

Audit and Risk Committee - 8 December 2022 Attachments

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POLICY: CORP-F-007 CORPORATE CREDIT CARD

Purpose

City of Kalgoorlie-Boulder corporate credit cards are provided to authorised City Officers to enable the purchase of goods and services for the City.

The objective of this policy is to:

- Provide a clear framework to enable the use of corporate credit cards;
- Provide staff issued with a corporate credit card clear and concise guidelines outlining its use; and
- Reduce the risk of fraud and misuse of the corporate credit card.

The application of this policy is to be in conjunction with the City of Kalgoorlie-Boulder Code of Conduct and any legislative requirements of the Local Government Act 1995 that may be applicable.

Statement

Authorised Usage

City of Kalgoorlie-Boulder corporate credit cards may only be used for;

- Council business activities, where a budget allocation has been adopted by council;
- The purchase of goods and services in accordance with Council's Purchasing Policy (CORP-AP-001);

Non-Authorised Usage

City of Kalgoorlie-Boulder corporate credit cards may not be used:

- As a cash advance facility;
- For the cardholder's personal use including goods, services or any other expenses that are of a personal nature; or
- To purchase fuel products for Council vehicles unless in exceptional circumstances, a fuel card should be used for this purpose;
- By any other person, other than the cardholder;
- The use of the credit card shall not be tied to any type of reward system that provides cardholders with any personal benefit or reward.

Responsible Department: Finance

Adopted: 28 May 2010

Last Reviewed: 27 April 2021 Item 15.2.6



Eligibility and Application Procedures for New Corporate Credit Cards

A corporate credit card will only be issued when it is established that the anticipated usage of the card is warranted.

Allocation of a corporate credit card must be approved by the Chief Executive Officer (CEO), or the Mayor in the instance the card is for the CEO. On receipt of the credit card, the cardholder must acknowledge and accept the conditions of use through the Corporate Credit Card - Cardholder Agreement.

Corporate Credit Card Reconciliation and Reporting

Reconciliation of credit card transactions is to be completed in Flexipurchase on a monthly basis and acquittal of each transaction requires:

- A relevant tax invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied;
- A succinct explanation of why the expense was incurred and the appropriate expense account, with an adopted budget allocation, for costing purposes; and
- Each transaction will go through an individual approval process to ensure each expense is adequately validated.

If no supporting documentation is available, the cardholder is required to provide a statutory declaration detailing the nature of the expense and must state on that declaration 'expenditure is of a business nature'.

Should a lack of detail be a regular occurrence for a particular cardholder, the cardholder may be refused access to a credit card in the future.

If the Chief Executive Officer or Mayor deny the approval of expenses, the recovery of the expense is to be met by the cardholder.

A monthly report of all credit card transactions will be included in the Accounts Payable report presented to Council.



Disputed Transactions

Council is responsible for the payment of all transactions on the credit card statement; this account is settled monthly via a direct debit from the City's operating bank account.

In the instance that a cardholder believes that charges are incorrect, they should first contact the supplier to determine the cause of the discrepancy. If necessary, the Finance department will notify the bank in writing to lodge a formal dispute.

Review of Corporate Credit Card Use

All receipts and documentation are reviewed monthly and any expenses that do not appear to represent fair and reasonable business expenses shall be referred to the Chief Executive Officer or in the case of the Chief Executive Officer, the City Mayor for consideration.

To ensure compliance and the integrity of the purchases, periodic reviews of expenditure will be undertaken by an officer nominated by the Chief Executive Officer or Chief Financial Officer. Internal and External scrutiny of the credit card expenditure will also be encouraged as part of the external audit process.

Review of Credit Card Limits

Credit limits are reviewed annually for all cardholders. If there is a request for a variation to the monthly limit, a formal amendment request will need to be provided to the Chief Executive Officer for consideration and approval.

Cancelled Cards

Cancellation of a credit card may be necessary where the:

- Cardholder changes position or financial delegation within the City;
- Cardholder terminates employment with the City;
- The City terminates employment with the Cardholder;
- Card is no longer required;
- Cardholder has not adhered to set procedures; or
- Misuse of the corporate credit card.

Any card that is cancelled shall be surrendered to the senior finance team and be destroyed immediately.



Procedures for lost, stolen and damaged cards

The loss or theft of a credit card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the senior finance team of the loss or theft as soon as possible.

Advice of a damaged card is to be provided to the senior finance team, who will organise a replacement card.

