



# AUDIT COMMITTEE MEETING

## AGENDA

23 APRIL 2024

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**CITY OF GREATER GERALDTON**

**AUDIT COMMITTEE MEETING  
TO BE HELD ON TUESDAY 23 APRIL 2024 AT 3.30pm  
IN THE SOUTH WING CONFERENCE ROOM – CIVIC CENTRE**

**A G E N D A**

**1 DECLARATION OF OPENING**

**2 ATTENDANCE**

Present:

Officers:

By Invitation:

Apologies:

Leave of Absence:

**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.



AUDIT COMMITTEE MEETING  
MINUTES

23 JANUARY 2024

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

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

**2 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  
B Pearce, Manager Corporate Compliance and Safety  
D Duff, Manager ICT Services  
M Adam, Minute Secretary

By Invitation:

Nil

Apologies:

Nil

Leave of Absence:

Nil

**3 CONFIRMATION OF PREVIOUS MINUTES**

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

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

**COMMITTEE DECISION**

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

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

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**CARRIED 4/0**

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

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

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#### 4 ITEMS FOR AUDIT COMMITTEE REVIEW

AC135	2022-23 ANNUAL FINANCIAL REPORT
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<b>AGENDA REFERENCE:</b>	<b>D-23-168158</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>2 January 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x4) 2 x Confidential</b>
	<b>A. 2022-23 Annual Financial Report</b>
	<b>B. Auditors Report 2022-23</b>
	<b>C. Confidential – Management Letter</b>
	<b>D. Confidential – Auditors Closing Report</b>

#### EXECUTIVE SUMMARY:

The purpose of this report is for the Audit Committee to consider and accept the 2022-23 Annual Financial Report and Auditor's Report.

#### EXECUTIVE RECOMMENDATION:

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

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

#### PROPONENT:

The proponent is the City of Greater Geraldton.

#### BACKGROUND:

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

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

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

- Independent Auditor's Report

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



- Management Letter
- Auditors Closing Report

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

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

### **Community:**

There are no adverse community impacts.

### **Economy:**

There are no adverse economic impacts.

### **Environment:**

There are no adverse environmental impacts.

### **Leadership:**

The Audit Committee plays a key role in assisting a local government to fulfill its governance and oversight responsibilities in relation to financial reporting.

### *Disclosure of Interest:*

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

## **RELEVANT PRECEDENTS:**

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

## **COMMUNITY/COUNCILLOR CONSULTATION:**

No community consultation has been undertaken. The Annual Financial Report and Audit Report are included in the City's Annual Report, which will be presented to Council for adoption, then released to the community as a public document. The Annual Report is subsequently presented to an annual meeting of electors and made available on the City website.

## **LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government Act 1995, section 1.4 Terms used:*

**auditor** means —

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

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

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

*and*

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

*Local Government Act 1995, section 6.4 Financial report:*

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

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
  - (a) *be prepared and presented in the manner and form prescribed; and*
  - (b) *contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
  - (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
  - (b) *the annual financial report of the local government for the preceding financial year.*

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

- (1) *The auditor must prepare and sign a report on a financial audit.*
- (2) *The auditor must give the report to —*
  - (a) *the mayor, president or chairperson of the local government; and*
  - (b) *the CEO of the local government; and*
  - (c) *the Minister.*

*Local Government (Audit) regulations 1996, section 16:*

*An audit committee has the following functions —*

- (a) *to guide and assist the local government in carrying out —*
  - (i) *its functions under Part 6 of the Act; and*
  - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government —*
  - (i) *is required to take by section 7.12A(3); and*
  - (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.*

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

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

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

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

Findings outlined in the management letter have been assigned a risk rating by the auditor. These ratings are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequences of adverse outcomes if action is not taken. Consideration is given to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Management have provided responses to each of the findings.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternative options were considered by City Officers.

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

**COMMITTEE DECISION**

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

**CARRIED 4/0**

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

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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

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

**AC136 RISK MANAGEMENT UPDATE**

<b>AGENDA REFERENCE:</b>	<b>D-23-168176</b>
<b>AUTHOR:</b>	<b>B Pearce, Manager Corporate Compliance &amp; Safety</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>28 November 2023</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x2)</b> <b>A. 2023 Strategic Risk Workshop</b> <b>B. City of Greater Geraldton Strategic Risk Review Summary Report Final</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. REQUIRE the CEO to report back to the Audit Committee the ongoing status of the City's risk profile which is to include;
  - a. An updated management action plan to close out the LGIS/Marsh report findings;
  - b. An update on the completed enterprise risks internal review program; and
  - c. A completed risk maturity assessment.

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

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

**Strategic Risk Review:**

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

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

prevent, and which have a significant impact to the City's ability to achieve its future plans and ongoing viability.

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

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

**Key findings:**

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

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

<b>Risk Register Reference</b>	<b>Risk Exposure</b>	<b>Strategic Community Plan</b>	<b>Risk Theme</b>
1330	Failure or loss of City asset or infrastructure	3.1 & 3.3	Assets - Asset Management Practices
1540	Cyber or Information Security Incident	4.8	Asset Management - ICT Systems & Infrastructure: & Operations - Business / Community Disruption / Emergency Event

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

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

**Enterprise risk review:**

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

The enterprise risks internal review program issued the City's risk register to all managers and the executive management team, with guidance on the process to

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

complete the annual review process. This review is to be completed by first quarter 2024.

**High or Extreme Risks:**

The City across its multiple risk registers currently has identified 16 risks with a rating of high, with none having a residual risk rating of extreme. Please note these risks are subject to change following the enterprise risks internal review program.

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

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

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



**Note**

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

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

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

**Economy:**

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

**Environment:**

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

**Leadership:**

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

***Disclosure of Interest:***

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

**RELEVANT PRECEDENTS:**

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

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

This item has compliance and polity implications as follows:

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

**FINANCIAL AND RESOURCE IMPLICATIONS:**

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

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

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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 4.5	A culture of safety, innovation and embracing change

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

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

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

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

**MOVED: Denton SECONDED: Colliver**

**COMMITTEE DECISION**

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

**CARRIED 4/0**

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

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

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

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

**EXECUTIVE SUMMARY:**

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

**EXECUTIVE RECOMMENDATION:**

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

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

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

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

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

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

These activities are as follows:

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

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

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

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

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

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

#### **Community:**

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

#### **Economy:**

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

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

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**Environment:**

There are no adverse environmental impacts.

**Leadership:**

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

***Disclosure of Interest:***

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

**RELEVANT PRECEDENTS:**

The Audit Committee previously considered WHS as follows:

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

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Work Health & Safety Act 2020*

*Work Health & Safety Regulations 2022*

Operational Policy 041 Occupational Health & Safety

City of Greater Geraldton Safety Management Plan

City of Greater Geraldton Safety Management System

**FINANCIAL AND RESOURCE IMPLICATIONS:**

The implementation and ongoing management of the WHS obligations require the application of resources to meet compliance obligations. Such operational requirements are accounted for in the City's workforce planning and annual budget process.

**INTEGRATED PLANNING LINKS:**

<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.

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

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

The implementation of the compliant WHSMS is a critical risk management and compliance control for the City.

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

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternatives have been considered.

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

**COMMITTEE DECISION**

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

**CARRIED 4/0**

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

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

AC138	APPLICATION OF COUNCIL POLICY 4.28	MANAGING UNREASONABLE CUSTOMER CONDUCT
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<b>AGENDA REFERENCE:</b>	<b>D-23-161843</b>
<b>AUTHOR:</b>	<b>N Hope, Manager Organisational Development</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>30 November 2023</b>
<b>FILE REFERENCE:</b>	<b>GO/19/0008</b>
<b>ATTACHMENTS:</b>	<b>No</b>

**EXECUTIVE SUMMARY:**

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

**EXECUTIVE RECOMMENDATION:**

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

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

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

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

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

- Meeting the genuine needs of customers fairly and equitably;
- Providing a safe working environment for staff, volunteers and elected members;
- Providing a safe experience for customers of the City; and

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

- Ensuring that City resources are used efficiently, effectively and equitably, to manage the City's responsibilities to discharge its statutory functions and represent the interests of all persons in the District.

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

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

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

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

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

### **Community:**

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

### **Economy:**

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

### **Environment:**

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



There are no adverse environmental impacts.

**Leadership:**

The *Local Government Act 1995* requires that Councils establish good governance principles through the introduction of policies and guidelines. Providing a safe working and customer friendly environment is a key responsibility of management.

*Disclosure of Interest:*

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

**RELEVANT PRECEDENTS:**

Council review or amend Council Policies as and when required.

**COMMUNITY/COUNCILLOR CONSULTATION:**

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

**LEGISLATIVE/POLICY IMPLICATIONS:**

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

**2.7. Role of council**

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

**FINANCIAL AND RESOURCE IMPLICATIONS:**

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

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction: Community</b>	<b>Aspiration: Our Culture and heritage is recognised and celebrated. We are creative and resilient. We can all reach our full potential.</b>
Outcome 1.2	We are a community accountable for our actions
Outcome 1.4	Community safety, health and well-being is paramount
<b>Strategic Direction: Economy</b>	<b>Aspiration: A healthy thriving and resilient economy that provides opportunities for all whilst protecting the environment and enhancing our social and cultural fabric.</b>
Outcome 2.4	A desirable place to live, work, play, study, invest and visit

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

<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 4.1	Meaningful customer experiences created for the people we serve
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce
Outcome 4.5	A culture of safety, innovation and embracing change
Outcome 4.7	Council understands its roles and responsibilities and leads by example

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

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

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternative options were considered by City Officers.

**MOVED Cr Librizzi SECONDED Cr Denton**

**COMMITTEE DECISION**

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

**CARRIED 4/0**

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

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

AC139	CONFIDENTIAL	-	CYBERSECURITY	RISK	REDUCTION
ACTIVITIES					

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

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

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

*Only the Committee Decision is available for public record*

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

- NOTE the risk reduction activities and their progress**

#### **COMMITTEE DECISION**

**MOVED Cr Librizzi SECONDED Cr Colliver**

- NOTE the risk reduction activities and their progress**

**CARRIED 4/0**

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

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

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

AC140 PROGRESS REPORT ON AUDIT RECOMMENDATIONS- JANUARY 2024
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<b>AGENDA REFERENCE:</b>	<b>D-23-170788</b>
<b>AUTHOR:</b>	<b>N Jane, Chief Financial Officer &amp; D Duff, Manager ICT Services</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>2 January 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 – January 2024</b> <b>B. Progress Report on ICT Audit Recommendations – January 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 1995* requires the City to prepare an Annual Financial Report and submit it to the auditor. The auditor is to prepare a report on the financial audit and provide the report to the Mayor, the CEO and the Minister. In addition, regulations require additional reviews including a Financial Management Systems review (Local Government Financial Management Regulation) and Audit Regulation 17 review.

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

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

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

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

There are no adverse community impacts.

**Economy:**

There are no adverse economic impacts.

**Environment:**

There are no adverse environmental impacts.

**Leadership:**

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

***Disclosure of Interest:***

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

**RELEVANT PRECEDENTS:**

Progress reports on audit recommendations provided to the committee:

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

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

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

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

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

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

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

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

Council Policy 4.6 Information Security Management System

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

**FINANCIAL AND RESOURCE IMPLICATIONS:**

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

**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.

**COMMITTEE DECISION**

**MOVED Cr Colliver SECONDED Cr Denton**

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

**CARRIED 4/0**

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

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

AC141	STRATEGIC INTERNAL AUDIT PLAN 2021-2025
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<b>AGENDA REFERENCE:</b>	<b>D-23-171336</b>
<b>AUTHOR:</b>	<b>N Jane, Chief Financial Officer</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate Services</b>
<b>DATE OF REPORT:</b>	<b>3 January 2024</b>
<b>FILE REFERENCE:</b>	<b>GO/11/0020-002</b>
<b>ATTACHMENTS:</b>	<b>Yes (x2) Confidential</b>
	<b>A. Strategic Internal Audit Plan 2021-2025</b>
	<b>B. 2024 Internal Audit Proposal - AMD</b>

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

**EXECUTIVE RECOMMENDATION:**

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

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

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

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

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

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

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

- Review of Strategic Internal Audit Plan
- Review of prior year recommendations – internal and external audits
- Fraud and Corruption Control Plan
- Financial Management System Review (Reg 5)
- Audit Regulation 17 Review

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

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

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

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

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

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

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

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

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

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

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

There are no adverse community impacts. Implementing this plan assists in ensuring we are accountable for our actions to the community.

