



AUDIT COMMITTEE MEETING  
MINUTES

23 APRIL 2024

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**CITY OF GREATER GERALDTON****AUDIT COMMITTEE MEETING  
HELD ON TUESDAY 23 APRIL 2024 AT 3.30pm  
IN THE SOUTH WING CONFERENCE ROOM – CIVIC CENTRE****M I N U T E S****1 DECLARATION OF OPENING**

The meeting was declared open by Mayor Clune at 3.31pm

**2 ATTENDANCE**Present:

Mayor Clune  
Cr Colliver  
Cr Denton  
Cr Librizzi

Officers:

R McKim, Chief Executive Officer  
P Radalj, Director Corporate Services  
N Jane, Chief Financial Officer  
T Machukera, Financial Accountant  
B Pearce, Manager Corporate Compliance and Safety  
K Wheeler Governance Advisor  
M Adam, Minute Secretary

By Invitation:

A Kabra – RSM by video link  
J Coetzer- RSM by video link  
M Ambrose – OAG by video link  
M Cavallo – AMD by video link

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 **23 January 2024** as attached be accepted as a true and correct record of proceedings.

**MOVED: Cr Colliver SECONDED: Cr Denton**

**COMMITTEE DECISION**

**That the minutes of the City of Greater Geraldton Audit Committee meeting held on 23 January 2024 as attached be accepted as a true and correct record of proceedings.**

**CARRIED 4/0**

<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

#### 4 ITEMS FOR AUDIT COMMITTEE REVIEW

AC144	AUDIT ENTRANCE MEETING WITH OAG AND RSM
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<b>AGENDA REFERENCE:</b>	<b>D-24-042539</b>
<b>AUTHOR:</b>	<b>Nita Jane, Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>5 April 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1)</b> <b>Audit Planning Memorandum</b>

#### **EXECUTIVE SUMMARY:**

The purpose of this report is to enable an Audit Entrance Meeting to be conducted for the 2023-24 financial audit. It also provides an opportunity for the Office of the Auditor General (OAG) and contract auditor RSM Australia, to discuss the Audit Planning Memorandum, and an occasion to raise any concerns associated with the audit process.

#### **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 Audit Planning Memorandum for the year ending 30 June 2024; and
2. PROVIDE FEEDBACK on the Audit Planning Memorandum.

#### **PROPONENT:**

The proponent is the City of Greater Geraldton.

#### **BACKGROUND:**

The Auditor General is responsible for the auditing of local governments within Western Australia. (Local Government (Audit) Regulations 1996). The Auditor General engaged RSM to conduct the financial audit for the City on their behalf, for the three years to 30 June 2023. The contract has been extended to include the 2023-24 and 2024-25 financial years.

The interim audit visit for the 2023-24 year is scheduled for May 2024, and prior to this an Entrance meeting is held to discuss the Audit Planning Memorandum (draft attached). This document provides detail of the proposed approach by RSM Australia in undertaking the financial audit.

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

##### **Community:**

There are no adverse community impacts.

##### **Economy:**

There are no adverse economic impacts.

**Environment:**

There are no adverse environmental impacts.

**Leadership:**

Holding an Entrance Meeting provides opportunity for the Audit Committee to undertake its functions including to discuss with the auditors their planning for the annual audit.

***Disclosure of Interest:***

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

**RELEVANT PRECEDENTS:**

Each year an audit entrance and exit meeting is held with the Auditor General, the contract auditor and the Audit Committee. The previous entrance meeting was held on 26 April 2023 - AC131.

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government (Audit) Regulations 1996, regulation 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;*
- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —
  - (i) report to the council the results of that review; and*
  - (ii) give a copy of the CEO's report to the council;**
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
  - (i) regulation 17(1); and*
  - (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);**
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) to oversee the implementation of any action that the local government —
  - (i) is required to take by section 7.12A(3); and*
  - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and**

- (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
- (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.*

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

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

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

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive.
Outcome 4.7	Council understands its roles and responsibilities and leads by example.