Relevant Documents

City of Kalgoorlie-Boulder Code of Conduct

City of Kalgoorlie-Boulder Purchasing Policy CORP-AP-001

Local Government Act 1995

Goods and Services Tax Act 1999

CORP-F-007 Corporate Credit Card



Corporate Credit Card - Cardholder Agreement

I, <insert cardholder name> acknowledge and accept the below listed conditions of use of the City of Kalgoorlie-Boulder Corporate Credit Card:

Conditions of Use

- Ensure corporate credit cards are maintained in a secure manner and guarded against improper use;
- Corporate credit cards are to be used only for City of Kalgoorlie-Boulder official activities, there is no approval given for any private use or cash advance;
- Ensure no one else uses the credit card;
- Agree not to tie the card to any type of reward system that provides the cardholder with any personal benefit or reward;
- All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure;
- Credit limits are not to be exceeded;
- Observe all cardholder responsibilities as outlined by the card provider;
- Purchases on the corporate credit card are to be made in accordance with City of Kalgoorlie-Boulder Purchasing Policy;
- Reconciliation is to be completed within seven (7) days of the date the credit card statement is issued;
- Transactions are to be supported by a Tax Invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied;
- Transactions are to be supported by a succinct explanation of why the expense was incurred and the appropriate expense account for costing purposes;
- In the instance that no supporting documentation is available, the cardholder is to provide a declaration detailing the nature of the expense and must state on the declaration 'all expenditure is of a business nature';
- Should the Chief Executive Officer or Mayor deny the approval of expenses, the recovery of the expense is to be met by the cardholder;
- The cardholder shall sign and date the corporate credit card statement, stating 'all expenditure is of a business nature';

CORP-F-007 Corporate Credit Card



- The cardholder shall surrender the card to the Financial Controller where extended leave of two or more weeks is taken;
- Lost or stolen cards are to be reported immediately to the card provider and a written account of the circumstances shall be provided to the Financial Controller on the next working day;
- Credit cards are to be returned to the Financial Controller on or before the employee's termination date with a full acquittal of expenses;
- Failure to comply with any of these requirements could result in the card being withdrawn from the employee. In the event of loss or theft through negligence or failure to comply with the City of Kalgoorlie-Boulder Corporate Credit Card Policy, any liability arising may be passed on to the cardholder.

Cardholder:

Cardholder's Signature

Cardholder's Name

Date

Witnessed:

Witnesses Signature

Witnesses Name

Date



Policy Number:	CORP-F-007
Previous Policy Number:	N/A
Relevant Legislation:	<i>Local Government Act 1995 s2.7(2)(b) Local Government (Financial Management) Regulation 11(1)(a)</i>
Review Frequency:	Biennial
Business Unit:	Finance
Responsible Officer:	CFO

CORP-F-007 Corporate Credit Card



10 November 2022

Mr D Trevaskis
Director of Corporate and Commercial
City of Kalgoorlie Boulder
577 Hannan Street
KALGOORLIE-BOULDER WA 6430

Dear Sir

LOCAL GOVERNMENT (AUDIT) REGULATIONS- REG 17 REPORT AND STRATEGIC RISK REVIEW

As requested by the Council at the Ordinary Council meeting of 13 December 2021 and via the Audit and Risk Committee of the Council on 29 June 2022, Hall Chadwick was engaged by the City of Kalgoorlie-Boulder to undertake a review of the City's systems and procedures in relation to:

1. Risk Management;
2. Internal Control; and
3. Legislative Compliance

Our review was requested to assist the City's Chief Executive Officer in preparing a report to the Audit and Risk Committee as to the appropriateness and effectiveness of the City's systems as they relate to the points raised above. In addition, to our work in these areas we were also requested to review the Strategic Risk Register and provide any recommendations as required to the Audit and Risk Committee for Consideration.

We will report our findings on each individual operation as required by Section 17 of the Regulations.

Our report is provided solely for the purpose of assisting the Chief Executive Officer in the preparation of their report to the Audit and Risk Committee and Council. Our report should not be relied upon for any other purpose or be provided to any other person.

SOURCES OF INFORMATION

In preparing our Report, we have relied upon the following sources of information:

- Ordinary Council Agendas and Minutes- 2018 to present
- Finance and Audit Committee Agendas and Minutes – 2018 to present
- EXEC-CEO-014 Risk Management Policy
- Strategic Risk Register



- Risk Management Framework
- Financial Manage Review for the years ended 30 June 30 2022.
- External and Internal Audit Reports
- Compliance Audit Returns – 2019,2020 and 2021
- Discussions with Key Council Staff

INTERNAL CONTROL

A Financial Management Review for the three year's ended June 2022 was conducted under the requirements of Regulation 5(1) of the Local Government (Financial Management) Regulations 1996. The review was undertaken to provide to the Chief Executive Officer an independent assessment as to the operations, controls and procedures and to assist the Chief Executive Officer in determining whether the Council has established efficient systems and procedures to ensure, proper systems internal control exists with regard to:

- Purchases, Payments and Payables (Including Purchase Orders)
- Receipts/Receivables
- Payroll
- Rates
- Bank Reconciliations
- Trust Fund
- Fees and Charges
- Minutes and Meetings
- Financial Reports
- Budget
- Plan for the Future
- Fixed Assets
- Delegations
- Registers
- Audit Committee
- Insurance
- Storage of Documents/Record Keeping
- Credit Card Procedures



- General Compliance and Other Matters

The findings of the report dated September 14 2022, concluded that nothing had come to Hall Chadwick's attention that would indicate that the City has not established and maintained appropriate and effective financial systems and procedures for the period of Hall Chadwick's review.