**Economy:**

There are no adverse economic impacts.

**Environment:**

There are no adverse environmental impacts.

**Leadership:**

The Audit Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to risk management, internal controls, and legislative compliance. The Strategic Internal Audit Plan outlines the required and proposed actions over the period of the plan.

***Disclosure of Interest:***

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

**RELEVANT PRECEDENTS:**

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

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

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

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

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

**FINANCIAL AND RESOURCE IMPLICATIONS:**

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

**INTEGRATED PLANNING LINKS:**

<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

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

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

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

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

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternative options were considered.

**COMMITTEE DECISION**

**MOVED Cr Colliver SECONDED Mayor Clune**

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

**CARRIED 4/0**

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

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

**AC142 COMPLIANCE AUDIT RETURN 2023**

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

**EXECUTIVE SUMMARY:**

The purpose of this report is for the Audit Committee to review the 2023 Compliance Audit Return (CAR) for the purposes of providing a report on the review to the Council.

**EXECUTIVE RECOMMENDATION:**

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

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

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

In accordance with section 7.13(1) of the *Local Government Act 1995* and regulation 14 of the *Local Government (Audit) Regulations 1996*, the City is required to carry out a compliance audit for the period 1 January 2023 to 31 December 2023 and prepare a Compliance Audit Return (CAR) in a form approved by the Minister.

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

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

There are no adverse community impacts.

**Economy:**

There are no adverse economic impacts.

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

**Environment:**

There are no adverse environmental impacts.

**Leadership:**

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

***Disclosure of Interest:***

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

**RELEVANT PRECEDENTS:**

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

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government Act 1995 s. 7.13(1)*

*Local Government (Audit) Regulations 1996 r.14*

**14. Compliance audits by local governments**

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

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

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

**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

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT:**

Local Governments are legislatively required to carry out a compliance audit for the period 1 January to 31 December in each year and prepare a return in the form approved by the Minister. The return must be reviewed by the Audit Committee and the Committee are required to report to the Council the results of the review and Council are required to adopt the CAR and submit to the Department CEO by the 31 March following the period to which the return relates. Compliance with these provisions addresses the risk associated with regulatory obligation.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:**

No alternatives have been considered.

**COMMITTEE DECISION**

**MOVED Cr Librizzi SECONDED Cr Denton**

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

**CARRIED 4/0**

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

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

## 5 FRAUD CONTROL – STANDING ITEM

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

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

### EXECUTIVE SUMMARY:

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

### EXECUTIVE RECOMMENDATION:

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

1. RECEIVE the Fraud and Corruption Control Plan Audit 2022;
2. ENDORSE the actions taken or proposed to be taken by staff to resolve items identified in the report; and
3. REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee meeting.

### PROPONENT:

The proponent is the City of Greater Geraldton.

### BACKGROUND:

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

The plan details the City's intended action in implementing and monitoring fraud and corruption prevention, detection and response initiatives. The Plan calls for regular Fraud and Corruption Control Plan Audits. The audit is designed to assist the City to monitor and review its misconduct resistance approach. The purpose is to identify:

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

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

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

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

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

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

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

### **Community:**

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

### **Economy:**

There are no adverse economic impacts.

### **Environment:**

There are no adverse environmental impacts.

### **Leadership:**

The Fraud and Corruption Control Plan is core to good governance and establishes an effective structure to address fraud and misconduct risks and to detect and respond to fraud and corruption in accordance with the best practice guidelines as defined in Australian Standard AS8001-2021 Fraud and Corruption Standards.

### ***Disclosure of Interest:***

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

## **RELEVANT PRECEDENTS:**

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

AC094 – Fraud and Corruption Plan Audit - 27 January 2023

## **COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

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

**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.

**COMMITTEE DECISION****MOVED Cr Denton SECONDED Cr Colliver**

- 1. RECEIVE the Fraud and Corruption Control Plan Audit 2022;**
- 2. ENDORSE the actions taken or proposed to be taken by staff to resolve items identified in the report; and**
- 3. REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee meeting.**

**CARRIED 4/0**

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



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

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

**6 GENERAL BUSINESS/ LATE ITEM**Response to Auditors Recommendations

The Mayor requested information on:

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

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

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

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

**7 MEETING CLOSURE**

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

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

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#### 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.

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# CITY OF GREATER GERALDTON

## Audit Planning Memorandum

For the year ended 30 June 2024

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# Introduction

This audit plan outlines the scope of our work and the key considerations in relation to our audit of City of Greater Geraldton (“City”) for the year ending 30 June 2024.

The purpose of this document is to set out our understanding of the key areas in the audit when we will conduct the audit and your audit team.

The APM is prepared with input from management. The APM is tailored for the City’s environment and revised throughout the year to adjust for business developments, additional relevant matters arising, changes in circumstances, findings from activities performed and feedback we receive from you.

We look forward to working together with you.

Please do not hesitate to contact either one of us or one of our other team members should you wish to discuss any aspect of the engagement.

## Amit Kabra

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# 1. Audit Summary

## Purpose of the Audit Planning Memorandum

The purpose of this Audit Planning Memorandum (**APM**) is to brief the City of Greater Geraldton (“**the City**”) on the proposed approach by RSM Australia (**RSM**), on behalf of the Office of the Auditor General (**OAG**), to audit the financial report of the City for the year ending 30 June 2024.

The APM forms the basis for discussion at the audit entrance meeting scheduled for 23 April 2024 and is a key tool for discharging our responsibilities in relation to communicating with those charged with governance.

## Scope of the Engagement

The scope of this engagement involves, expressing an opinion on the audit of the general-purpose financial statements for the financial year ending 30 June 2024, prepared in accordance with the *Local Government Act 1995 (LG Act)*, the *Local Government (Financial Management) Regulations 1996 (Financial Management Regulations)*, Australian Accounting Standards, to the extent that they are not inconsistent with the LG Act and the Financial Management Regulations. The term ‘Australian Accounting Standards’ refers to Standards and Interpretations issued by the Australian Accounting Standard Board (**AASB**).

In addition to the above, the City also requires certifications in respect of the following:

- (a) Roads to Recovery (**R2R**) grant under the *National Land Transport Act 2014*, Part 8; and
- (b) Local Roads and Community Infrastructure Program (LRCIP) grant in accordance with the LRCIP guidelines issued by the Australian Government Department of Infrastructure, Transport, Regional Development and Communications
- (c) Pensioner Deferred Rates claim
- (d) Department of Communities – QEII Seniors Centre, Mullewa Youth Service and Spalding Regional Renewal Project
- (e) Department of Local Government Sport and Cultural Industries – Inclusive Participation
- (f) Department of Transport – RADS Geotechnical Studies grant

The certifications do not form part of the audit scope. However, RSM will engage separately with the City to issue an independent auditor’s report on the above.

## Arrangements

Audits are not an absolute guarantee of the accuracy or reliability of the City’s information and may not have identified all matters of significance. This is because the work undertaken to form an opinion is permeated by judgement and most audit evidence is persuasive rather than conclusive. In addition, there are inherent limitations in any audit, including the use of testing, the effectiveness of internal control structures and the possibility of collusion.

Primary responsibility for the detection, investigation and prevention of irregularities rests with the City. Consequently, The City remains responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the LG Act and other relevant laws.

Under the *Auditor General Act 2006*, audit staff have unrestricted access to information held by the City of Greater Geraldton, irrespective of any restrictions on disclosure imposed, such as secrecy provisions.

Confidentiality of audit files and working papers is required under the *Auditor General Act 2006*. The Office of the Auditor General is an ‘exempt agency’ under the *Freedom of Information Act 1992*. The signed contract between the Auditor General and RSM contains strict confidentiality clauses.

## RSM's relationship with the OAG and the City of Greater Geraldton

RSM has been contracted by the OAG to execute the audit scope and report to the OAG.

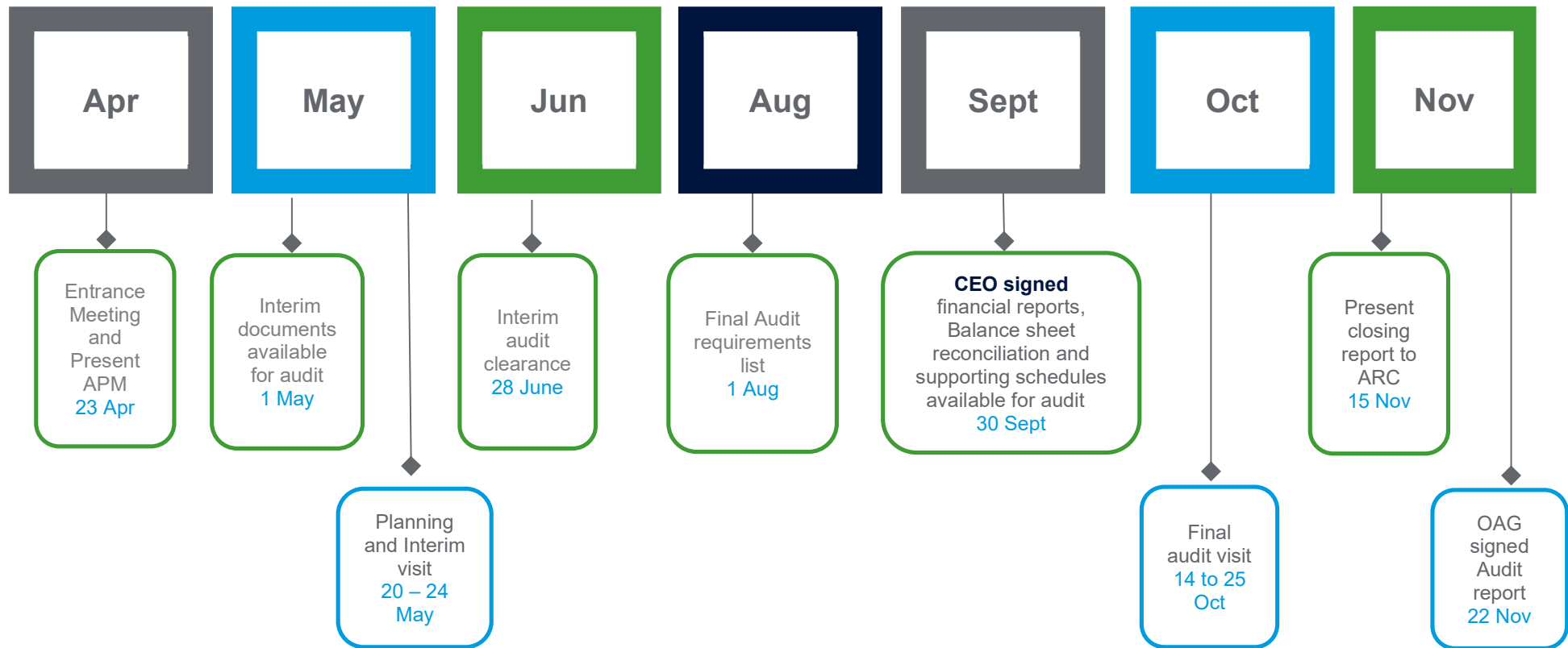
RSM is also required to report to the OAG on any matter which may affect the Auditor General’s responsibilities under sections 15 and 24 of the *Auditor General Act 2006*.

RSM’s services will be conducted under the overall direction of the Auditor General, who will retain responsibility for forming an audit opinion and issuing an independent auditor’s report to the City of Greater Geraldton. The contract requires RSM to use its methodology and audit approach.











## 2. Timing

Based on discussions with management, we have agreed on the below milestones. A detailed timetable can be found in Appendix 1.