#### **REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

#### **RISK MANAGEMENT:**

The audit committee are part of the lines of defence which work together to manage risks and ensure that controls are implemented and effective. The audit entrance meeting assists both the Committee and the Auditor to undertake the annual financial audit.

#### **ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternative options were considered.

**MOVED: Cr Colliver**

**SECONDED: Cr Librizzi**

#### **COMMITTEE DECISION**

- 1. RECEIVE the Audit Planning Memorandum for the year ending 30 June 2024; and**
- 2. PROVIDE FEEDBACK on the Audit Planning Memorandum.**

**CARRIED 4/0**

<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

**AC145 RISK MANAGEMENT UPDATE**

<b>AGENDA REFERENCE:</b>	<b>D-24-039467</b>
<b>AUTHOR:</b>	<b>Brodie Pearce, Manager Corporate Compliance and Safety</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>28 March 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x2)</b> <b>A. Risk Maturity Assessment 2024</b> <b>B. Extract of Risk Register 2024</b>

**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. RECEIVE the completed Risk Maturity Assessment.

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

In accordance with the *Local Government (Audit) Regulation 1996, regulation 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. Moderate or low risks of an operational or departmental nature are not included in this report.

**Risk Review Program**

As reported at the last Audit Committee meeting the City had implemented an internal review of the enterprise risks. 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 was completed with the attached risk register extract was confirmed.



This review confirmed updates to risk treatments throughout the register. Additional operational risks were identified e.g. Low/Moderate. However no additional high risks were identified.

The updated risk register contain the reviewed Enterprise and Strategic risks will be again incorporated into the centralised risk register for Management and EMT to action on an ongoing basis.

The following are risks identified with a High risk exposure within the City's risk register. The attached extract contains further information relating to these assessed risks. *Please note that full details of the associated risk treatment plans are not provided, there are currently listed 331 separate risk treatment in the full risk register e.g. from low to high risk exposures.*

The City across its multiple risk registers currently has identified sixteen 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.

<b>N#</b>	<b>Risk Title</b>	<b>Portfolios</b>	<b>SCP Alignment</b>	<b>Risk Theme</b>
<b>1549</b>	Walkaway Nangetty Bridge 3014 at risk of failure	ENT. Enterprise Risk	1.4 & 3.1	Assets - Asset Management Practices
<b>260</b>	Major Aerodrome Emergency Incident	Geraldton Airport	1.4	People - Work, Health, Safety & Security Management Practices
<b>1330</b>	Failure to Strategic assess Asset Infrastructure	ST. Strategic Risk	1.4 & 3.1	Assets - Asset Management Practices
<b>1355</b>	Theft/Holdup of City Employees Transporting/handling Cash	ENT. Enterprise Risk	4.5	People - Misconduct, Theft & Fraud
<b>245</b>	Major Security Incident/Event at City facilities or sites	ENT. Enterprise Risk	3.1 & 4.5	People - Work, Health, Safety & Security Management Practices
<b>238</b>	Emergency Evacuation of City Facility	ENT. Enterprise Risk	3.1 & 4.5	People - Work, Health, Safety & Security Management Practices Management of Facilities / Venues / Events
<b>154</b>	Major Disruption/ Cancellation of City Event	Community & Cultural Development	3.1	Assets - Management of Facilities / Venues / Events
<b>1344</b>	Potential Health/Disease Impacts to Mullewa Residents due to Waste Water / Effluent Treatment Systems	Maintenance Operations ; Regulatory Services	1.4	Assets - Asset Management Practices