The City is required pursuant to legislation to have the financial statements of the City audited by the Auditor General of Western Australia. It is noted that the audit opinion issued for the year's ended June 30 2021 and June 2020 were unqualified and in terms of findings for the audits the report to the Finance Committee did not raise any significant findings with only minor matters reported.

Based upon the review of these reports, discussions with Council Officers and the findings from the Reports nothing has come to our attention that would lead us to believe that the current systems of internal control are not appropriate and are operating effectively.

LEGISLATIVE COMPLIANCE

In accordance with the Local Government (Audit) Regulations 1996, a local government is required to complete an annual Compliance Audit Return (CAR). The return when completed is to be lodged with the Department.

We have obtained the CARS for the years ended June 2019, 2020, and 2021 and the relevant items included in the Agenda of Ordinary Council meetings. The reports did note on occasions certain matters of non-compliance in each year. The reasons for these occasions of noncompliance were noted and remedial actions plans also included in the report. We reviewed those reports following the year of the identified noncompliance and ensured that the matters previously raised was not continuing.

We have also for the three-year period ended September 2022 reviewed the Finance and Audit Committee minutes and Ordinary Council minutes to identify any specific or material matters of noncompliance. There were no matters raised in these minutes that lead us to believe there were any significant matter of noncompliance in the relevant years.

It was also noted that the Auditor General's opinion for 2020 and 2021 did not raise any concerns as to compliance in the Auditor General's report.

Based upon the review of these reports, discussions with Council Officers and the findings from the Reports nothing has come to our attention that would lead us to believe that the current systems of Legislative Compliance are not appropriate and are operating effectively.



RISK MANAGEMENT

At the Finance and Audit Committee meeting of 20 August 2020, the CEO tabled the following documents:

- Risk Management Policy EXEC-CEO – 014
- Strategic Risk Register August 2020
- Risk Management Framework

The Risk Management Framework policy EXEC-CEO -14 was developed to support the City's risk management processes and was prepared in collaboration with the City's insurers LGIS and is consistent with the risk management policy guidelines from the then Department of Local Government 2013.

At the Finance and Audit Committee meeting of 19 November 2020, the Chief Executive Officer tabled his report into the review conducted in the City's Risk Management practices. The report tabled an updated Strategic Risk Register and noted that the Strategic Risk Register and Operational Risk Register would be presented via the Promapp reporting system which allows for greater detail, accountability and reporting. At this time, the City was in the process of adopting the Promapp system for management of the City's operational and strategic risk registers. It was noted that the risk registers were updated at this time for additional risks identified through other reviews conducted throughout the organization.

At the Finance and Audit Committee of 20 May 2021, the strategic audit risk register was tabled and an additional risk of "Functionality of Councils" was added. Other changes to the risk register were made such as transfer of ownership of risks and risk treatments were made together with staff changes.

At the May 2021 Ordinary Council Meeting, the Council supported the addition of an additional treatment for a certain risk and the amendment to the rating of other risk ratings.

At the August 2021 Ordinary Council Meeting, the Council adopted the Strategic Risk Register and agreed that the review of the register be conducted every six months and also recommended amendments to the risk ratings for certain identified risks. The Strategic Risk register was also reviewed as an agenda item at the Finance and Audit Committee meeting held on 18 August 2021.

The Strategic Risk Register was discussed at the Ordinary Council meeting of 13 December 2021 and at the Finance and Audit Committee of the same date,

As noted in prior meetings the review of the Strategic Risk register was now to be undertaken on a six monthly basis. The Strategic Risk Register was discussed at the Ordinary Council meeting of 29 June 2022 and at the Finance and Audit Committee of the same date

The Strategic Risk Register

As noted, the City used until recently, the Promapp application to track and monitor its risk management system, the Promapp system risk register for each note risk outlines the following:

- The particulars of the risk
- The Treatment or controls to mitigate the risks
- The person/officer responsible
- The date the matter would be addressed
- A Flag is raised if a response is not given by the due date and reported as an exception.