# 3. Audit Approach

<p><b>Internal control environment</b></p> 	<p>In accordance with Australian Auditing Standards, we will perform a review of the design and operating effectiveness of the entity's significant financial recording and reporting processes.</p> <p>We will ensure that any significant deficiencies that come to our attention during our audit are communicated to the AFRC and management in a timely manner.</p> <p><i>Refer to Appendix 3 KEY CONTROLS for more details.</i></p>	<p><b>Materiality</b></p> 	<p>Based on our RSM Global Audit Methodology and professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality of the financial statements. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in the aggregate, on the financial statements and on our opinion.</p>
<p><b>Fraud considerations</b></p> 	<p>Under Auditing Standard ASA 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report</i> (ASA 240), when planning and performing audit procedures and evaluating the results, the auditor must consider the risk of material misstatement in the financial statements because of fraud and error.</p> <p>Although ASA 240 sets out the principles and procedures we must follow, the primary responsibility for the prevention and detection of fraud and error rests with the management of the city. The City is responsible for maintaining accounting records and controls designed to prevent and detect fraud and error and for the accounting policies and estimates inherent in the financial statements.</p>	<p><b>Key areas of Audit focus</b></p> 	<p>For all significant risk material account balances, the engagement team will specify which audit assertions pose significant audit risk and test this balance to ensure it is not materially misstated.</p> <p>Where we have determined that an assessed risk of material misstatement at the assertion level is a significant risk, we will perform substantive procedures that are specifically responsive to that risk.</p> <p>Non-significant risk material balances will be audited by substantive analytical procedures and tests of details, as necessary.</p> <p><i>Refer to Section 5 KEY AREAS OF AUDIT FOCUS for more details.</i></p>
<p><b>Information systems</b></p> 	<p>In accordance with Australian Auditing Standards, we will obtain an understanding of the information system, including the related business processes, relevant to financial reporting, including (amongst others) how the information system captures events and conditions, other than transactions, that are significant to the financial statements.</p> <p><i>Refer to Section 7 INFORMATION SYSTEMS AUDIT SPECIALIST for more details.</i></p>	<p><b>Other critical areas</b></p> 	<p>We will audit the critical disclosures in the financial statements by verifying the underlying calculations and auditing the evidence to support the amounts disclosed.</p> <p><i>Refer to Section 6 OTHER CRITICAL AREAS IN THE FINANCIAL STATEMENTS for more details.</i></p>
<p><b>Going concern</b></p> 	<p>In accordance with Australian Accounting Standards, management is required to make an assessment of the entity's ability to continue as a going concern when preparing the financial report.</p> <p>We will review management's assessment and, along with our audit evidence, form an opinion on the entity's ability to continue as a going concern.</p>	<p><b>Compliance</b></p> 	<p>We will enquire and consider the impact on the financial report of any non-compliance with laws and regulations during our audit. Any identified instances of non-compliance will be reported to the City and management in a timely manner.</p>

## 4. Current Year Developments

As at the date of this audit plan, the City has advised the following major developments have, or will, occur during the current financial year, which may significantly affect our audit approach and procedures. We will obtain an update on any further major developments during our interim and final audit procedures.

### Key projects during the year

#### *Meru Resource Recovery Station*

Construction on the new Resource Recovery Station, which will be located south of the existing transfer station, will commence in May 2023 with the estimated date of completion in December 2023. The \$7.36 million project is joint funded with the Australian Government's Building Better Regions Fund contributing \$1.13 million and the City funding the remaining \$6.23 million.

#### *Spalding Revitalisation Project Stage Two*

The Spalding Revitalisation Project Stage Two is part of a large urban renewal project in which the City partnered with the Department of Communities and Lotterywest to develop and deliver a plan to improve community sustainability by rejuvenating the heart of the Spalding community by creating a safe, inclusive, accessible, well connected and sustainable central hub, where the community can come together to learn, recreate and celebrate in a beautiful parkland setting. The project is part of the State Government's \$9 million Spalding Regional Renewal Project.

Construction works began on the 01 May 2023 and was completed on the 18 December 2023.

### RSM Audit response

- Our audit approach will involve obtaining detailed documentation and evidence of the projects, including but not limited to review of business case and council approval, contracts, invoices, and progress reports, and verifying the accuracy and completeness of the capital expenditure recorded in the financial statements.
- We will also assess the appropriateness of the accounting treatment and disclosure of these projects in accordance with the relevant accounting standards and the City's accounting policies.

### Implementation of New ERP System

The City is currently implementing the cloud based TechnologyOne One Council ERP system. The implementation is being delivered in a phased approach. Phase 1 went live in July 2023 and included the General Ledger, Accounts Payable, Bank and Account Reconciliations, Payroll, Purchasing - Requisitions and Purchase Orders) and Phase 2 configuration and implementation is progressing. Also refer Section 7.

### RSM Audit response

- Obtain the agreement between the vendor and summarize the key terms of the agreement. Perform a SaaS assessment to determine the CAPEX and OPEX cost as at 30 June 2024.
- Review management's process for data migration of all general ledger and sub-ledger balances from Synergysoft to TechOne and review management sign off.
- Test the data migration to ensure that audited closing balances at 30 June 2023 in Synergysoft were correctly brought forward as opening balances in TechOne at 1 July 2023.
- Obtain an understanding of the change in process and controls in respect of the purchase process in relation to requisitions and purchase order.

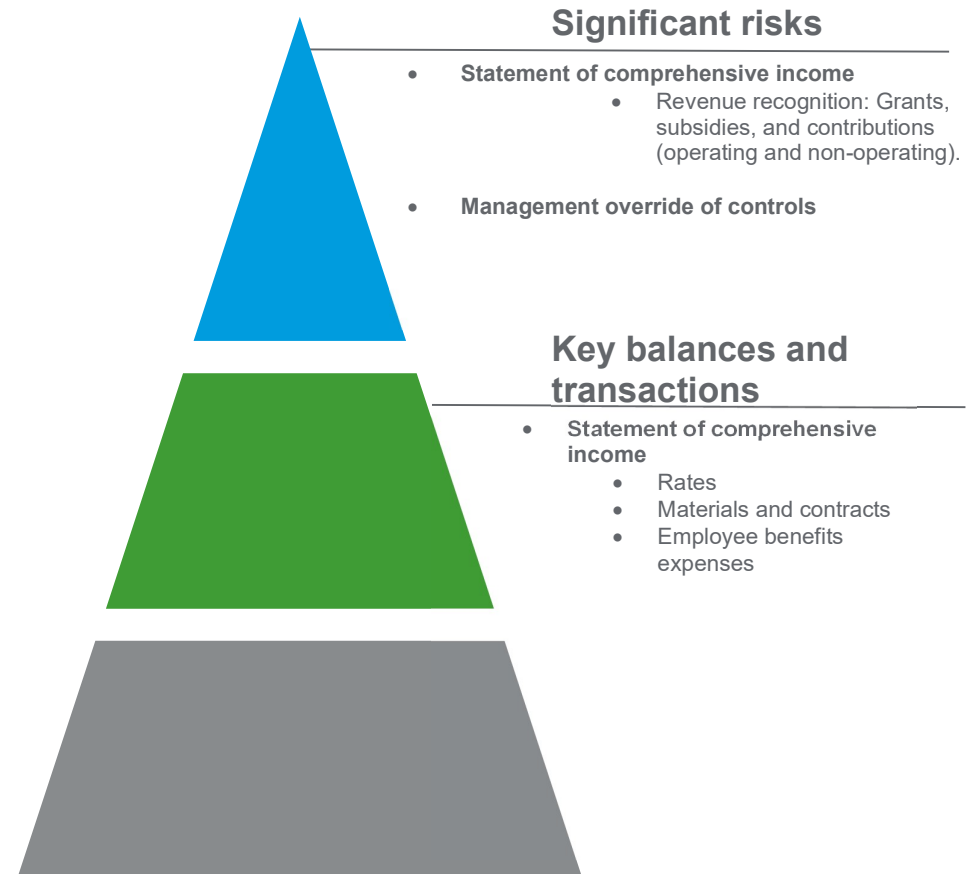


# 5. Key Areas of Audit Focus

As part of the risk assessment, we have determined whether any of the risks identified are, in our judgment, significant risks. A significant risk is an identified and assessed risk of material misstatement that, in our judgment, requires special audit consideration. The assessment is based upon:

- Enquiries of management and directors as part of prior audits,
- The complexity of transactions within each area,
- The extent of specialist skill or knowledge needed to perform the planned audit requirement,
- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a management estimate and judgment.
- Whether the area is exposed to fraud risk.

Using the 30 June 2024 budget, recent financial reports to Council and the 30 June 2023 financial statements as a guide and referring to the RSM calculated materiality amount and risk assessment, RSM has identified the following potential significant risks and balances for the current financial year:



# Key Areas of Audit Focus (continued)

## SIGNIFICANT RISK

### 1. Management override of controls

Reasons why RSM considers this area a significant risk	RSM Audit response
<ul style="list-style-type: none"> <li>Recording fictitious journal entries to manipulate operating results or achieve other objective.</li> <li>Inappropriately adjusting assumptions and changing judgements used to estimate account balances.</li> <li>Altering records and terms related to significant and unusual transactions.</li> <li>Omitting, obscuring, or altering the timing of recognition and /or disclosure of transactions required under AASBs</li> </ul>	<ul style="list-style-type: none"> <li>Testing journal entries recorded in the general ledger and adjustments on a sample basis based on data analytics to identify journal entries that exhibit characteristics of audit interest.</li> <li>Assessing accounting estimates for evidence of biases.</li> <li>Review unusual, significant transactions and related party transactions.</li> <li>Conduct unpredictability test (discussed in Appendix 4).</li> </ul>

### 2. Revenue recognition – Grants, subsidies and contributions, Fees and charges

Reasons why RSM considers this area a significant risk	RSM Audit response
<p>The Local Government recognises revenue from multiple revenue streams outside of its income from rates, including operating grants, subsidies and contributions, fees and charges and non-operating grants, subsidies and contributions.</p> <p>There is a risk that the recognition of revenue may not be compliant with the requirements of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-Profits.</p> <p>There is a presumed fraud risk within revenue recognition under the Australian Auditing Standards.</p>	<p><i>Test of controls including:</i></p> <ul style="list-style-type: none"> <li>Assess the design, implementation and operating effectiveness of key internal controls operating within the revenue cycle.</li> <li>Reviewing the IT general controls related to core financial accounting system.</li> </ul> <p><i>Substantive testing including:</i></p> <ul style="list-style-type: none"> <li>Perform substantive analytical procedures on fees and charges (such as those related to waste management).</li> <li>Performing test of details, on a sample basis, over fees and charges, grants, subsidies and contributions throughout the year and include transactions near year end to ensure they are correctly and completely accounted for in line with the Local Government's revenue recognition policy.</li> <li>Perform calculation checks for contract liabilities related to grants, subsidies and contributions and vouch to agreements.</li> <li>Review receivables balances on a sample basis and perform subsequent receipt testing.</li> <li>Perform testing on journal entries for any management override of internal controls related to revenue recognition.</li> </ul>



# Key Areas of Audit Focus (continued)

## KEY BALANCES AND TRANSACTIONS

### 1. Rates

Account and characteristics	RSM Audit response
<p>Revenue is measured by considering multiple elements, for example rates transactions are calculated by the application of a rate in the dollar to the Gross Rental Value (GRV) or Unimproved Value (UV), which is in turn determined by dividing the required rate collection amount by the total valuations on the roll.</p> <p>GRV's and UV's vary between the various property types, such as mining and pastoral which are supplied by Landgate.</p> <p>Lastly, rates revenue represents a significant portion of the Local Government's annual operating income and is an important revenue stream in terms of the Local Government's cash flows.</p> <p>In addition, further complexity and risk is associated with the requirement for the Local Government to comply with Part 6, Division 6 'Rates and service charges' of the Local Government Act 1995.</p>	<p><i>Test of controls including:</i></p> <ul style="list-style-type: none"> <li>▪ Assess the design, implementation and operating effectiveness of key internal controls operating within the revenue cycle.</li> <li>▪ Reviewing the IT general controls related to core financial accounting system.</li> </ul> <p><i>Substantive testing including:</i></p> <ul style="list-style-type: none"> <li>▪ Review rates receivables balances on a sample basis and perform subsequent receipt testing.</li> <li>▪ Perform substantive analytical procedures on rates through detailed comparison with Landgate valuation data and approved rate in the dollar.</li> <li>▪ Determine if the disclosures in the notes to the financial report related to revenue recognition policy are appropriate.</li> </ul>



# Key Areas of Audit Focus (continued)

## 2. Materials and contracts

Account and characteristics	RSM Audit response
<p>The Local Government's expenditure is comprised of several material components, including employee benefits expense, materials and contracts, depreciation and other expenditure.</p> <p>Due to the overall significance of materials and contracts and the risk of management override, the different cost allocation methods, the strict and complex requirements of the Local Government functions and general regulations, materials and contracts expense is considered a key class of transactions.</p>	<p><i>Test of controls including:</i></p> <ul style="list-style-type: none"> <li>Assess the design, implementation and operating effectiveness of key internal controls operating within the revenue cycle.</li> <li>Reviewing the IT general controls related to core financial accounting system.</li> </ul> <p><i>Substantive testing including:</i></p> <ul style="list-style-type: none"> <li>Performing test of details, on a sample basis, over materials and contracts expense. The samples will be selected from transactions occurring throughout the year and include transactions near year end to ensure they are correctly and completely accounted for in the correct period.</li> <li>Perform a search for unrecorded liabilities.</li> </ul>