N#	Risk Title	Portfolios	SCP Alignment	Risk Theme
296	Harm to minor under City guardianship for youth outreach program	Community & Cultural Development	1.4	People - Work, Health, Safety & Security Management Practices
1326	Injury or Illness to Community Member(s)	ENT. Enterprise Risk	3.1	People - Work, Health, Safety & Security Management Practices
1540	Cyber or Information Security Incident	ICT Services	4.8	Asset Management - ICT Systems & Infrastructure Operations - Business / Community Disruption / Emergency Event
198	Major Medical Emergency at City Facility or Site	ENT. Enterprise Risk	3.1 & 4.5	People - Work, Health, Safety & Security Management Practices
1507	Work Health & Safety injury or Harm	ST. Strategic Risk	4.3 & 4.5	People - Work, Health, Safety & Security Management Practices
263	Major Emergency event (Natural or Human caused) with external agency management	ST. Strategic Risk	1.4 & 3.6	Assets - Environmental Management, Operations - Business / Community Disruption / Emergency Event
191	Dangerous Goods/Hazardous chemical spill at aquatic facility(s)	Sports & Leisure	3.1 & 4.5	People - Work, Health, Safety & Security Management Practices
new	Major Bushfire Emergency event (Natural or Human caused) <i>NOTE: this was previously included within the Risk 263 above. The decision to separate City managed vs External agencies managed was implemented as sperate treatment plans are implemented and responsibilities</i>	ST. Strategic Risk	1.4 & 3.6	Assets - Environmental Management Operations - Business / Community Disruption / Emergency Event

### Risk Maturity Assessment

As per the City Risk Management Framework and its supporting Risk Management Improvement Strategy the City implements a risk maturity assessment.

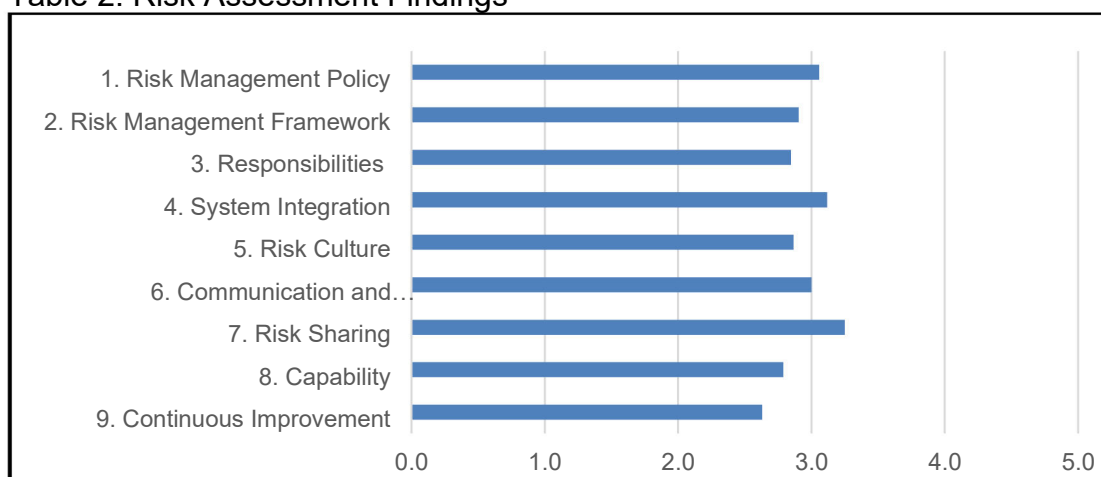
This risk maturity assessment is designed to review and monitor the current effectiveness or the City's implementation of risk management principles and activities across its operations.

This Risk Management Maturity Assessment makes use of the following maturity scale and assesses nine risk management elements (table 1). The risk maturity assessment is included in the Table 2.

Table 1. Risk Elements and Maturity Criteria

9 Risk Management Elements	Risk Mature Criteria
1. Risk Management Policy 2. Risk Management Framework 3. Responsibilities 4. System Integration 5. Risk Culture 6. Communication and Consultation 7. Risk Sharing 8. Capability 9. Continuous Improvement	Level 1 - Awareness Level 2 - Understanding Level 3 - Implemented Level 4 - Embedded Level 5 - Mature

Table 2. Risk Assessment Findings



As detailed above 4 of the 9 elements were assessed as being at Level 3 Implemented.