Observations

From our inquiries of senior officers there appears to be no independent follow up as to whether the controls that were to be introduced are in place and are operating effectively and efficiently. It is also noted that where the required due date for the mitigating control or procedure to be introduced is has not been met the appears to be no control or process in place to understand why the timetable has not been met or that the new amended date for achieving the control mitigation is possible.

Though it is acknowledged that the each risk is assigned a rating before applicable controls/mitigation and after the application of such controls, the methodology used as to assigning the rating could not be explained as the Promapp system is no longer used and the annual subscription is no longer paid. The new system SkyTrust is being introduced and the data contained in the Promapp system is to be migrated to SkyTrust. It is considered necessary that proper training as to the operation of the new system be introduced for all relevant City's officers and the importance of risk management be reinforced to all staff members of the City.

Though it is acknowledged that the Strategic Risk register has been updated, there appears to be no formal process in the City's management structure eg executive meetings or other management meetings for risk to be raised and considered by Council Officers as a standing agenda item. In addition, it has not been possible to identify the amount of training that Council has undertaken or offered to its officers as to risk management, the identification of risks and the importance of understanding risk managements an the benefits to the organisation.

It is noted that the City at the Ordinary Council meeting of 24 August 2020, decided that given the level of compliance reviews being conducted by the Office of the Auditor General and the and the external audit obligations not to appoint a supplier for internal audit services, instead engaging services on an ad-hoc basis as required, on recommendations from the Finance and Audit Committee. It is acknowledged that the impact of Co-Vid 19 has resulted in a significant re direction of available Council resources to address the effects of the pandemic, consideration should now be given to the re direction of funding to the re-introduction of an internal audit function that focuses on those strategic risks not covered by external audit. It should also be noted that work undertaken by



external advisors will be to address the scope of their engagements and may not meet all the requirements or focus areas of the Council.

Based upon the review of these reports, discussions with Council Officers and the findings from the Reports nothing has come to our attention that would lead us to believe that the current systems used by the Council to manage risk are not appropriate and are working effectively. We have noted some areas of enhancements as detailed in this Report.

Additional Risks

Based upon our knowledge of the current economic trends, world developments and review of risk platforms we believe the following strategic risks should be added.

- 1. Though Information Technology is noted as a risk, it is not specific about Cyber Attack, The Council should undertake a detailed review of its security arrangements as to cyber attack and also consider the insurance aspects of ensuring the Council is insured for an adequate amount.**
- 2. Though IT matters are raised and it may be interpreted to be already documented another risk are is ensuring the Council Officers are ready to adopt new digital technologies.**
- 3. The current worldwide concerns as to current economic conditions, labour costs and interest rates should be considered to be considered as a strategic risk and the effects on the City's operations be noted and considered, these points could be added to the existing risk. Unstable Financial Position.**
- 4. The current Strategic Risk register though addressing certain specific key risks such as with maintaining effective communications, it could be considered that the Risk Register should also contain more macro risk categories such as Reputational, Compliance with legalisation and policy, IT planning, Cyber risk and disaster recovery planning. This would mean some of the already identified could be combined into one category.**

Should you wish to discuss any matters raised in this letter or wish further clarification please do not hesitate to contact me

Your Faithfully

A handwritten signature in blue ink that reads "M Hillgrove".

M HILLGROVE FCA
Director
Hall Chadwick Audit (WA) Pty Ltd

Appendix 3 – Audit in Local Government	City of Kalgoorlie-Boulder Practices / Policies	Last Audited / Reviewed	Actions / Findings
<p>Risk Management <i>Internal control and risk management systems and programs are a key expression of a local government's attitude to effective controls.</i></p>			
<p>Good audit committee practices in monitoring internal control and risk management programs typically include:</p>			
<ul style="list-style-type: none"> Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered 	<ul style="list-style-type: none"> Risk Management Policy (EXE-CEO-014) Risk Management Framework Risk register is maintained in Skytrust cloud based software application. 	<ul style="list-style-type: none"> November 2022 - Strategic Risk Review 	
<ul style="list-style-type: none"> Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time. 	<ul style="list-style-type: none"> All data and servers are backed up off site in Perth to ensure minimal loss to the business in the event of a disaster. Ongoing assessment of processes and policies with best practice recommendations provided in OAG Information System Audit Reports. 	<ul style="list-style-type: none"> Annually - External Audit. Triennially – Financial Management review (2022) 	<p><u>Grant Thornton 2021 Audit</u> - <i>We recommend that the IT Disaster Recovery Plan be prioritised and finalised as part of the City's business continuity planning processes.</i></p> <p><i>The City should ensure the DRP is adequately defined to meet these recovery requirements and tested on a regular basis. These tests should be used to confirm key IT systems and services can be restored or recovered within the required timeframes. The tests should also be used to verify that key staff are familiar with the plan and their specific roles and responsibilities in a disaster situation. The results of these tests should be documented, and relevant actions taken to</i></p>