## 3. Employee benefits expense

Account and characteristics	RSM Audit response
<p>The Local Government's expenditure is comprised of several material components, including employee benefits expense, materials and contracts, depreciation and other expenditure.</p> <p>Due to the overall significance of employee benefits expense and the risk of management override, the different cost allocation methods, it is considered a key class of transactions.</p>	<p><i>Test of controls including:</i></p> <ul style="list-style-type: none"> <li>Assess the design, implementation and operating effectiveness of key internal controls operating within the revenue cycle, including application controls.</li> <li>Reviewing the IT general controls related to core financial accounting system.</li> </ul> <p><i>Testing including:</i></p> <ul style="list-style-type: none"> <li>Substantive analytical procedures over employee benefit expenses and amounts allocated from employee benefits to capital projects.</li> <li>Substantive analytical procedures over annual leave and long service leave provisions.</li> <li>Check the mathematical accuracy of the long service leave computation, including consideration of significant assumptions, methods and data utilised.</li> <li>Performing test of details, on a sample basis, of Key Management Personnel ('KMP') remuneration disclosures in the financial report.</li> </ul>





# Key Areas of Audit Focus (continued)

## Other material balances

Statement of Financial Position	RSM Audit response
Employee benefit provisions	<ul style="list-style-type: none"> <li>Review the method and underlying data that management and where applicable third parties use when determining critical accounting estimates.</li> <li>Considering the reasonableness of assumptions and corroborating representations.</li> <li>Review management's assessment on casual employees' leave entitlements.</li> </ul>
Provision for remediation costs	<ul style="list-style-type: none"> <li>Review management's assessment to identify change in circumstances and any change required to the provision for remediation costs.</li> <li>Review present value calculation for the provision for remediation costs.</li> </ul>
Borrowings	<ul style="list-style-type: none"> <li>Obtain Audit Report issued by WA Treasury Corporation and agree loan balance, finance costs and repayment terms</li> </ul>
Right-of-use asset and lease liabilities	<ul style="list-style-type: none"> <li>Obtain the various material lease agreements and review the accounting treatment and related disclosures in the notes to the financial statements.</li> <li>Review the practical expedient option applied by the City to recognise the leases in the financial statements under AASB 16.</li> </ul>
Right-of-use assets and lease liabilities	<ul style="list-style-type: none"> <li>Obtain lease agreements on a sampling basis.</li> <li>Review lease calculation, accounting treatment and related disclosures in the notes to the financial statements.</li> </ul>
Trade receivables	<ul style="list-style-type: none"> <li>On a sample basis, test trade receivables to supporting documentation and subsequent receipts (where possible).</li> <li>Review management's assessment of reasonableness of provision for expected credit losses.</li> </ul>
Trade and other payables	<ul style="list-style-type: none"> <li>On a sample basis, test trade payables and accruals to supporting documentation and subsequent payment (where possible).</li> </ul>
Statement of comprehensive income	RSM Audit response
Other revenue	<ul style="list-style-type: none"> <li>On a sample basis, test other revenue to supporting documentation throughout the year and include transactions near year end to ensure they are correctly and completely accounted for in line with the Local Government's revenue recognition policy.</li> </ul>
Other expenditure	<ul style="list-style-type: none"> <li>On a sample basis, test supplies and services expense to supporting documentation to ensure recorded in correct year.</li> </ul>



## 6. Other Critical Areas and Disclosures

RSM will also audit the following critical disclosures in the financial statements by verifying the underlying calculations and auditing the evidence to support the amounts disclosed.

### Related party disclosures

The City continues to be subject to the requirements of AASB 124 Related Party Disclosures. The Standard requires disclosures for senior officers' compensation and certain transactions with related parties. A review will be conducted to ensure proper accounting and disclosure of related party transactions and executive remuneration.

Further, section 7.12AL of the Act applies section 17 of the Auditor General Act 2006 to a local government, which requires the City to advise the Auditor General in writing of details of all related entities that are in existence.

#### RSM Audit response:

We will review the disclosures and supporting material to ensure compliance with AASB 124. We will also assess the City's internal controls around the identification and proper disclosure of related party transactions and executive remuneration.

### Capital and other commitments for expenditure

The City must disclose in the financial statements its capital and other commitments relating to future asset construction and replacements.

#### RSM Audit response:

We will check the underlying calculations and review the evidence to support the amounts disclosed.

### Reserve accounts

The City has established several reserve accounts under section 6.11 of the Act for the purpose of setting aside money for a specific purpose to be used in a future period. Cash reserves are required to be held in separate bank accounts. Although reserve accounts are aggregated with municipal funds in the financial statements, they are segregated in the notes to the financial statements as restricted funds.

#### RSM Audit response:

RSM will review the reserve account reconciliations and test that the transfers to and from these accounts are approved by Council and are in accordance with the specific purpose of the reserve.

# 7. Information Systems Audit Approach

CoGG are currently implementing a new ERP (TechnologyOne One Council ERP). Phase 1 went live on 1 July 2023 and included General Ledger, Accounts Payable, Bank and Account Reconciliations, Payroll, Purchasing - Requisitions and Purchase Orders). Phase 2 of the implementation which involves asset lifecycle management, supply chain management, human resources, enterprise content management, asset accounting and corporate management is in progress.

The scope for the audit of City of Greater Geraldton will be a streamlined scope.

The following scope areas are typically addressed as part of our ITGC scope of work:

- IT governance
- IT strategy
- IT security
- Change management
- Business continuity, disaster recovery and backups.

Due to the varying degree of financial system integration at each local government, RSM has assessed the information system environment as being sophisticated and we will engage an Information System Auditor (ISA) specialist to assess the risk of material misstatement imposed by the Information Technology (IT) environment at each local government.

The audit procedures conducted by the ISA will be:

- Testing general IT controls around system access and testing controls over computer operations within specific applications which are required to be operating correctly to mitigate the risk of misstatement in the financial statements; and
- Reviewing the key controls around change management related to significant IT systems.

RSM complies with Auditing Standard ASA 315 Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment. Our approach to information systems audit is to obtain an understanding of the information system, including the related business processes, relevant to financial reporting, including (amongst others) how the information system captures events and conditions, other than transactions, that are significant to the financial statements.



## 8. Your Engagement Team

Your engagement team has been carefully selected to provide you with an efficient and effective audit through their relevant experience. The audit team consists of the following members:

### RSM Core Engagement Team



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# Appendices

1. Timetable
2. RSM Orb
3. Key Controls
4. Changes in Accounting Standards

# Appendix 1: Timetable

Phase	Task	Indicative time frame*	Action
Pre-planning	<b>Pre-planning meeting</b> to review and update the overall audit approach and plan	12 April	RSM/City
	Issue draft APM to the City for commentary	15 April	RSM
	<b>Entrance meeting</b> with the Council Members, the City's Administration, OAG and RSM for the presentation and discussion of final APM	23 April	RSM/OAG/City
Interim Audit Fieldwork	Issuing of Interim Audit Preparation Checklist to the City	12 April	RSM
	Based on risk assessment, performance of cyclical controls testing, walkthrough of major business cycles and review of key reconciliation procedures	20-24 May	RSM
	Assessment of status of Management Letter points raised from prior year	28 May	RSM/OAG/City
Interim Audit Reporting	Review of audit file by the OAG	06 June	OAG
	<b>Interim audit findings meeting</b> with the City's Administration and RSM to discuss any significant control matters surrounding the major transaction cycles and content of the management letter, if any	13 June	RSM/City
	Issue the draft Interim Audit Management Letter (if any) for the year ending 30 June 2024 to the OAG for consideration and comment	14 June	RSM/City
	Issue of the draft Interim Audit Management Letter (if any) to the City for consideration and comment	14 June	RSM/OAG
	Return of draft Interim Audit Management Letter (if any) to RSM with commentary	17 June	City
	Issue the Interim Audit Management Letter (if any)	17 June	OAG
Draft Financial Report	The City submits proforma financial report to RSM for review and comment. This will be in the form of the statutory model with the previous year's actuals displayed.	30 Sept	City
Final Audit Fieldwork	Issuing of Final Audit Preparation Checklist	01 August	RSM
	Provision of trial balance as at 30 June 2024 to RSM	30 Sept	City
	City to submit draft financial report.	30 Sept	City
	Performance of substantive tests for revenue and expenditure cycles for the 3 months ending 30 June 2024	14-25 Oct	RSM
	Performance of substantive tests for balance sheet accounts as at year end and review of financial statement disclosure	14-25 Oct	RSM
	Review of audit file by the OAG	04 Nov	OAG
Final Audit Management Letter	<b>Final audit findings meeting</b> with the City's Administration and RSM to discuss any significant control matters surrounding the major transaction cycles and content of the management letter, if any.	06 Nov	RSM / City



Phase	Task	Indicative time frame*	Action
	Issue the draft Final Audit Management Letter (if any) for the year ending 30 June 2024 to the OAG for consideration and comment	01 Nov	RSM/OAG
	Issue the draft Final Audit Management Letter (if any) for the year ending 30 June 2024 to the City for consideration and comment	04 Nov	RSM/ City
	Return draft Final Audit Management Letter (if any) for the year ending 30 June 2024 to RSM with commentary	06 Nov	City
	Issue the Final Audit Management Letter (if any) to the OAG	06 Nov	RSM
	Issue draft Management Representation Letter and draft Financial Report to the City for consideration and comment	06 Nov	RSM
	Issue, Financial Report and Audit Closing Report at least 1 week before exit meeting.	15 Nov	RSM
	<b>Final audit exit meeting</b> with the Council Members, the City's Administration, OAG and RSM .	15 Nov	RSM/OAG/City
	Independent Contract Auditor's Report issued	26 Nov	RSM
	OAG to sign and issue the Audit Report	26 Nov	OAG
	City's Ordinary Council Meeting for the adoption of the 30 June 2024 Financial Report	26 Nov	City

### Audit preparation checklist.

To assist the City to gather and collate the necessary audit information and documentation, we will issue in advance of each audit visit an Interim Audit Preparation Checklist and a Final Audit Preparation Checklist utilising CaseWare Xtend. As the requested information will be an important part of our audit working papers, the information required must be made available to RSM on or before the audit fieldwork dates specified above. This will facilitate the delivery of an efficient audit and help to minimise interruptions to the City's staff.

CaseWare Xtend will facilitate the delivery of an efficient audit and help to minimise interruptions to the City's staff. We have found this facility to be very useful and clients have appreciated the savings in time and reduced disturbance by auditors during the audit fieldwork. The benefits of CaseWare Xtend include:

- Securely request, file and store sensitive data within the audit engagement.
- Collaborate and communicate in real time, allowing for a more adaptable and transparent workflow.
- Manage requests in one centralised location that is readily accessible.
- Track the status of audit requests.



# Appendix 2: RSM Orb



**An RSM Audit puts quality at its heart to deliver.**

We recognise that the delivery of a quality audit service is critical to achieving client satisfaction and our audit objectives.

In undertaking the audit on the financial report, we have utilised our technology platform and proprietary methodology, RSM Orb.

RSM Orb is our optimal risk-based audit methodology, deployed across more than 100 countries worldwide. Our technology platform and proprietary methodology enables our auditors to focus on your risks and design procedures tailored to your unique circumstances and environment. RSM Orb enables us to develop a deeper understanding of your business, providing you with critical insights now and for the future.

**An RSM Orb audit delivers:**

**Consistency**

A consistent approach across any number of operations and jurisdictions, tailored to your unique risks and circumstances.

**Innovation**

Optimising our use of technology in how we plan and conduct our work to enhance your audit experience.

**Critical insights**

Pinpointing those areas that require closer scrutiny and enhanced judgement, enabling us to be more effective in addressing risk areas and adding intellectual value and critical insights.

**Confidence**

Delivered through robust and considered planning, an efficient technology platform and a highly qualified experienced team





# Appendix 3: Key Controls

## 3.1 Significant changes to internal controls

The City advised that the only major change to its management and internal control environment is the implementation of the new ERP System which is further elaborated in Section 7 above. The City is not aware of any other major changes that may significantly impact the 30 June 2024 financial statements.