1. Risk Management Policy
2. System Integration
3. Communication and Consultation
4. Risk Sharing

The remaining 5 elements were assessed as being at Level 2 Understanding.

1. Risk Management Framework
2. Responsibilities
3. Risk Culture
4. Capability

## 5. Continuous Improvement

This risk maturity assessment shall be used to support Management to implement strategies to improve the City's risk maturity level. Such strategies will include the promotion of the updated Risk Management Procedure, additional training offered, and a review of the accessibility and use of the risk registers.

### **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
- AC136 – Risk Management Update

### **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 CP4.7 Risk Management
- Council Policy CP4.24 Risk Appetite and Tolerance

**FINANCIAL AND RESOURCE IMPLICATIONS:**

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

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership, and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed, and inclusive
Outcome 4.5	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: Cr Librizzi**

**SECONDED: Cr Colliver**

**COMMITTEE DECISION**

1. **NOTE** the status of the City of Geraldton Geraldton's risk management profile.
2. **RECEIVE** the completed Risk Maturity Assessment.

**CARRIED 4/0**

<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

AC146	2023 - 2024 WORK HEALTH & SAFETY IMPLEMENTATION PLAN STATUS UPDATE
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<b>AGENDA REFERENCE:</b>	<b>D-24-039485</b>
<b>AUTHOR:</b>	<b>Brodie Pearce, Manager Corporate Compliance and Safety</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>26 March 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1)</b> <b>2023 - 2024 Work Health &amp; Safety Implementation Plan Status Update</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to provide an update to the Audit Committee of the 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 Status Update; 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 January of this year, the City submitted the 2023 - 2024 Work Health & Safety Implementation Plan (Plan) to the Audit Committee. That report outlined the Plans application and how it would be used to plan and report on future work health and safety (WHS) actions and strategies.

This report is the status update on the the achievement of the Plans WHS actions. This update mirrors the current corporate business plan report format with the relevent actions listed and the accompanying officer commentary detailing the actions status.

Please note as per the corporate business plan report example, supporting documentation related to the commentary is not attached to the status report. This information is submitted to the Executive Management Team and the City's Safety Committee monthly and when formal safety meetings are scheduled.

**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 from 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 implementation of the Plan demonstrates the City's ongoing leadership in ensuring effective management of the City's WHS obligations.

***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.
- AC137 2023 - 2024 Work Health & Safety Implementation Plan

**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 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 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:**

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

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

Implementation of the compliant WHS management system is a critical risk management and compliance control for the City.

The Plan is a primary risk mitigation plan supporting the City's management of WHS risks.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternatives have been considered.

**MOVED:** Cr Librizzi

**SECONDED:** Cr Denton

**COMMITTEE DECISION**

1. **RECEIVE** the 2023 - 2024 Work Health & Safety Implementation Plan Status Update; 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**

<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For



AC147	PROGRESS REPORT ON AUDIT RECOMMENDATIONS - APRIL 2024
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<b>AGENDA REFERENCE:</b>	<b>D-24-042555</b>
<b>AUTHOR:</b>	<b>Nita Jane, Chief Financial Officer, S Bishop Manager ICT Services , D Duff, Manager ERP and Cyber Security</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>12 April 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x2) Confidential</b>
	<b>A. Progress Report on Financial and Regulation 17 Audit Recommendations – April 2024</b>
	<b>B. Progress Report on ICT Audit Recommendations – April 2024</b>

**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 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. AMD were appointed as the Internal Auditor for the period 2021 – 2025.

