 30 June 2017, endorse actions taken by staff to resolve identified issues and note the unqualified audit report.

Audit Committee Meeting - 15 March 2018

Report Number	Title	Decision
AC059	Review of Audit Committee Charter	Endorse the audit committee charter and recommend to Council proposed amendments to the Audit Committee Charter as determined by the Audit Committee.
AC060	External Member of Audit Committee	Not to appoint an external member of the Audit Committee, and amend the Audit Committee charter accordingly.
AC061	Compliance Audit Return	Endorse the results of the Compliance Audit Return 2017 and report the results of the Compliance Audit Return 2017 to Council at the Ordinary meeting to be held on 27 March 2018
AC062	Business Continuity – Generator Connectivity	Note the works undertaken to improve Business continuity with the City's ability to respond to power outages and emergency events. Require the CEO to investigate options to hire or purchase equipment to respond to power outages or emergency events.
AC063	Business Continuity Management implementation Program	Note the business continuity management implementation program. Require the CEO to hold a BCP exercise in accordance with the implementation program and require a report be provided to the Audit Committee on the completion of a BCM exercise.
AC064	Risk Management Report	Endorse the updated Risk Management Framework; Require the updated Risk Management Framework and associated council policy be presented to council for endorsement; and

Signed _____ Dated _____

		note the development of the Compliance Management Plan, and require the status of the Compliance Management Plan to be reported to the Audit Committee in future.
AC065	ICT Business Continuity and Disaster Recovery Planning	Note the progress in development and testing of the ICT business continuity and disaster recovery plan.
AC066	Audit Reviews for City of Greater Geraldton	Adopt the Financial Management Systems review, Audit Regulation 17 review, interim audit management letter and Fleet Management internal audit report. Endorse actions taken or proposed to be taken by staff to resolve any items identified in the reports; and require progress on implementation of the proposed management actions, at the next Audit Committee Meeting.
Briefing Note	Contractor Payment of Employee & Subcontractor Entitlements	Note the preliminary advice and direct the CEO to continue to monitor the situation
General Business	After Hours processes for notification and attendance	Direct the CEO to review the City's after hour's processes and emergency response procedures. Require the CEO to provide a report on the outcome of the review to the Audit Committee

COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:

Community:

There are no adverse community impacts.

Environment:

There are no adverse environment impact.

Economy:

There are no adverse economic impacts.

Governance:

There are no adverse governance 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 2 October 2017, Item Number AC053, and Council on 17 October 2017, CCS287.

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

Signed _____ Dated _____

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 Freer, SECONDED Cr McIlwaine

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

- 1. ENDORSE the summary of Audit Committee activities for the period 1 July 2017 to 30 June 2018.**
- 2. SUBMIT the summary of Audit Committee activities for the period 1 July 2017 to 30 June 2018 to Council as the Audit Committee annual report of activities.**

Carried 3/0

Signed _____ Dated _____

5 COMPLIANCE REVIEW – STANDING ITEM

AC073 MANAGEMENT ACTIONS ON INTERNAL AUDIT REPORT 2018

AGENDA REFERENCE:	D-18-074361
AUTHOR:	R Doughty, Financial Accountant
EXECUTIVE:	B Davis, Director Corporate & Commercial Services
DATE OF REPORT:	11 October 2018
FILE REFERENCE:	GO11/0020
ATTACHMENTS:	Yes (X 3)
	A. Management Actions Financial Management Systems Audit.
	B. Management Actions Regulation 17 Review.
	C. Management Actions Fleet Management

EXECUTIVE SUMMARY:

This report provides the Audit Committee with a report on the management actions from the AMD Financial Systems review, Regulation 17 Review and Fleet Management Review 2018.

EXECUTIVE RECOMMENDATION;

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

- NOTE the Report on the management actions on the AMD Financial Systems Review, Regulation 17 Review, and Fleet Management Review 2018 as recorded in the attached worksheets - Attachment AC073(A-C).

