



AUDIT COMMITTEE MEETING
MINUTES

22 FEBRUARY 2022

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CITY OF GREATER GERALDTON**AUDIT COMMITTEE MEETING
TO BE HELD ON TUESDAY 22 FEBRUARY 2022 AT 3.00PM
IN THE GREENOUGH ROOM – CIVIC CENTRE****MINUTES****1 DECLARATION OF OPENING**

The meeting was declared open at 3.05pm by Chairman Mayor Van Styn.

2 ATTENDANCE**Present:**

Mayor Van Styn
Cr N Colliver

Officers:

R McKim, Chief Executive Officer
P Radalj, Director Corporate and Commercial Services
R Doughty, Chief Financial Officer
T Machukera, Financial Accountant
B Pearce, Manager Corporate Compliance and Safety
K Wheeler– Minute Secretary

By Invitation:

Nil

Apologies:

Deputy Mayor J Clune
Cr M Reymond

Leave of Absence:

Nil

3 CONFIRMATION OF PREVIOUS MINUTES

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

COMMITTEE DECISION

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

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

CARRIED 2/0

Signed _____ Dated _____

4 ITEMS FOR AUDIT COMMITTEE REVIEW

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

EXECUTIVE SUMMARY:

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

EXECUTIVE RECOMMENDATION:

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

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

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 2021 to 31 December 2021 and prepare a Compliance Audit Return (CAR) in a form approved by the Minister.

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

COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:

Community:

There are no adverse community impacts.

Environment:

There are no adverse environmental impacts.

Economy:

There are no adverse economic impacts.

Signed _____ Dated _____

Leadership:

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

RELEVANT PRECEDENTS:

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

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

Local Government Act 1995 s. 7.13(1)

Local Government (Audit) Regulations 1996 r.14

14. Compliance audits by local governments

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

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

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

Signed _____ Dated _____

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 Colliver, **SECONDED** Mayor Van Styn

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

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

CARRIED 2/0

Signed _____ Dated _____

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

EXECUTIVE SUMMARY:

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

EXECUTIVE RECOMMENDATION:

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

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

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

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

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

Training:**Employee training**

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

Signed _____ Dated _____

- An update to the distribution of safety information was implemented, this includes the provision of the following information to all staff on an ongoing basis,
 - Monthly incident report summary report
 - Weekly reports on vehicle safety
 - Safety Investigation reports to EMT and the Safety Committee
 - Safety Committee meeting minutes
 - Safety information Sheets & Safety Alerts
 - Safety Procedure suite updates

Contractors

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

Volunteers

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

Documentation update:

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

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

Implementation of safety processes:

The implementation of the Action Plan updates of following City safety processes:

- Contractor safety management and supervisor requirements
- City inspections processes e.g. Work crew safe work observations; Facility Inspections, and Safety Leadership walks
- Confirmation of Quarterly Safety Committee meetings
- Incident management and responses processes updated
- Workplace risk management training and templates reviewed and implemented
- Plant and equipment verification of competency implemented
- Updated Fitness for work program and in progress
- Development of safety change management procedure suite

Signed _____ Dated _____

- Update the visitor and contractor facility visitor procedure; and
- 2022 – 2024 Safety Strategy development

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

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

Economy:

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

Environment:

There are no adverse environmental impacts.

Leadership:

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

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

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

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

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

FINANCIAL AND RESOURCE IMPLICATIONS:

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

INTEGRATED PLANNING LINKS:

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

Signed _____ Dated _____

Outcome 4.5	A culture of safety, innovation and embracing change
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REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

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

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternatives have been considered.

COMMITTEE DECISION

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

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

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

CARRIED 2/0

Signed _____ Dated _____

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

EXECUTIVE SUMMARY:

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

EXECUTIVE RECOMMENDATION:

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

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

PROPONENT:

The proponent is the City of Greater Geraldton

BACKGROUND:

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

AC105

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

AC106

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

AC110

1. ***RECEIVE the Audit Regulation 17 Review 2021***
2. ***ENDORSE actions taken or proposed to be taken by staff to resolve items identified in the report; and***
3. ***REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee Meeting.***

Signed _____ Dated _____

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

AC114

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

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

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

There are no adverse community impacts.

Economy:

There are no adverse economic impacts.

Environment:

There are no adverse environmental impacts.

Leadership:

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

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

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

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

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

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

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

Signed _____ Dated _____

LEGISLATIVE/POLICY IMPLICATIONS:

Local Government (Audit) regulations 1996, section 16:

Local Government (Audit) regulations 1996, section 17:

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

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

Strategic Leadership	Direction:	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 4.4		Healthy financial sustainability that provides capacity to respond to changes in economic conditions and community
Outcome 4.7		Council understands its roles and responsibilities and leads by example

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

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

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternatives have been considered.

COMMITTEE DECISION

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

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

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

CARRIED 2/0

Signed _____ Dated _____

5 FRAUD CONTROL – STANDING ITEM

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

EXECUTIVE SUMMARY:

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

EXECUTIVE RECOMMENDATION:

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

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

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

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

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

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

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

Signed _____ Dated _____

Economy:

There are no adverse economic impacts.

Environment:

There are no adverse environmental impacts.

Leadership:

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

Disclosure of Interest:

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

RELEVANT PRECEDENTS:

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

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

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

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

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

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:

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

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternatives have been considered.

Signed _____ Dated _____

COMMITTEE DECISION

MOVED Cr Colliver, SECONDED Mayor Van Styn

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

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

CARRIED 2/0

Signed _____ Dated _____

6 GENERAL BUSINESSBCM and Cyber risks

The Committee discussed business continuity management (BCM) and cyber risks in relation to the City's current information technology provider.

Action: An informal meeting is to be scheduled for a Cyber security/BCM overview for members of the Audit committee who wish to attend. Manager ICT services, D Duff to present on the risks related to data backup systems and proposed changes.

COVID

The Committee discussed COVID related issues including:

- Supplier pushback
- Security issues at Meru waste facility
- Protocols for City facilities
- Mask requirements

Signed _____ Dated _____

7 MEETING CLOSURE

There being no further business the meeting was declared closed at 3.46pm.

Signed _____ Dated _____