When receiving the audit reports, the Audit Committee requested progress updates on implementation of the proposed management actions. The progress reports provided address audits completed up to January 2024. Items previously reported as completed have been removed and updates included on all remaining 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:**

A progress report on audit recommendations was provided to the committee:

- AC140 – Progress on Audit Recommendations – January 2024 – 23 January 2024

**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*, regulation 16 – audit committee functions

*Local Government (Audit) Regulations 1996*, regulation 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*, regulation 5 – review of systems and procedures, conducted every 3 financial years

**FINANCIAL AND RESOURCE IMPLICATIONS:**

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

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**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive
Outcome 4.7	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.

**MOVED: Cr Colliver      SECONDED: Cr Denton**

**COMMITTEE DECISION**

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

**CARRIED 4/0**

<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

**AC148 FINANCIAL MANAGEMENT SYSTEMS REVIEW 2024**

<b>AGENDA REFERENCE:</b>	<b>D-24-043140</b>
<b>AUTHOR:</b>	<b>Nita Jane, Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>12 April 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1) Confidential</b> <b>Financial Management Systems Review</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to present to the Audit Committee the Financial Management Systems Review 2024.

**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 Financial Management Systems Review 2024
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:**

In accordance with Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996, local government CEO's are to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government not less than once in every three financial years and report to the local government the results of those reviews.

AMD Chartered Accountants were engaged to undertake the review in March 2024. Their report is attached.

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

There are no adverse community impacts. Undertaking this review 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 Audit Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting.

***Disclosure of Interest:***

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

**RELEVANT PRECEDENTS:**

The Audit Committee regularly reviews reports relating to the auditing processes of the City. The previous Financial Management Systems Review was presented to the Audit Committee on 28 September 2021 – AC106.

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government (Audit) regulations 1996, regulation 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;
- (c) to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —
  - (i) report to the council the results of that review; and
  - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
  - (i) regulation 17(1); and
  - (ii) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;

- 
- (f) to oversee the implementation of any action that the local government —
    - (i) is required to take by section 7.12A(3); and
    - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
    - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
    - (iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
  - (g) to perform any other function conferred on the audit committee by these regulations or another written law.

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

- (1) Efficient systems and procedures are to be established by the CEO of a local government —
  - (a) for the proper collection of all money owing to the local government; and
  - (b) for the safe custody and security of all money collected or held by the local government; and
  - (c) for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and
  - (d) to ensure proper accounting for municipal or trust —
    - (i) revenue received or receivable; and
    - (ii) expenses paid or payable; and
    - (iii) assets and liabilities; and
  - (e) to ensure proper authorisation for the incurring of liabilities and the making of payments; and
  - (f) for the maintenance of payroll, stock control and costing records; and
  - (g) to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.
- (2) The CEO is to —
  - (a) ensure that the resources of the local government are effectively and efficiently managed; and
  - (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and

- (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

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

Provision was made in the budget to undertake this required review.

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

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

#### **REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

#### **RISK MANAGEMENT:**

Undertaking a Financial Management Systems Review is a statutory compliance requirement for local governments and requires a report to the Audit Committee and Council at least once every three financial years. This review assesses the adequacy and effectiveness of systems and controls. It identifies and evaluates the level of risk exposure and recommends actions for improvement.

#### **ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternatives have been considered.

**MOVED: Cr Librizzi**

**SECONDED: Cr Colliver**

#### **COMMITTEE DECISION**

- 1. RECEIVE the Financial Management Systems Review 2024**
- 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 4/0**

<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

**NOTE:**

Cr Librizzi requested that the City investigate the further management of fuel cards and discuss with the incumbent supplier on if currently fuel cards have the function to manage fuel intake in relation to vehicle tanks sizes or can this function be added.

The desired outcome would be to limit maximum litres that can be dispensed at the filling point to the tank size.

This is a demonstrable initiative to an auditor as an implemented measure to mitigate potential fraud/theft.