## 3.2 Effectiveness of internal controls

The overall control environment in the City has not raised any significant audit issues in the recent past. The City management team has a substantial focus on ensuring that controls in place are robust and that financial reporting is accurate. The financial controls, processes, and procedures across the City are at a mature stage with proper documentation and ownership within the various business units. We will assess the City's overall control environment, including meeting with senior management. This will include consideration of senior management's approach and the quality of internal audit and risk management processes and procedures.

We will follow up during the current year audit procedures prior year management letter points, as outlined in the below table, to ensure they have been properly resolved.

### Findings completed and awaiting verification

Matter	Rating	Status
Reconciliation between the Asset management system and fixed asset register	Moderate	Open
Fair value assessment of land, building and infrastructure assets – Airport assets	Moderate	Open
Access Management	Significant	Open
Change Management	Significant	Open
IT Governance – Policies and Procedures	Moderate	Open
Network and Security Management	Moderate	Open
Password Management	Minor	Open

## 3.3 Fraud incidences during the year

The City's management has represented that no matters have been reported to the Crime and Corruption Commission or the Public Sector Commission. The City management has confirmed that there were no fraud incidences to date of this APM.

It should be noted that our audit is not designed to detect fraud, however, should an instance of fraud come to our attention, we will report it to you. Information relating to the fraud will be provided to our forensic division and our office may decide to conduct further investigation.

Information obtained during the audit can be used to carry out an examination or investigation for one or more of the purposes mentioned in Section 18 of the *Auditor General Act*.



# Appendix 4: Changes in Accounting Standards

	Description	Who does it affect	Effective date
<b>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</b>	<p>This Standard amends:</p> <ul style="list-style-type: none"> <li>AASB 7 Financial Instruments: Disclosures, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;</li> <li>ASB 101 Presentation of Financial Statements, to require entities to disclose their material accounting policy information rather than their significant accounting policies;</li> <li>AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; and</li> <li>AASB Practice Statement 2 Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</li> </ul>	All entities	31 December 2023 (Accounting periods beginning on or after 1 January 2023)
<b>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</b>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of liability is also clarified.	All entities	31 December 2024 (Accounting periods beginning on or after 1 January 2024)
<b>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</b>	AASB 2020-6 defers the effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023.	All entities	31 December 2024 (Accounting periods beginning on or after 1 January 2024)
<b>AASB 2022-6 Amendments to Australian Accounting Standards – Noncurrent Liabilities with Covenants</b>	AASB 2022-6 amends AASB 101 to provide further clarity on the presentation and disclosure of non-current liabilities with covenants, and to defer the effective date of the 2020 amendments from 1 January 2023 to 1 January 2024.	All entities	31 December 2024 (Accounting periods beginning on or after 1 January 2024)
<b>AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</b>	<p>This Standard amends AASB 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale.</p> <p>AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.</p>	All entities	31 December 2024 (Accounting periods beginning on or after 1 January 2024)

For more information, visit: [www.rsm.global/australia/service/audit-and-assurance-services](http://www.rsm.global/australia/service/audit-and-assurance-services)



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**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
<b>296</b>	Harm to minor under City guardianship for youth outreach program	Community & Cultural Development	1.4	People - Work, Health, Safety & Security Management Practices

N#	Risk Title	Portfolios	SCP Alignment	Risk Theme
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.

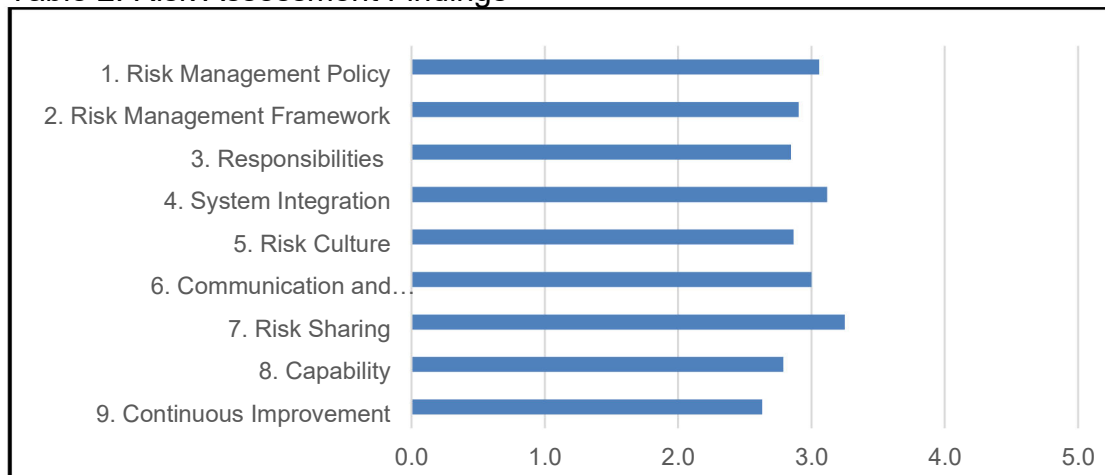
This risk maturity assessment is designed to review and monitor the current effectiveness or the City's implementation of risk management principles and activities across its operations.

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
<ol style="list-style-type: none"> <li>1. Risk Management Policy</li> <li>2. Risk Management Framework</li> <li>3. Responsibilities</li> <li>4. System Integration</li> <li>5. Risk Culture</li> <li>6. Communication and Consultation</li> <li>7. Risk Sharing</li> <li>8. Capability</li> <li>9. Continuous Improvement</li> </ol>	<ol style="list-style-type: none"> <li>Level 1 - Awareness</li> <li>Level 2 - Understanding</li> <li>Level 3 - Implemented</li> <li>Level 4 - Embedded</li> <li>Level 5 - Mature</li> </ol>

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



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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 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.

**Overview**

This Risk Management Maturity Assessment makes use of the Risk Management Improvement Strategy assessment template. This template utilises the following maturity scale and assesses 9 risk management elements as follows.

- |                              |                                   |
|------------------------------|-----------------------------------|
| 1. Risk Management Policy    | 6. Communication and Consultation |
| 2. Risk Management Framework | 7. Risk Sharing                   |
| 3. Responsibilities          | 8. Capability                     |
| 4. System Integration        | 9. Continuous Improvement         |
| 5. Risk Culture              |                                   |

**Risk Mature Criteria.**

<b>Level 1</b>	<b>Awareness</b>	There is a general understanding within the organisation of the benefits of risk management to the organisation, however, at this stage, no active measures have been taken that would constitute the implementation of a Risk Management Framework.
<b>Level 2</b>	<b>Understanding</b>	A Risk Management Framework has been designed and implementation has commenced or has been programmed to commence in the near future. There may be some risk management being done within the organisation, however, this is on an ad- hoc basis and is reliant on individuals within the organisation, as opposed to leadership from senior management.
<b>Level 3</b>	<b>Implemented</b>	A Risk Management Framework has been implemented in all key functional areas within the organisation, however, there are areas within the organisation that have yet to incorporate sound risk management practices into their processes.
<b>Level 4</b>	<b>Embedded</b>	A Risk Management Framework has been implemented in all key functional areas within the organisation, however, not all of the functional areas can be regarded as 'best practice' in relation to their risk management but steps are being taken to continually improve.
<b>Level 5</b>	<b>Mature</b>	A Risk Management Framework has been implemented in all key functional areas within the organisation, and all of the functional areas can be regarded as 'best practice' in relation to their risk management.

**Average maturity score of each element based on the assessment**

Refer to the subsequent section for the individual scoring allocation across the 9 risk management elements.



**Risk management maturity assessment**

Element 1: Risk Management Policy	
Fundamental	Maturity Score 1-5
The City has a risk management policy which has been endorsed by Council.	4
The policy defines the approach and rationale for managing risk within the City.	3
Communication and understanding of the policy and its objectives for managing risk vary across different levels of the City.	3

Understanding of the City's appetite for risk is inconsistent across the City.	3
<b>Developed</b>	
The City's risk management policy has been communicated throughout the City.	4
There is a thorough understanding of the City's risk appetite and tolerance by senior executive and the Council that is implied in the City's risk documentation, in particular its consequence and likelihood tables.	4
<b>Systematic</b>	
The City's risk management policy outlines the required accountability and responsibility for managing risk.	4
A common definition of risk exists and is applied throughout the City.	3
The City's risk appetite and tolerance policy is high-level and qualitative.	4
<b>Integrated</b>	
The City's risk management policy includes a vision for the continuing development of its risk management program.	3
The policy contains a high level risk appetite and tolerance policy with both qualitative and quantitative elements, which is linked to the City's business strategies.	3
The policy is reviewed and updated to reflect changes in the internal and external environment as they occur.	3
<b>Advanced</b>	
The City's risk management policy defines the linkages between risk and strategy within the City.	3
The policy is reviewed and updated on a biannual basis or more regularly if circumstances change.	4
The City's risk appetite and tolerance is articulated through individual risk appetite and tolerance statements developed for each source or category of risk. These statements are supported and operationalised by measures that enable effective monitoring and review.	2
<b>Optimal</b>	
The City's risk management policy considers the management of risk as an integral part of the City's governance systems, and this reflects the link between risk and realising the City's strategic objectives.	3
The policy contains information for all staff and stakeholders on the resources and processes dedicated to the management of risk.	3

<b>Element 2: Risk Management Framework</b>	
<b>Fundamental</b>	<b>Maturity Score 1-5</b>
The City's risk management framework (framework) is articulated at a high level but not integrated with the City's operations and overarching governance practices.	3
Resources allocated to manage risk are limited and are often shared across other responsibilities.	3
The framework and systems used to manage risk may not be widely understood or practiced.	3
<b>Developed</b>	
The City's risk management framework articulates the methodology and processes required to manage risk within the City.	4
The effectiveness of the City's framework is reviewed on an ad hoc or informal basis.	3
<b>Systematic</b>	
The City's risk management framework has been implemented and supports a consistent approach to the identification, assessment, evaluation and treatment of risk.	3
Resources have been allocated to implement, monitor and review the framework.	3
The framework has performance measures that are reviewed on an annual basis.	2

The framework explains the requirements for reporting the status of key risks including how the City contributes to managing shared or cross jurisdictional risk.	3
<b>Integrated</b>	
The City's risk management framework is embedded in the operations of the City and is part of its overarching governance and management framework.	3
The techniques for the identification, assessment, evaluation and treatment of risk are applied consistently across all business units.	3
Reporting on the status of key risks and control performance including effectiveness of the framework occurs on a quarterly basis.	2
<b>Advanced</b>	
The City's risk management framework includes measures for the accountability and management of risk and controls at both a business unit and programme/project level.	3
Key risk indicators are used to measure the overall performance of the City's risk management framework.	3
There is a hierarchy of tools to guide decision making and support regular reporting and the escalation of risks.	3
Risk management documentation and data is centrally stored and readily available to officials.	3
<b>Optimal</b>	
The City's risk management framework includes techniques to identify, analyse and measure current, future and emerging risks through the collection and analysis of data including loss event, near-miss data and root cause analysis.	3
Real time risk information is readily available from a centralised source to support decision making.	2
The appetite and tolerance for managing risk in the City is understood and informs discussions on the changing profile of individual risks or themes.	3
Performance reporting requirements are in place to measure and monitor risk exposures.	2
There is no duplication of risk management activities for different risk related functions across branches or business units, resulting in the effective flow of information across the City.	4

<b>Element 3: Responsibilities</b>	
<b>Fundamental</b>	<b>Maturity Score 1-5</b>
Responsibility for the management of risk has been articulated in the City's Council instructions.	4
<b>Developed</b>	
The City's Council instructions and risk management policy articulate who is accountable and responsible for the management of risk, and the implementation of the City's risk management framework.	4
The management of risk is not specified in individual's performance agreements.	3
<b>Systematic</b>	
The City has a risk manager or team responsible for implementing the City's risk management framework and these roles and responsibilities are defined in the City's Council instructions and risk management policy.	3
Accountability and responsibility for managing risk is clearly defined and linked to the performance of staff at each level of the City.	3
Accountability and responsibility for managing, or overseeing, risk is included in the charters of executive committees including audit and or risk committee.	3
<b>Integrated</b>	
There is a formalised governance structure to assess and have oversight of the management of risk at business unit and executive levels.	3
The City has a clear definition of what constitutes a new policy, programme and/or service and there is a formal governance structure in place for the assessment of the risks associated with the development or implementation of these.	2