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The Audit Committee at their meeting on 15 March 2018 endorsed the following recommendation:

- ADOPT the Financial Management Systems Review, Audit Regulation 17 Review, Interim Audit Management Letter and Fleet Management Internal Audit Report;*
- ENDORSE actions taken or proposed to be taken by staff to resolve any items identified in the reports; and*
- REQUIRE progress on implementation of the proposed management actions, at the next Audit Committee Meeting*

Signed _____ Dated _____

The attached working report - Attachment AC073 (A-C) provides the Committee with the information as required.

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:

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	Planning and Policy
Strategy 5.2.7	Ensuring efficient and effective delivery of service

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT

ALTERNATIVE OPTIONS CONSIDERED

No alternatives have been considered.

Signed _____ Dated _____

COMMITTEE DECISION**MOVED Cr McIlwaine, SECONDED Cr Freer****That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act RESOLVES to:**

- 1. NOTE the Report on the management actions on the AMD Financial Systems Review, Regulation 17 Review, and Fleet Management Review 2018 as recorded in the attached worksheets - Attachment AC073(A-C).**
- 2. Require the CEO to implement a review process for ongoing actions resulting from the auditor's findings, and record the details of the review process on the schedule of management actions.**

Carried 3/0

Signed _____ Dated _____

6 LATE ITEM**AC074 REVIEW OF AFTER-HOURS SERVICES**

AGENDA REFERENCE:	D-18-085984
AUTHOR:	R McKim, Chief Executive Officer
EXECUTIVE:	R McKim, Chief Executive Officer
DATE OF REPORT:	15 October 2018
FILE REFERENCE:	GO/11/0020
ATTACHMENTS:	No

EXECUTIVE SUMMARY:

The purpose of this report is to provide advice to the Audit Committee on the review of the City's after-hours process as required by the March 2018 Audit Committee.

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 outcome of the review of the after-hours processes and emergency response procedures.

PROPONENT:

The proponent is the City of Greater Geraldton

BACKGROUND:

At its meeting of 15 March 2018, the Audit Committee passed the following recommendation:

1. *DIRECT the Chief Executive Officer to review the City's after hour's processes and emergency response procedures; and*
2. *REQUIRE the Chief Executive Officer to provide a report on the outcome of the review, of the after-hours processes and emergency response procedures, to the Audit Committee.*

In response, this requirement was placed on the Executive Management Team's agenda for discussion and resolution. The Manager Corporate Services (Mr Jeff Graham) kindly took the lead on this matter (Customer Service).

The review revealed the following:

- After normal business hours, the City's main phone number (9956 6600) is diverted to the city's Perth based after-hours phone answering service provider 'Connect call centre services'.

Signed _____ Dated _____

- *Connect* receive the phone calls and determine if the request is urgent and needs an immediate response or if the request can wait until the next working day.
- If the request can wait until the next work day, *Connect* forward the request to the city for entry in the CSDB system.
- If the request requires urgent attention, *Connect* have a list of phone numbers of city officers who they contact for assistance. This was identified as where the one of the two main problems were.
- On average *Connect* receive approx. 25 AH calls per month at a cost of \$4.95 per call, with a third of the calls requiring escalation. An analysis of the data revealed that *Connect* have been performing well. For the volume of calls they receive, their service is very cost effective.
- The problem is that no officers were required to be 'on-call' and so *Connect* were dependant on the good will of officers to answer phone calls after-hours. This is further compounded by the City's recently implemented "Fitness for work" policy (OP043) which stipulates a zero alcohol tolerance rate, which automatically excludes an employee from accepting or being available to be called out.
- The review also revealed that Geraldton Police had a list of very old City numbers and a list on their 'whiteboard' that they would ring if they had a problem. This was identified as the other main issue.
- The review revealed that the majority of the after-hours call received were for Ranger related activities (animals) with infrastructure issues (potholes, blocked drains) a close second.