**AC149 AUDIT REGULATION 17 REVIEW 2024**

<b>AGENDA REFERENCE:</b>	<b>D-24-043217</b>
<b>AUTHOR:</b>	<b>Nita Jane, Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>12 April 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1) Confidential</b> <b>Audit Regulation 17 Review 2024</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to present to the Audit Committee the Audit Regulation 17 Review 2024.

**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 Audit Regulation 17 Review 2024
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:**

In accordance with regulation 17 of the Local Government (Audit) Regulations 1996, local government CEO's are to undertake reviews of the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance not less than once in every three financial years and report to the local government the results of those reviews.

AMD Chartered Accountants were engaged to undertake the review in March 2024. Their report is attached.

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

There are no adverse community impacts. Undertaking this review 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 Audit Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting.

***Disclosure of Interest:***

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

**RELEVANT PRECEDENTS:**

The Audit Committee regularly reviews reports relating to the auditing processes of the City. The previous Audit Regulation 17 Review was presented to the Audit Committee on 28 September 2021 – AC110.

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government (Audit) regulations 1996, regulation 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;
- (c) to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —
  - (i) report to the council the results of that review; and
  - (ii) give a copy of the CEO's report to the council;

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

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

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
  - (a) risk management; and
  - (b) internal control; and
  - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

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

Provision was made in the budget to undertake this required review.

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

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

Outcome 4.3	Accountable leadership supported by a skilled and professional workforce
Outcome 4.4	Healthy financial sustainability that provides capacity to respond to changes in economic conditions and community priorities
Outcome 4.7	Council understands its roles and responsibilities and leads by example

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

Undertaking this review is a statutory compliance requirement for local governments and requires a report to the Audit Committee and Council at least once every three financial years. This review assesses the adequacy and effectiveness of systems and procedures. It identifies and evaluates the level of risk exposure and recommends actions for improvement.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternatives have been considered.

**MOVED: Mayor Clune      SECONDED: Cr Denton**

**COMMITTEE DECISION**

1. **RECEIVE** the Audit Regulation 17 Review 2024
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 4/0**

<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

AC150	STRATEGIC INTERNAL AUDIT PLAN 2021-2025 - PROGRESS REPORT ON ACTIONS
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<b>AGENDA REFERENCE:</b>	<b>D-24-044140</b>
<b>AUTHOR:</b>	<b>Nita Jane, Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>12 April 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1) Confidential Management of Compliance Obligations Internal Audit Report – April 2024.</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to provide a progress update on the Strategic Internal Audit Plan 2021-2025 actions for 2024.

**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 update on the Strategic Internal Audit Plan 2021-2025 actions for 2024;
2. RECEIVE the internal audit report on Management of Compliance Obligations review;
3. 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.

The key purpose of the Strategic Internal Audit 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.

In January 2024, the Committee endorsed the following auditable areas for 2024:

1. Annual Review of Strategic Internal Audit Plan
2. Review of prior year recommendations – Internal Audit
3. Review of prior year recommendations – External Audit
4. Fraud and Corruption Control Plan Audit (for 2023)
5. Financial Management Systems Review
6. Audit Regulation Review

## 7. Management of Compliance Obligations Review

Progress on these actions is summarised below:

1. Annual Review of Strategic Internal Audit Plan  
Completed as part of determining the actions for 2024
2. Review of prior year recommendations – Internal Audit  
Addressed in audit reports provided.
3. Review of prior year recommendations – External Audit  
Addressed in audit reports provided.
4. Fraud and Corruption Control Plan Audit  
Completed and presented to this meeting (AC151)
5. Financial Management Systems Review  
Completed and presented to this meeting (AC148)
6. Audit Regulation 17 Review  
Completed and presented to this meeting (AC149)
7. Management of Compliance Obligations Review  
This review was completed in March 2024 in conjunction with the Fraud and Corruption Control Plan Audit, Financial Management Systems Review and Audit Regulation 17 Review.