The City's risk manager or team coordinates the implementation of the City's framework, its risk profiles and action plans as well as evaluating risk planning to ensure consistency and accuracy of practice.	2
<b>Advanced</b>	
Senior leadership supports the City's risk manager or team to facilitate, challenge and drive risk management capability in the City.	3
The risk management team report to senior executive, the audit committee or the Council at regular intervals on the performance of the City's risk framework.	3
The City's Executive approves the City's risk appetite and tolerance, including its risk profile, and the management of significant and critical risks, as well as overseeing the continual improvement of the City's risk framework.	3
<b>Optimal</b>	
Managers and supervisors monitor the risks and risk profiles of their areas of responsibility and ensure staff adopt the City's risk management framework as developed and intended.	3

<b>Element 4: Systemic Integration</b>	
<b>Fundamental</b>	<b>Maturity Score 1-5</b>
Branch and Business unit risks are reviewed annually however these risks do not inform the City's business planning, budgeting and reporting processes.	3
The definitions used to manage risk are inconsistently understood throughout the City as there is limited guidance for identifying risk processes or differentiating between risk classes.	3
<b>Developed</b>	
Enterprise-wide risks are considered in the City's business planning, budgeting and reporting processes.	3
There is no evidence of the identification of specialist categories of risk, such as fraud, or business continuity in these processes.	4
<b>Systematic</b>	
The City's risk management framework is embedded in its operational, process and reporting frameworks ensuring greater coordination of risk activities.	3
The City's approach to managing risk is a part of its overarching governance framework and recognised as key to effective business planning.	3
The processes of identification, assessment, monitoring, communicating and reporting risk are consistent across the City.	3
The City's risk profile enables the prioritisation of City's audit and assurance activities.	3
<b>Integrated</b>	
The process of managing risk occurs at the policy, program and/or service delivery level and is evident in the collation and analysis of management information.	3
The City's risk appetite and tolerance has been defined and communicated to all staff to ensure an appropriate level of risk identification is undertaken when developing strategic and operational plans.	4
Specialist risk programs are documented and included in regular reports to senior executive and/or the Council.	3
<b>Advanced</b>	
The City's approach to managing risk is fully integrated with its overarching governance framework and recognised as key to effective business planning.	3
The City identifies opportunities for improvement that arise as a result of analysing risk information and identifying good risk management practice.	3
The City has developed a comprehensive risk appetite and tolerance policy including KPI's that cascade from high level down to the detailed level.	2
<b>Optimal</b>	
The City's risk management processes are utilised at enterprise, business unit, program and project levels and for all risk activities including specialist areas such as information technology, fraud, security, business continuity, crisis management and business continuity.	3

Formal mechanisms exist to build and maintain organisational resilience.	4
The City's risk appetite and tolerance policy, (including its tolerances and limits for different categories of risk) are used consistently across the City to inform decision making.	3

Element 5: Risk Culture	
Fundamental	Maturity Score 1-5
Officers understand and agree the need and value of effective risk management.	3
Council, senior executives and line managers demonstrate the importance the City places on managing risk in line with the City's framework and systems.	3
Developed	
The City's risk management framework is integral to its operating model.	3
Lessons learnt are communicated to staff.	3
There is a common understanding of the meaning of good risk management and as a result a consistent use of language and understanding of risk related concepts.	3
Systematic	
Surveys and external reviews undertaken (such as the annual state of the service report or capability reviews) are analysed to provide insights into the risk culture of the City.	2
The City analyses loss incidents and identifies areas for improvement. This includes acknowledging good risk management practice and speaking with staff regularly about opportunities to better manage risk.	3
Integrated	
Senior executives are held accountable through their performance agreements for managing risk including responsibility for strengthening the risk culture of their teams.	3
The City's risk culture is formally and regularly assessed with recommendations identified for improvement.	2
The City has a risk management framework that is integrated with its overarching governance framework so that the task of managing risk is not regarded as an additional responsibility or burden.	3
Advanced	
Officers are comfortable raising concerns with senior managers and those being challenged respond positively.	3
There is a sponsor at the senior executive level of the City that leads and promotes the management of risk across the City.	3
The City learns from negative and positive situations so that policy and procedural changes are made to improve the management of risk in the future.	3
Optimal	
The culture of the City is one that demonstrates and promotes an open and proactive approach to managing risk that considers both threat and opportunity.	3
Examples of good risk management practice are communicated by senior executive and individuals that excel in demonstrating good risk management practice in their day to day responsibilities are rewarded.	3

Element 6: Communication and Consultation	
Fundamental	Maturity Score 1-5
There is no common risk language used across the City with limited reporting of risks to senior executive, the Council or key stakeholders.	3
Branches and or business units communicate with their stakeholders but this information is not shared across the City.	3
Communication of risk issues with senior executive and/or the Council is as requested. As a result, this may lead to duplication of information across the City.	3

<b>Developed</b>	
Communication with the senior executive and/or the Council is limited to information on the specialist risks of the City such as work health safety, security or fraud. Risks are discussed at the senior executive level but it is not apparent how this information is communicated or shared with those responsible for managing specific risks.	3
A common risk language is used and understood to communicate risk by the risk management function and senior leadership teams but these terms are not consistently understood across the City.	3
<b>Systematic</b>	
There is a common understanding of the principles and importance of managing risk across the City.	3
The City acknowledges the importance of communicating risk in a timely manner by providing information on the management of key risks and the effectiveness of the City's risk management framework to senior executive and the Council.	3
While the City analyses incidents and identifies areas for improvement feedback is not commonly used to improve policies, procedures and related communications.	2
External communication occurs to inform stakeholders of the management of key risks and to assist them in understanding the City's approach to managing risk.	3
<b>Integrated</b>	
The City's risk terminology is understood by all staff providing a consistent approach to managing risk across all branches and functions internally.	3
The importance of communicating and escalating risk issues is considered in the day to day activities of staff.	3
Reporting formats have been agreed and are tailored to target audiences.	3
<b>Advanced</b>	
There is a consistent approach to communicating and discussing risk, enabling staff to develop an understanding of how risk management contributes to achieving the City's objectives.	3
Staff are informed of the City's appetite for risk through a variety of communication and information channels which are regularly reviewed and updated as the City's context for managing risk changes.	3
There is evidence of the integration of risk information with key operational systems such as strategic planning, work health safety and business continuity.	4
<b>Optimal</b>	
The importance of communicating risk is apparent across the City with a high level of importance placed on ensuring a common understanding of the principles for managing risk; understanding the need to escalate risk issues as they arise; and the importance of informing both internal and external stakeholders in a timely manner.	3

<b>Element 7: Shared risk (Including Strategic, Enterprise, Departmental or Major Project Risk)</b>	
<b>Fundamental</b>	<b>Maturity Score 1-5</b>
There are no formal arrangements in place to discuss and understand shared risks between the City and other external entities or stakeholders.	3
<b>Developed</b>	
The City's risk management policy defines shared risk.	3
The City's risk management framework reflects the requirement to consider shared risk in supporting guidance and documentation.	4
Informal arrangements are in place to discuss and understand shared risks between the City and other external entities.	3
<b>Systematic</b>	
The City's risk management framework provides guidance on how to identify, assess, communicate and contribute to the management of shared risk.	4
Formal governance arrangements are in place to discuss and understand shared risks between the City and other external entities.	3

<b>Integrated</b>	
Senior executive champion shared risk behaviours by demonstrating a collaborative approach to managing shared risk.	3
There is a common understanding of accountabilities and responsibilities for managing shared risk within the City.	3
<b>Advanced</b>	
The culture of the City is one where identifying and managing shared risk is considered important.	3
Where the City shares risk with another LG or organisation there are agreed governance arrangements in place to discuss, understand and effectively manage both current and emerging shared risks.	4
<b>Optimal</b>	
The concept of shared risk, and the arrangements for managing it, is reflected in the City's governance framework and business processes.	3
The City has established mechanisms and protocols for recording, monitoring and reporting on managing shared risk.	3

<b>Element 8: Capability</b>	
<b>Fundamental</b>	<b>Maturity Score 1-5</b>
There are a limited number of resources available for the management of risk. Primary resources include the allocation of staff to support the implementation of the City's risk framework and a budget to manage specific risks.	3
Key individuals, including senior executive, the Council and risk personnel are provided limited training to understand and execute their risk management responsibilities.	3
There is an informal process in place to exchange risk information between the senior executive and the Council with individual branches or business units.	4
<b>Developed</b>	
The role of implementing the City's risk management framework is shared with other responsibilities such as audit, security or facilities management.	2
Staff are able to develop their level of risk management skills through access to regular training.	3
Risk information is disseminated and shared across the City informally.	3
<b>Systematic</b>	
Staff responsible for implementing the City's risk management framework are dedicated resources to the risk management function, with a well-developed understanding of the City and its operations.	3
Levels of risk competence have been identified for each level of the City and there is support for the ongoing development of risk management skills appropriate for each level.	3
There is an effective flow of information through the City with a structured approach to the provision of information to senior executive and the Council that consolidates all risk data.	3
Risk information is stored in a centralised repository and accessible to key staff.	3
<b>Integrated</b>	
The risk manager or risk management team is responsible for assisting branches or business units to identify and evaluate risk, ensuring a consistent and structured approach is applied.	2
Management regards the resourcing of risk as important therefore the City has a consistent approach to identifying and developing risk management skills internally.	2
Risk information is stored in a centralised repository that is accessible by all staff and provides access to real time data.	2
<b>Advanced</b>	
The City's operational budget reflects the cost of managing key risks.	3
There is a culture of knowledge sharing with the cost of managing risk appreciated at all levels.	3



Risk Management Information Systems are used to undertake data analysis and inform organisational decisions. This includes historical data such as near misses and loss events as well as predictive data that includes the identification of new and emerging risks and the potential costs of these risks.	2
<b>Optimal</b>	
Risk resources are allocated based on detailed analysis supported by data on current, future and emerging risks.	3
The ongoing costs associated with the implementation of the City’s risk management framework, such as risk treatment, resourcing, education and communication, are identified and managed within the City’s operational budget.	3
The City demonstrates an understanding of the need to build risk capability through the effective allocation and use of risk resources. This is achieved by focusing on priority areas for improvement, addressing underlying issues, and utilising the skill of existing resources.	3

<b>Element 9: Continuous improvement</b>	
<b>Fundamental</b>	<b>Maturity Score 1-5</b>
There is limited oversight of the effectiveness of the City’s risk management framework.	2
The reporting and consideration of risk issues is performed in an uncoordinated manner.	3
<b>Developed</b>	
Reviews of the effectiveness of the City’s risk management framework are undertaken on an ad-hoc basis by the internal audit function.	2
Accountability for the oversight of key risks is unclear.	3
<b>Systematic</b>	
Reviews on the performance elements of the City’s risk management framework are completed. Results are reported to senior management and the City’s Council so that review and monitoring plans are established for future periods in select functions.	3
Regular reviews and evaluation of all material risks are undertaken in the City.	2
Reporting of risk occurs on a regular basis enabling the consideration of key issues in a timely manner by the senior executive and Council.	3
The risk management framework includes a process by which individuals certify the performance of their responsibilities.	3
Reporting formats have been agreed and are tailored to the target audience.	3
<b>Integrated</b>	
Scheduling of risk review and monitoring plans occurs across all branches and business units.	2
Risk reporting to the senior executive and the Council includes the use of qualitative and quantitative criteria to assess performance against risk appetite and tolerance levels.	3
Regular reviews of compliance with the risk framework are undertaken by internal audit.	3
Ongoing oversight and monitoring of the risk function occurs on a regular basis to identify opportunities for improvement in the framework and processes of the City.	2
<b>Advanced</b>	
The City’s risk management framework contains validation and assurance processes on a real-time basis with performance considered by senior executive.	2
Risk processes are assessed on a regular basis by an independent party.	3
Review and monitoring plans are established for future periods across all functions. These plans are independently monitored to determine progress and outcomes.	3
The Council and senior executive discuss and agree target maturity levels for each critical component of risk management and a conscious decision is made about the allocation of risk management resources and the necessary investments to achieve an agreed future vision.	2
<b>Optimal</b>	
Comprehensive data collection supports continuous review, monitoring and learning from outcomes (e.g. internal audit, near misses, loss event data and independent reviews).	3
The management of risk is reflected in branch and business unit budgets, with the cost of risk being identified and managed effectively. The City considers the cost of managing risk at all	3