In response the following actions were taken:

- The CEO has contacted the police and asked them to remove their council contact list as it is old and out of date and replace it with his mobile phone number. This has worked in the interim with the CEO being able to respond to police matters over the weekends (break-ins, asset fires, serious traffic accidents etc.).
- The City called an internal 'Expression of Interest' to determine if there were existing officers who would be prepared to act as an AH agent on an after-hours roster for a small stipend and limited use of a city vehicle.
- This expression was well supported by staff and awarded to two officers from the Bush Fire unit as they were already on-call and already had access to City vehicles, laptops and mobile phones.
- If an issue requires escalation, *Connect* will ring a designated AH CGG number which will be answered one of the AH agents. The agent will have access the City's Customer Service knowledge base software (installed on their laptop), which will enable them to determine the next step (i.e. handle themselves or escalate further etc.)

Signed _____ Dated _____

- The arrangement is on a trial 6 month basis after which time it will be reviewed. Agents will keep comprehensive log books of their activities and decisions.

These two changes has improved the City's after-hours' response which officers will continue to monitor.

With respect to emergency response procedures, the following actions have been taken:

- The majority of city customer facing outlets now have duress alarms fitted that alert a security company of the needs for a response.
- In school holidays, the city contracted in a security officer to 'patrol' the CBD area and be available at the library and visitors centre and art gallery (this worked well).
- Council, at its September 2018 meeting, endorsed the new City policy, 'Entry Conditions Local Government Buildings'.

COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:

Community:

Improving the City's after-hours service is a benefit to the Geraldton community.

Environment:

There are no adverse environmental impacts.

Economy:

There are no adverse economic impacts.

Governance:

The measures implemented will improve the City's after-hours responses.

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

The City investigated the arrangements that other Council's had put in place to manage the issue. A brief summary follows:

1. **City of Vincent** – have a Ranger and a Maintenance person on call.
2. **Subiaco** – Rangers and Park Supervisor on call – if *Connect* transfer a call to them the officers call out a contractor.
3. **Gosnells** – use *Connect* and they roster a Ranger and an Engineering Dept / Depot staff member on duty i.e. on call and they get paid an allowance for on call and they must go out on their own to try address the issue.

Signed _____ Dated _____

4. **Wanneroo** – use *Connect* who divert urgent calls to Ranger on call or Duty Officer on call.
5. **Canning** - Since 1998 Canning provide the following community service:
 - Rangers plus Community Service Officers. (CSO's);
 - Four (4) Rangers on day shift (8.30am to 5.00pm or 10am to 4pm);
 - Four (4) CSO's on night shift (6.30pm – 6.30am) (18 in total);
 - CSO's are not authorised officers – (Patrols, alarm response); and
 - CSO's will ring an after-hours contact number relevant to the issue faced.

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

There are no legislative or policy implications.

FINANCIAL AND RESOURCE IMPLICATIONS:

In conducting this review and implementing the improvement measures, officers were very mindful of the city's financial position, the volume of after-hours calls received and the cost/benefits resulting. The additional cost of having one officer 'on-call' has been kept to a minimum. It is anticipated that in time, the city's commitment to after-hours services will need to increase.

INTEGRATED PLANNING LINKS:

Title: Governance	4.5 Good Governance & Leadership
Strategy 4.5.4	Ensuring Human Resource planning, policies and procedures support effective and safe Council service delivery.

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT

The aim of this investigation was to reduce the risk to Council with respect to events that occur outside of normal business hours. In developing the adopted approach, officers were mindful of the reputational risk presented when the city's after-hours customer service response is poor.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS

As part of this review, the city contacted other WA councils and explored how they provided after-hours services (summary included within the report). Officers did consider having both ranger and depot officer's on-call. However the volume of calls received does not warrant this at this time.

Other options explored included offering a 24/7 Ranger/Community Safety service; contracting out all after-hours activities and not making any improvements.

Signed _____ Dated _____

COMMITTEE DECISION

MOVED Cr McIlwaine, SECONDED Cr Freer

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

- 1. NOTE the outcome of the review of the after-hours processes and emergency response procedures.**

Carried 3/0

Signed _____ Dated _____

7 MEETING CLOSURE

There being no further business the meeting was declared closed at **2.30 pm**

Signed _____ Dated _____