			<i>improve the plan where necessary.</i>
Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas:			
<ul style="list-style-type: none"> Potential non-compliance with legislation, regulations and standards and local government's policies; 	<ul style="list-style-type: none"> Risk Title <ul style="list-style-type: none"> - Non-Compliance with Procurement Policy. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) Annually – Annual Return 	
<ul style="list-style-type: none"> Important accounting judgements or estimates that prove to be wrong; 	<ul style="list-style-type: none"> Risk Title: <ul style="list-style-type: none"> - Council's Annual Financial Statement is inaccurate/invalid/incomplete - Financial loss due to incorrect Calculations and Billing - Inaccurate or unreliable Financial Models Accounting Policy (CORP-F-004) 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	
<ul style="list-style-type: none"> Litigation and claims; 	<ul style="list-style-type: none"> Risk Title: <ul style="list-style-type: none"> - Inadequate/Non Compliant Application Decisions 	<ul style="list-style-type: none"> Annually – External Audit 	
<ul style="list-style-type: none"> Misconduct, fraud and theft; 	<ul style="list-style-type: none"> Risk Title: <ul style="list-style-type: none"> - Financial Loss due to fraudulent transactions through the creditor or payroll system - Loss from theft Code of Conduct for Employees 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	
<ul style="list-style-type: none"> Significant business risks, recognising responsibility for general or specific risk areas, for example, 	<ul style="list-style-type: none"> City has an operational risk register and strategic risk register 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	<i>Hall Chadwick – Reg 17 Report and Strategic Risk Review – 1. Though Information Technology is noted as a risk, it</i>

<p>environmental risk, occupational health and safety, and how they are managed by the local government.</p>	<ul style="list-style-type: none"> The Strategic Risk register is reviewed by the Audit and Risk Committee twice annually 	<ul style="list-style-type: none"> November 2022 - Strategic Risk Review 	<p><i>is not specific about Cyber Attack. The Council should undertake a detailed review of its security arrangements as to cyber attack and also consider the insurance aspects of ensuring the Council is insured for an adequate amount.</i></p> <p><i>2. Though IT matters are raised and it may be interpreted to be already documented another risk is ensuring the Council officers are ready to adopt new digital technologies.</i></p> <p><i>3. The current worldwide concerns as to current economic conditions, labour costs and interest rates should be considered as a strategic risk and the effects on the City's operations be noted and considered, these points could be added to the existing risk – Unsustainable Financial Position.</i></p> <p><i>4. The Current Strategic Risk register though addressing certain specific key risks such as maintaining effective communications, it could be considered that the Risk Register should also contain more macro risk categories such as Reputational, Compliance with legislation and</i></p>
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			<i>policy, IT planning, Cyber risk and disaster recovery planning. This would mean some of the already identified could be combined into one category.</i>
Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported	<ul style="list-style-type: none"> • Risk Management Policy (EXE-CEO-014) • Risk Management Framework • The Risk register is maintained in Skytrust cloud based software application. 	<ul style="list-style-type: none"> • Annually – External Audit • Triennially – Financial Management review (2022) 	Action item: implementation by officers of improved risk review practices including proposed quarterly ELT review, proposed monthly management meeting review, improved embedding of consideration of risks and management of controls throughout organisation.
Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance	<ul style="list-style-type: none"> • The City utilises the services of LGIS WA who act as its insurance broker. Annual reviews are undertaken to ensure insurance cover is adequate. 	<ul style="list-style-type: none"> • Annually – External Audit • Triennially – Financial Management review (2022) 	
Reviewing the effectiveness of the local government’s internal control system with management and the internal and external auditors	<ul style="list-style-type: none"> • Internal control systems are reviewed annually as part of the City’s external audit. A thorough review of internal controls is undertaken every three years as part of Financial Systems Review. 	<ul style="list-style-type: none"> • Annually – External Audit • Triennially – Financial Management review (2022) 	Findings as per Hall Chadwick report
Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk	<ul style="list-style-type: none"> • Unusual transactions are reviewed annually as part of the City’s external audit. A thorough review of internal controls is undertaken every three years as part of Financial Systems Review. 	<ul style="list-style-type: none"> • Annually – External Audit • Triennially – Financial Management review (2022) 	Findings as per Hall Chadwick report

Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied	<ul style="list-style-type: none"> • Purchasing Policy (CORP-AP-001) • Tender Criteria Policy (CORP-AP-004) • Variations to Tenders Policy (Exec-CEO-008) 	<ul style="list-style-type: none"> • Annually – External Audit • Triennially – Financial Management review (2022) 	
Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment	<ul style="list-style-type: none"> • Audit process includes entrance meeting and exit meeting providing Audit and Risk Committee members opportunity to ask questions relating to the audit directly with OAG to least twice per year. 	<ul style="list-style-type: none"> • Annually – External Audit 	
Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks	<ul style="list-style-type: none"> • Governance Framework • Code of Conduct for Council Members Committee Members and Candidates • Code of Conduct for Employees • Risk Title: <ul style="list-style-type: none"> - Adherence to Code of Conduct by Council representative and/or Staff Member - Loss from Theft 	<ul style="list-style-type: none"> • Annually – External Audit • Triennially – Financial Management review (2022) 	
<p>Internal Control <i>Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.</i></p>			
<p>An effective and transparent internal control environment is built on the following key areas:</p>			
Integrity and ethics	<ul style="list-style-type: none"> • Governance Framework 	<ul style="list-style-type: none"> • Annually – External Audit 	

	<ul style="list-style-type: none"> Code of Conduct for Council Members Committee Members and Candidates Code of Conduct for Employees 	<ul style="list-style-type: none"> Triennially – Financial Management review (2022) 	
Policies and delegated authority	<ul style="list-style-type: none"> Governance Framework All policies are reviewed biennially CEO and Staff Delegation register reviewed annually 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	Action item: Undertake review of all policies and procedures develop improved process for biennial review.
Levels of responsibilities and authorities	<ul style="list-style-type: none"> CEO and Staff Delegation register reviewed annually HR software /Organisational Chart maintenance 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	
Audit practices	<ul style="list-style-type: none"> Governance Framework 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	Hall Chadwick findings – currently no internal audit and this needs to be developed.
Information system access and security	<ul style="list-style-type: none"> ICT Strategy (Draft) Mobile Device Usage Policy (OP-IT-02) Use of Information Policy (OP-IT-01) 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	Full suite of IT policies to be completed as per OAG best practice and audit findings action item. ICT strategy in draft and ready for review
Management operating style	<ul style="list-style-type: none"> Culture review surveys undertaken 	<ul style="list-style-type: none"> Council Review CEO KPIs ELT and management team professional development 	CEO KPIs to be embedded throughout the organisation. ELT and management team to undertake professional and leadership development.
Human resource management and practices		<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	Action item: P & C Officers to review software options for improved efficiency
Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial			

reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government. Aspects of an effective control framework will include:			
Delegation of authority	<ul style="list-style-type: none"> Delegated authority from Council to the CEO is reviewed annually by Council and all delegations are recorded in a Delegation Register available on the City's website. The CEO sub-delegates authority to staff members and those delegations are also recorded in a register. Attain software is used to manage delegations. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	Action item: governance officers implementing Attain software module for management of delegations and record keeping efficiency.
Documented policies and procedures	<ul style="list-style-type: none"> Council policies and procedures are maintained in Skytrust. All Council policies are available on the City's website. The Council Governance and Policy Committee will provide oversight for review and update of any Council policies and development of any new policies. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	Council policies are under review by officers and will be recommended to the Governance and Policy Committee for review prior to presentation to Council.
Trained and qualified employees	<ul style="list-style-type: none"> All positions are filled by trained and qualified staff via a consistent recruitment process. Ongoing training and development is provided by the City through the annual performance review process. A training register is maintained in Skytrust to ensure all tickets and qualifications are current. 		Action items: ELT is working on the development and implementation of improved processes and procedures (including improving recruitment processes and upgrading software to assist with onboarding, induction, performance review and training/development) and the

			development of a Workforce plan.
System controls	<ul style="list-style-type: none"> Systems are reviewed annually by auditors and consultants. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	
Effective policy and process review	<ul style="list-style-type: none"> All Council and organisational policies and procedures are reviewed by relevant business units every two years. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	Action item: officers are developing an improved process for the review of Council and organisational policies. The Governance and Policy Committee will provide oversight in respect of that process.
Regular internal audits	<ul style="list-style-type: none"> At the Ordinary Council meeting of 24 August 2020, Council decided, that given the level of compliance reviews being conducted by the OAG, not to appoint a supplier for internal audit services, instead engaging services on an ad-hoc basis as required, on recommendations from the Audit and Risk Committee. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	<u>Hall Chadwick – Reg 17 Report and Strategic Risk Review – Pg 5.</u> Consideration should be given to the re-direction of funding for the re-introduction of an internal audit function that focuses on those strategic risks not covered by external audit. It should also be noted that work undertaken by external advisors will be to address the scope of their engagements and may not meet all the requirements of focus areas of the Council.
Documentation of risk identification and assessment	<ul style="list-style-type: none"> Risk Management Policy (EXE-CEO-014) Risk Management Framework Risk register is maintained in Skytrust cloud based software application. 	<ul style="list-style-type: none"> Annually – External Audit 18 October 2022 - Strategic Risk Review 	<u>Hall Chadwick – Reg 17 Report and Strategic Risk Review – Pg 5</u> There appears to be no independent follow up as to whether the controls that were to be introduced are in place