<p>levels and reports on this to the senior executive and Council on a regular basis. As a result, the allocation of resources for managing risk is considered in the City's operating budget. This includes the treatment of key risks and the costing of opportunities for improved processes or additional programmes as a result of the identification of opportunities from the risk management process.</p>	
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N#	Risk Title	Risk Description	Portfolios	SCP alligemnt	Risk Theme	Classifications	Inherent Rating	Residual Rating	Likelihood	Consequence
1349	Walkaway Nangetty Bridge 3014 at risk of failure	CAUSE 56 years of, end of life Increased loading and volume of heavy vehicles eg design does not account for modern truck sizes)  CONSEQUENCE Clapses injury or death	ENT. Enterprise Risk	1.4 Community safety, health and well-being is paramount.  3.1 A City that is planned, managed and maintained to provide for environmental and community well being	Assets - Asset Management Practices	Work Health & Safety , Financial Impact, Reputation, Legal & Compliance,	Extreme	High	Possible	Catastrophic
260	Major Aerodrome Emergency Incident	CAUSE - Fuel spill Failure to inspect or maintain Runway infrastructure Plane Crash Natural disasters (Cyclone, bushfire etc) Antisocial or violent behaviour bomb threat, terrorism etc. Pilot error or non compliant  CONSEQUENCE - Death/Injury to persons Financial Impact due closure of Aerodrome Regulatory investigation Environmental and Aerodrome damage	Geraldton Airport	1.4 Community safety, health and well-being is paramount.	People - Work, Health, Safety & Security Management Practices	Work Health & Safety , Financial Impact, Service Interruption , Reputation, Environmental , Legal & Compliance,	Extreme	High	Possible	Catastrophic
1330	Failure to Strategic assess Asset Infrastructure	CAUSE - Asset not built required standards eg. AS Severe weather event Age of Assets Failure to inspect and maintain Incorrect materials Not fit for purpose  CONSEQUENCE - Death/Injury to persons Financial Impact due failure of asset Reputation damage Legal Action, Claims or Prosecutions Regulatory investigation	ST. Strategic Risk	1.4 Community safety, health and well-being is paramount.  3.1 A City that is planned, managed and maintained to provide for environmental and community well being	Assets - Asset Management Practices	Work Health & Safety ;Financial Impact;Service Interruption ;Reputation;Legal & Compliance;Assets - Asset Management Practices	High	High	Likely	Major
1355	Theft/Holdup of City Employees Transporting/handling Cash	CAUSE - Lack of Process/Procedures or oversight of cash transportation - Use of Rangers who are visual targets - Inconsistent process i.e. 1 or 2 employees involved - Lack of PPE, Duesess or Offensive capability deterrents - High value of cash being transported at billing periods - Perceived easy target - Lack of trained/resourced Security Contractor - Depend/Trust employees involved in process - Lack of Corporate oversight i.e. ad hoc management  CONSEQUENCE - Armed robbery - Assault of employee(s) - Police or regulatory involvement - Legal Action or compensation claims - Insurance cover in question - Financial loss - Reputation damage	ENT. Enterprise Risk	4.5 A culture of safety, innovation and embracing change.	People - Misconduct, Theft & Fraud	Work Health & Safety , Financial Impact, Service Interruption , Reputation, Legal & Compliance,	High	High	Possible	Major
245	Major Security Incident/Event at City facilities or sites	CAUSE - Antisocial or violent behaviour, robbery or theft bomb threat, terrorism etc.  CONSEQUENCE - Injury/Harm to persons Financial Impact due service interruption and damage or theft of City assets	ENT. Enterprise Risk	3.1 A City that is planned, managed and maintained to provide for environmental and community well being  4.5 A culture of safety, innovation and embracing change.	People - Work, Health, Safety & Security Management Practices	Work Health & Safety ;Financial Impact;Service Interruption ;Legal & Compliance;Peopl e - Work, Health, Safety & Security Management Practices	High	High	Possible	Major
238	Emergency Evacuation of City Facility	CAUSE - Severe weather event Fire Untrained staff Failure to Plan for emergency events Antisocial, violent behaviour or armed holdup bomb threat, terrorism etc.  CONSEQUENCE - Death/Injury to persons Financial Impact due service interruption and damage to City assets/facilities Regulatory investigation and prosecutions Reputation damage due to failure to manage emergency event	ENT. Enterprise Risk	3.1 A City that is planned, managed and maintained to provide for environmental and community well being  4.5 A culture of safety, innovation and embracing change.	People - Work, Health, Safety & Security Management Practices  Management of Facilities /venues / Events	Work Health & Safety ;Service Interruption ;Reputation;Legal & Compliance;Peopl e - Work, Health, Safety & Security Management Practices	High	High	Possible	Major

N#	Risk Title	Risk Description	Portfolios	SCP alligemnt	Risk Theme	Classifications	Inherent Rating	Residual Rating	Likelihood	Consequence
154	Major Disruption/Cancellation of City Event	CAUSE - Severe weather event Third party cancellation Emergency event  CONSEQUENCE - Injury/harm to persons Reputation damage Financial impact due to cancellation Legal Claims	Community & Cultural Development	3.1 A City that is planned, managed and maintained to provide for environmental and community well being	Assets - Management of Facilities / Venues / Events	Work Health & Safety , Reputation, Legal & Compliance,	High	High	Possible	Major
1344	Potential Health/Disease Impacts to Mullewa Residents due to Waste Water / Effluent Treatment Systems	CAUSE - Ineffective asset management and maintenance Age and condition of system Failure to undertake compliance obligations as per RO1327. Lack of corporate knowledge of the issues Ineffective handover of obligations due to amalgamation of Mullewa and City of Geraldton.  CONSEQUENCE - Injury/harm to community Legal action, claims or prosecution Groundwater contamination Financial impact Regulator class action Community outrage - reputation damage	Maintenance Operations ;Land & Regulatory	1.4 Community safety, health and well-being is paramount	Assets - Asset Management Practices	Work Health & Safety , Financial Impact, Service Interruption , Reputation, Environmental , Legal & Compliance,	High	High	Possible	Major
296	Harm to minor under City guardianship for youth outreach program	CAUSE - Lack of supervision and event management Demographic of participants Lack of adequate Police or WWCC checks  CONSEQUENCE - Assault/Injury or harm of persons Sexual assault Reputation damage Legal Prosecutions Suspension of Youth Services	Community & Cultural Development	1.4 Community safety, health and well-being is paramount	People - Work, Health, Safety & Security Management Practices	Work Health & Safety , Financial Impact, Service Interruption , Reputation, Legal & Compliance,	High	High	Possible	Major
1326	Injury or Illness to Community Member(s)	CAUSE - Infrastructure failure Failure to inspect and maintain assets Failure to undertake public health obligations Failure to undertake compliance obligations as per RO1327  CONSEQUENCE - Injury/harm to community Legal Action, claims or prosecutions Financial impact Reputation damage	ENT. Enterprise Risk	3.1 A City that is planned, managed and maintained to provide for environmental and community well being	People - Work, Health, Safety & Security Management Practices	Financial Impact;Reputation; Legal & Compliance;Operations - Statutory, Regulatory or Other Compliance Obligations	High	High	Possible	Major
1540	Cyber or Information Security Incident	An incident that causes degradation to the confidentiality, integrity or accessibility of ICT systems or information  CAUSE- - System Vulnerabilities - System and Network Weaknesses - Staff or Contractor malicious or accidental event  CONSEQUENCE - - Network Intrusion - Service Disruption - Loss of confidential data - Reputation Damage - Financial loss - City wide services disruption	ICT Services	4.8 Deliver secured technology that supports sustainability, the environment, service delivery and the community.	Asset Management - ICT Systems & Infrastructure  Operations - Business / Community Disruption / Emergency Event	Financial Impact, Service Interruption , Reputation, Legal & Compliance	High	High	Possible	Major
198	Major Medical Emergency at City Facility or Site	CAUSE - Severe weather event Fire Industrial Accident Traffic Accident Ineffective emergency management Antisocial, violent behaviour or armed holdup bomb threat, terrorism etc.  CONSEQUENCE - Death/Injury to persons Financial Impact due service interruption Regulatory Investigation and prosecutions Reputation damage due to failure to manage emergency event	ENT. Enterprise Risk	3.1 A City that is planned, managed and maintained to provide for environmental and community well being  4.5 A culture of safety, innovation and embracing change.	People - Work, Health, Safety & Security Management Practices	Work Health & Safety , Financial Impact, Reputation, Legal & Compliance,	High	High	Unlikely	Catastrophic

N#	Risk Title	Risk Description	Portfolios	SCP alignemnt	Risk Theme	Classifications	Inherent Rating	Residual Rating	Likelihood	Consequence
1507	Work Health & Safety injury or Harm	<p>CAUSE - Severe weather event Fire Industrial Accident Traffic Accident Ineffective emergency management Antisocial, violent behaviour or armed holdup bomb threat, terrorism etc.</p> <p>CONSEQUENCE - Death/Injury to persons Financial Impact due service interruption Regulatory Investigation and prosecutions Reputation damage due to failure to manage emergency event</p>	ST. Strategic Risk	<p>4.3 Accountable leadership supported by a skilled and professional workforce.</p> <p>4.5 A culture of safety, innovation and embracing change.</p>	People - Work, Health, Safety & Security Management Practices	Work Health & Safety , Financial Impact, Service Interruption , Reputation,	High	High	Unlikely	Catastrophic
263	Major Emergency event (Natural or Human caused) with external agency management	<p>CAUSE - Severe weather such as Cyclone, Flooding, Earthquake Major Port or Rail incident Major Industrial Accident Major Traffic Accident Bushfire Pandemic (COVID 19)</p> <p>CONSEQUENCE - Death/Injury to persons Partial or Total suspension of City operations Financial Impact due service interruption Regulatory Investigation and prosecutions Reputation damage due to failure to respond to emergency event</p>	ST. Strategic Risk	<p>1.4 Community safety, health and well-being is paramount.</p> <p>3.6 The natural environment is valued, protected and celebrated.</p>	<p>Assets - Environmental Management,</p> <p>Operations - Business / Community Disruption / Emergency Event</p>	Work Health & Safety , Financial Impact, Service Interruption , Reputation, Environmental , Legal & Compliance,	High	High	Unlikely	Catastrophic
191	Dangerous Goods/Hazardous chemical spill at aquatic facility(s)	<p>CAUSE - Failure to inspect and maintain chemical storage/facilities Industrial incident Mechanical/structure failure</p> <p>CONSEQUENCE - Injury/Death to persons Extensive environmental damage to surrounding suburb Regulator investigation and prosecutions Reputation Damage Legal action, claims Shutdown of facility</p>	Sports & Leisure	<p>3.1 A City that is planned, managed and maintained to provide for environmental and community well being</p> <p>4.5 A culture of safety, innovation and embracing change.</p>	People - Work, Health, Safety & Security Management Practices	Work Health & Safety , Financial Impact, Service Interruption , Reputation,	High	Moderate	Unlikely	Catastrophic
NEW	Major Bushfire Emergency event (Natural or Human caused)	<p>CAUSE - Major Rail incident Major Industrial Accident Major Traffic Accident Arson Farmer/landholder activities</p> <p>CONSEQUENCE - Death/Injury to persons Loss of natural environment Community assets lose Farmer/landholder assets lose Partial or Total suspension of City operations Financial Impact due service interruption Regulatory Investigation and prosecutions</p>	ST. Strategic Risk	<p>1.4 Community safety, health and well-being is paramount.</p> <p>3.6 The natural environment is valued, protected and celebrated.</p>	<p>Assets - Environmental Management</p> <p>Operations - Business / Community Disruption / Emergency Event</p>	Work Health & Safety Financial Impact Service Interruption Reputation Environmental Legal & Compliance	High	Moderate	Unlikely	Catastrophic

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.