The scope of the Management of Compliance Obligations review included:

- Assessment of Compliance Management System
  - Identification of processes and maintenance of register
  - Internal compliance risk assessment processes
  - Management of compliance obligations
  - Monitoring and review controls
  - Reporting
- Review of processes and procedures in respect to financial aspects of the Act and Regulations
- Review of process for senior staff keeping up to date with legislative changes
- Assessed internal monitoring of compliance
- Assessed communications between key management and the Audit Committee to ensure the Audit Committee is informed in respect to the effectiveness of the local government's compliance and recommendations for change as required
- Reviewed managements compliance with statutory documents and plans
- Reviewed management disclosures in financial reports
- Review of the Audit Committee's process in respect to compliance with legislative and regulatory requirements

The summary of findings raised:

- Audit Committee Meetings – enhancements (Moderate risk rating)

- Updating of Policies Procedures and Plans – legislative changes (Moderate risk rating)
- Disability Access and Inclusion Plan – update (Low risk rating)
- Compliance Calendar updates (Low risk rating).

Actions to address the findings are outlined within the attached report. Progress on these actions will be incorporated in future progress reports to the Audit Committee.

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

### **Community:**

There are no adverse community impacts. Undertaking Internal Audit activities in line with the 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 actions for 2024 at the meeting on 23 January 2024 (AC141).

## **COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

## **LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government (Audit) regulations 1996, regulation 16*

*Local Government (Audit) regulations 1996, regulation 17*

*Local Government (Financial Management) regulations 1996, regulation 5*

## **FINANCIAL AND RESOURCE IMPLICATIONS:**

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

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Leadership</b>	<b>Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.</b>
Outcome 4.2	Decision making is ethical, informed and inclusive
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce
Outcome 4.7	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.

**MOVED: Cr Colliver      SECONDED: Cr Librizzi**

**COMMITTEE DECISION**

1. **RECEIVE** the progress update on the Strategic Internal Audit Plan 2021-2025 actions for 2024;
2. **RECEIVE** the internal audit report on Management of Compliance Obligations review;
3. **REQUEST** an update on progress at the next Audit Committee meeting

**CARRIED 4/0**



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<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

## 5 FRAUD CONTROL – STANDING ITEM

AC151	FRAUD AND CORRUPTION CONTROL PLAN AUDIT 2023
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<b>AGENDA REFERENCE:</b>	<b>D-24-043250</b>
<b>AUTHOR:</b>	<b>Nita Jane, Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>12 April 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1) Confidential</b> <b>Fraud and Corruption Control Plan Audit 2023.</b>

### EXECUTIVE SUMMARY:

The purpose of this report is to present to the Audit Committee the Fraud and Corruption Control Plan Audit 2023.

### 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 2023;
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.

### PROONENT:

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 in March 2024, with the audit team on site 11 – 14 March. Their report is attached.

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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. 3 low risk findings
- ii. Preventing Fraud and Corruption
  - a. 1 moderate risk finding
  - b. 1 low risk finding
- iii. Detecting Fraud and Corruption
  - a. No findings
- 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

AC143 – Fraud and Corruption Control Plan Audit 2022 – 23 January 2024

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

There has been no community/councillor consultation.

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

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

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

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

**MOVED: Cr Colliver      SECONDED: Cr Librizzi**

**COMMITTEE DECISION**

- 1. RECEIVE the Fraud and Corruption Control Plan Audit 2023;**
- 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**

<b>Name</b>	<b>Vote (For or Against)</b>
Mayor Clune	For
Cr Colliver	For
Cr Denton	For
Cr Librizzi	For

**6 GENERAL BUSINESS**

Comment – R Mckim

The Mullewa Youth Grant of \$100,000 will be audited at acquittal. As the grant is relatively small the cost of the audit reduces funds available for the grant purpose.

N Jane advised that the audit is a requirement of the funding body.

**7 MEETING CLOSURE**

There being no further business, the meeting was declared closed at 4.41pm