	<ul style="list-style-type: none"> • Strategic risks are reviewed bi-annually by the audit and risk committee. • In accordance with the Risk Management Framework ELT should be reviewing all risks on a quarterly basis. 		<p>and are operating effectively and efficiently. Appears to be no control or process in place to understand why the timetable has not been met or that the new amended date for achieving the control mitigation is possible. It is considered necessary that proper training as to the operation of the new system be introduced for all relevant City's officers and the importance of risk management be reinforced to all staff members of the City. There appears to be no formal process in the City's management structure eg executive meetings or other management meetings for risk to be raised and considered by Council Officers as a standing agenda item. It was not been possible to identify the amount of training that Council has undertaken or offered to its officers as to risk management, the identification of risks and the importance of understanding risk managements and the benefits to the organization.</p>
<p>Regular liaison with auditor and legal advisors</p>	<ul style="list-style-type: none"> • The annual audit process includes an entrance meeting with the full Audit Risk 	<ul style="list-style-type: none"> • Annually – External Audit 	

	<p>Committee, CEO and Senior Staff and the OAG / Contract Auditor. This meeting is arranged before the interim audit work begins and the audit plan and scope is presented.</p> <ul style="list-style-type: none"> At the conclusion of the audit at an Audit Exit Meeting is held where the OAG/Contract auditor presents the audit findings the Audit and Risk Committee and is available to answer any queries regarding audit or the audit process. 		
<p>The following are examples of controls that are typically reviewed</p>			
<p>Separation of roles and functions, processing and authorisation</p>	<ul style="list-style-type: none"> Cash Handling Policy Corp-F-011 Corporate Credit Card Policy Corp-F-007 Segregation of duties apply to all major processes including purchasing, invoice payment, reconciliation and cashier functions. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	
<p>Control of approval of documents, letters and financial records</p>	<ul style="list-style-type: none"> Approval documents are set as templates in both PDF form and digital forms in CI Anywhere with appropriate approvals included on the forms. Checklists, templates and digital system controls are in place to ensure appropriate approval for financial records. Ongoing training is provided by ICT team in respect of 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	

	document control and record keeping requirements.		
Comparison of internal data with other or external sources of information	<ul style="list-style-type: none"> Internal and external data is checked and compared at every stage of a process and reconciliation workings by relevant officers. In addition, data accuracy is verified as part of the external audit. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	
Limit of direct physical access to assets and records	<ul style="list-style-type: none"> Record Keeping Policy CORP-IM-001 Record Keeping Plan OAG Records Management in Local Government – Better Practice Principles Asset Register (synergyssoft) Low value portable assets register 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review (2022) 	
Control of computer applications and information system standards	<ul style="list-style-type: none"> ICT Strategy (Draft) Use of Information Technology Policy OP-IT-01 OAG Annual Information Systems Audit Report OAG Local Government General Computer Controls May 2021 OAG Syber Security in Local Government November 2021 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review 	<ul style="list-style-type: none"> ICT strategy in draft and ready for review Review of current software platforms and prospective new platforms is ongoing.
Limit access to make changes in data files and systems	<ul style="list-style-type: none"> Access to all core applications that contain data is controlled by a combination of network security controls that prevent visibility where access is not 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review 	Review of current access levels and controls for various platforms has commenced.

	<p>required, use and password protection and where applicable internal application security controls. The ability to change information in any system can be treated separately where required. Where appropriate and relevant, audit functionality is also implemented.</p>		
<p>Regular maintenance and review of financial control accounts and trial balances</p>	<ul style="list-style-type: none"> Financial control accounts and trial balances are reconciled and reviewed on a monthly and annual basis. The review process and the accounts are also audited in the external audit and Financial Management Systems Review. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review 	<p><u>Hall Chadwick – Financial Management Systems Review (September 2022)</u>–</p> <ul style="list-style-type: none"> Credit card procedures – Policy needs to be updated to reflect the current procedures performed. Bank Reconciliations – All cash and trust reconciliations must be performed in a timely manner
<p>Comparison and analysis of financial results with budgeted amounts</p>	<p>Variance analysis comparing actuals to budgets are performed monthly and submitted to Council for information and scrutiny.</p>	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review 	
<p>The arithmetical accuracy and content of records</p>	<ul style="list-style-type: none"> Record Keeping Policy CORP-IM-001 Record Keeping Plan OAG Records Management in Local Government – Better Practice Principles Arithmetical accuracy of data is checked at every stage of a process by relevant officers. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review 	