# 2023 - 2024 Work Health Safety Implementation Plan - Status Update March 2024

AC146

Action #	WHSMS Link (Plan, Procedure etc.)	Critical Action Details	Supporting Actions	Accountability (The person accountable for ensuring Action completion)	Status Summary
1	LGIS Tier 3 WSP Audit Actions register & WHS Audit Action Plan	Complete all actions detailed in WHS Audit Action Plan (tab 3)	1.1 Refer to listed actions completed in Tab 3 WHS Audit Action Plan.	EMT	Completed in Q1 2023
2	Operational Policy 041 Workplace Health & Safety HS-PLN- 039-Safety Management Plan Work Health & Safety Management System	Annual verification other City's implementation, maintenance, and review of the WHSMS across City operations.	2.1 Operational Policy 041 Workplace Health & Safety Review to be completed second quarter each year. <b>Trim: D-21-002925</b> 2.2 City of Greater Geraldton HS-PLN- 039-Safety Management Plan to be completed second quarter each year. <b>Trim: D-20-085140</b> 2.3 Work Health & Safety Management System listed documents to be reviewed in accordance with document review schedule. <b>Trim: D-20-023529</b> 2.4 Annual audit of City WHS systems to be completed. This shall be on a rolling basis e.g. 1yr internal audit, 2yr LGIS Audit.	Manager Corporate Compliance & Safety	2.1 policy review completed, to be issued for consultation and final endorsement in April/May 2.2 To commence next quarter 2.3 Ongoing monthly review and update of WHS documents, average of 5-10 WHS document reviews/updated completed monthly. 2.4 Confirmation with LGIS that audit shall be scheduled from Q4 onwards
3	Operational Policy 041 Workplace Health & Safety CGG WHS Risk Register HS-PRO-016 Workplace Risk Assessment procedure.	The implementation of a risk management approach to managing health and safety to make every effort, where reasonably practicable, to eliminate or control risks from hazards, including psychosocial hazards associated with the workplace and the work performed by workers.	3.1 Annual review and implementation of Branch CGG WHS Risk Register <b>Trim: D-21-073234</b> 3.2 Annual confirmation workers inducted and trained as per Training Matrix requirements relating to Hazard and risk management via HS-PRO-016 Workplace Risk Assessment procedure. <b>Trim: D-22-023767 (Matrix)</b> <b>Trim: D-20-010672 (HS-PRO-016)</b>	EMT Managers	3.1 Civic Centre - Corporate workers risk register completed. Draft risk register for all other facilities developed and issued for feedback review to managers. WHS risk register published in draft for all workers to see on the SafetyHub. It is acknowledged the review was deferred from Q3/Q4 2023 while Management risks review program was underway. Branch Managers and Safety Representatives proposed to be conducted next quarter. 3.2 WHS Training Matrix accessible for all Managers/Workers to access. IBIS (ERP) shall incorporate this matrix at some point this year.
4	Operational Policy 041 Workplace Health & Safety HS-PRO-034 Incident Management Procedure WHS - Due Diligence Manager Action CGG WHS Risk Register WHS inspections obligations	The establishment of measurable objectives and targets to facilitate continual improvement of health and safety in the workplace, with the aim of reducing work-related illness and injury.	The City shall ensure the following targets: 4.1 Completion of WHS inspections obligations. 4.2 Annually assurance that WHS risk issues are understood and required controls are implemented. 4.3 All WHS incidents are to be reported and investigated as per HS-PRO-034 Incident Management Procedure. 4.4 Managers & EMT are to implement the WHS - Due Diligence Manager Action Guide and to report on completion in annual Performance conversation (PC) <b>Trim: D-20-050136 (HS-PRO-034)</b> <b>Trim: D-22-040420 (Due Diligence)</b>	EMT Managers	4.1 Monthly Jan-Mar. 4.4 Ad hoc per specific Officer PC 4.1 WHS inspections schedule established and reported to EMT monthly in Safety Leadership Report. This covers 1. safety inspections, 2. safety work observations, 3. leadership walks, 4. safety interactions and 5. contractor spot checks. 4.2 See 3.1 e.g. assessment of risks above. WHS Risk management training program implemented and available to workers. Operational line managers have all completed this course. 4.3 Incidents are actioned as per procedure. currently training program underway to upskill line managers in incident management and investigation. A review of the incident reporting platform is currently underway e.g. SharePoint forms vs Promapp forms. This is intended to streamline reporting and enable ease of access and tracking of incident and investigation actions. 4.4 Due Diligence guide incorporate into manager and EMT performance records. Worker level safety also has corporate accountabilities now covering key roles and responsibilities in safety in annual performance conversations.

# 2023 - 2024 Work Health Safety Implementation Plan - Status Update March 2024

Action #	WHSMS Link (Plan, Procedure etc.)	Critical Action Details	Supporting Actions	Accountability (The person accountable for ensuring Action completion)		Status Summary
5	Operational Policy 041 Workplace Health & Safety HS-PRO-031-Consultation and Communication Procedure WHS Training Matrix WHS Annual calendar of activities WHS inspections obligations	The provision of appropriate health and safety training, and the dissemination of health and safety information to all City workers and others in the workplace.  &  The communication of the WHS Policy and Plan throughout the City via public display, inductions, and training.	<p>5.1 Implementation of WHS Training Matrix requirements relating to WHS in City operations. <b>Trim: D-22-023767</b></p> <p>5.2 Implementation of WHS consultation and communication requirements as per HS-PRO-031-Consultation and Communication Procedure. <b>Trim: D-18-085268</b></p> <p>5.3 Implementation of City WHS Annual calendar of activities (which includes but is not limited to the following actions) Status of schedule to be reported to EMT and committee monthly/quarterly.</p> <ul style="list-style-type: none"> <li>o Inspection Schedule implementation</li> <li>o Prestarts</li> <li>o WHS updates</li> <li>o WHS updates / Team Toolbox</li> <li>o Branch Toolbox / EMT WHS Reports</li> <li>o Safety Committee Meetings</li> <li>o Safety Month (both International Day and Australian specific Day)</li> <li>o Issue of updated WHS Policy and Plan to all workers.</li> <li>o WHS general survey to all workers)</li> <li>o Wellbeing calendar</li> <li>o Safety Star Award</li> </ul> <p><b>Trim: D-23-053475 Annual calendar)</b> <b>Trim: D-20-009155 (inspection schedule)</b></p>	EMT Managers	5.1-5.3 Scheduled	<p>5.1 Training is an ongoing activity for all areas. Corporate Compliance &amp; Safety conduct new starter WHS inductions on all new starters on first day of employment. Further training on specialised training subjects as per the Training Matrix is rolled out throughout the year. Maintenance Operations have implemented a Plant &amp; Equipment training program, this covers Competency to Operate (minor plant), and Verification of Competency (licensed plant/vehicles). Human Resources via the wellbeing calendar also roles out quarterly wellness program</p> <p>5.2 The City has per HS-PRO-031 has ensured WHS plans, policies and procedures are available to all workers. A current review is underway to enable ease of access to critical records for workers not accessing online copies e.g. options for hard copy distribution to team leaders, Safety Representatives and Safety Notice Boards</p> <p>5.3 The WHS annual calendar of events is being implemented. It is acknowledged that operational requirements do see scheduled toolbox or safety committee dates need to be moved, they are however completed. A WHS general survey to workers has not been implemented, and is proposed for later in the year.</p>
6	Operational Policy 041 Workplace Health & Safety HS-PRO-031-Consultation and Communication Procedure	Consulting with workers and others (as required) about decisions that may affect their health and safety.	<p>6.1 Monthly Manager or EMT Leadership Walk Question Set - Safety Culture <b>Trim: D-21-100416</b></p> <p>6.2 Implementation of WHS consultation and communication requirements as per HS-PRO-031-Consultation and Communication Procedure.</p> <p>6.2.1 Implementation of Safety Committee quarterly meetings.</p> <p>6.2.2 Distribution of Safety Committee meeting records to all City workers.</p> <p>6.2.3 Ensure newly implemented or changes to WHS issues are communicated. to effected workers seeking their feedback as per HS-PRO-031.</p>	EMT Managers	6.1 Monthly Jan-Mar. 6.2 Monthly Quarterly	<p>6.1 As per the WHS inspections schedule, Manager and EMT complete safety leadership walks. Completed safety leadership works are reported to EMT in the monthly safety leadership report.</p> <p>6.2 (6.2.1 - 6.2.3) The City conducts safety committee meetings quarterly and ensure minutes of the meetings and any actions or changes are communicated to all workers e.g. minutes emailed to all workers, and printed and posted to all Safety notice boards across the City.</p>
7	Operational Policy 041 Workplace Health & Safety	The provision of adequate human and financial resources to ensure effective implementation of the WHSMS.	7.1 Annual verification of budget completed by each Branch sufficient to address WHS resourcing requirements e.g. Worker training, plant and equipment or Personal Protective Equipment.	EMT Managers		7.1 To commence next quarter
8	Operational Policy 041 Workplace Health & Safety HS-PRO-031-Consultation and Communication Procedure City of Greater Geraldton HS-PLN-039-Safety Management Plan HS-PRO-037 Safety Accountabilities and Responsibilities Procedure Work Health & Safety Management System	The documentation and communication of health and safety responsibilities for all workers.	<p>8.1 All City Workers upon commencement or as per the WHS Training Matrix and HS-PRO-031-Consultation and Communication Procedure shall be inducted into the following:</p> <p>8.1.1 Operational Policy 041 Workplace Health &amp; Safety Review.</p> <p>8.1.2 City of Greater Geraldton HS-PLN- 039-Safety Management Plan.</p> <p>8.1.3 HS-PRO-037 Safety Accountabilities and Responsibilities Procedure.</p> <p>8.1.4 Work Health &amp; Safety Management System (WHSM). <b>Trim: D-20-060107 (HS-PRO-037)</b></p>	EMT Managers		<p>8.1 All new workers upon commencement complete a day one WHS induction this covers off on the WHS policy, plan and their roles and responsibilities.</p> <p>This induction also covers how to access all of these resources via the SafetyHub.</p> <p>Critical safety documents e.g. WHS policy and Plan are also annual reviewed and issued to all workers via ELMO learning portal to ensure they are informed and acknowledge they have read and understood these documents.</p> <p>8.1.1 &amp; 8.1.2 To commence next quarter The WHS policy is to be consultation/endorsement in April/May, with the WHS plan to follow in May/June.</p>

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.

**INTEGRATED PLANNING LINKS:**

<b>Strategic Direction:</b>	<b>Aspiration: A strong local democracy with an engaged</b>
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<b>Leadership</b>	<b>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.

AC148	FINANCIAL MANAGEMENT SYSTEMS REVIEW 2024
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<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;

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- (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.

**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.

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)
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- 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



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	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.

## 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.

### PROponent:

The proponent is the City of Greater Geraldton.

### BACKGROUND:

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

The plan details the City's intended action in implementing and monitoring fraud and corruption prevention, detection and response initiatives. The Plan calls for regular Fraud and Corruption Control Plan Audits. The audit is designed to assist the City to monitor and review its misconduct resistance approach. The purpose is to identify:

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

In accordance with the Strategic Internal Audit Plan 2021-2025 and the City's Fraud and Corruption Control Plan 2022, AMD Chartered Accountants were engaged to undertake the review. The audit was conducted in March 2024, with the audit team on site 11 – 14 March. Their report is attached.

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

- i. Foundation for Fraud and Corruption Control
  - a. 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.

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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 4.3	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.

Audit Committee Actions

23 April 2024

Title	Report Previous Meeting	Action	Current Report #	Committee Decision
2022-2023 Annual Financial Report	AC135	5. NOTE the findings identified during the audit and REQUEST they be listed for review until completed.	AC147	
Risk Management update	AC136	2. REQUIRE the CEO to report back to the Audit Committee the ongoing status of the City's risk profile which is to include; <ul style="list-style-type: none"> <li>a. An updated management action plan to close out the LGIS/Marsh report findings;</li> <li>b. An update on the completed enterprise risks internal review program; and</li> <li>c. A completed risk maturity assessment.</li> </ul>	AC145	
2023-2024 Work Health & Safety Implementation Plan	AC137	2. REQUIRE an update on the status of the 2023-2024 Work Health & Safety Implementation Plan at the next Audit Committee.	AC146	
Application of Council Policy 4.28 Managing Unreasonable Customer Conduct	AC138	2. REQUIRE the CEO to report back annually to the Audit Committee at the first meeting held after the close of the relevant financial year.	Required after 30 June 2024	

Progress Report on Audit Recommendations – January 2024	AC140	1. RECEIVE the Progress Reports on Management Actions From Financial Statement, Information Systems and internal audits.	AC147	
Strategic Internal Audit Plan 2021-2025	AC141	2. REQUEST an update on progress at the next Audit Committee meeting	AC150	
Compliance Audit Return 2023	AC142	2. REPORT to Council the results of the Audit Committee review of the Compliance Audit Return 2023, at the Ordinary Meeting of Council on 27 February 2024.	Council Report CS097 27 February 2024	Completed
Standing Item - Fraud and Corruption Control Plan Audit 2022	AC143	3. REQUIRE progress updates on implementation of the proposed management actions at the next Audit Committee meeting.	AC151	

**6 GENERAL BUSINESS**

**7 MEETING CLOSURE**