	<ul style="list-style-type: none"> Arithmetical accuracy of records is within the scope of the annual external audit. 		
Report, review and approval of financial payments and reconciliations	<ul style="list-style-type: none"> Purchasing Policy Corp-AP-001 Investment Policy Corp-F-001 Corporate Credit Card Policy Corp-F-007 All payments are authorised and matched with purchase orders where applicable. A list of all payments made of the month is submitted to Council for scrutiny. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review 	
Comparison of the result of physical cash and inventory counts with accounting records	<ul style="list-style-type: none"> Cash Handling Policy Corp-F-011 All cash is counted and balanced daily with accounting records. Stock counts are taken monthly or quarterly as required and subject to annual review through the audit process. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review 	
<p>Legislative Compliance <i>The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements.</i></p>			
<p>Audit committee practices in regard to monitoring compliance programs typically include:</p>			
Monitoring compliance with legislation and regulations			
Reviewing the annual Compliance Audit Return and reporting to Council the results of that review	<ul style="list-style-type: none"> The Compliance Audit Return is prepared internally and presented to the Audit and Risk Committee and Council annually. 	<ul style="list-style-type: none"> Annually – External Audit Triennially – Financial Management review 	

<p>Staying informed about how management is monitoring the effectiveness of its compliance and making recommendations for change as necessary</p>	<ul style="list-style-type: none"> • Governance Framework • Compliance Audit Return is prepared and audited every year and any non compliance issues are reported to the Audit and Risk Committee and Council. 	<ul style="list-style-type: none"> • Annually – External Audit • Triennially – Financial Management review 	<p>Action item: Implementation of Attain “compliance calendar” platform will assist management of deadlines and schedule regular review of compliance matters by relevant departments.</p>
<p>Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints</p>	<ul style="list-style-type: none"> • Complaints Handling Policy Exec-OD-001 • Employees Code of Conduct (draft) • Bullying Harrassment Procedure (draft) • Grievance Policy and Procedure (draft) 		<p>An updated Employees Code of Conduct has been drafted and is under review. Development of a various grievance and breach policies and procedures is also underway.</p>
<p>Obtaining assurance that adverse trends are identified and review management’s plans to deal with these</p>	<ul style="list-style-type: none"> • Monthly financial statements reports to Council assist identification of adverse trends. • Ongoing Corporate Business Planning Reports to ELT and Council assist monitoring deliverables progress against annual plans. 		<p>A corporate business plan reporting system is not in use. To be implemented in 2023.</p>
<p>Reviewing management disclosures in financial reports of the effect of significant compliance issues</p>	<ul style="list-style-type: none"> • Significant compliance issues, if any, are disclosed in financial reports and reported to Audit and Risk Committee. • External consultants provide the City’s statutory financial reporting templates annually which are prepared in accordance with Australian Accounting Standards and Local Government Act and Regulations. All disclosures are 	<ul style="list-style-type: none"> • Annually – External Audit • Triennially – Financial Management review 	

	checked by Management and the OAG.		
Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee;	<ul style="list-style-type: none"> The OAG establishes the scope for the audit and review the audit plan as presented to the Audit and Risk Committee annually at the audit entrance meeting. This includes ensuring compliance and ethics risks are included in the scope. 	<ul style="list-style-type: none"> Annually – External Audit 	
Considering the internal auditor’s role in assessing compliance and ethics risks in their plan	<ul style="list-style-type: none"> Any consultants engaged for internal audit purposes will need to include compliance and ethics risk assessment in the scope of their works 		<ul style="list-style-type: none"> Internal audit plan / policy required
Monitoring the local government’s compliance frameworks dealing with relevant external legislation and regulatory requirements	<ul style="list-style-type: none"> Governance Framework External auditors and consultants ensure legislative compliance as part of the audits and reviews they undertake. 	<ul style="list-style-type: none"> Annual – External Audit 	<ul style="list-style-type: none"> Action item: Implementation of Attain “compliance calendar” platform will assist management of deadlines and schedule regular review of compliance matters by relevant departments.
Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.	<ul style="list-style-type: none"> Code of Conduct for Council Members Committee Members and Candidates Code of Conduct for Employees Audit and Risk Committee Terms of Reference Local Government Disclosure of Interest Requirements and Declaration of Gift Register. Elected Member Training – Register is maintained. 	<ul style="list-style-type: none"> Annual – External Audit 	

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Resolution Register 2020							
OCM Meeting Date	Item No	Item Name	Author	Responsible Officer	Department	Council Resolution	Action Progress
24-Feb-20	14.2.1	OHS AUDIT REPORT UPDATE	Cally Galliers	John Walker	CEO	That Council receive the update on the Paxon OHS Audit Actions and note the final report be presented to the Audit Committee at the May 2020 meeting.	Full report considered by Finance and Audit Committee Meeting in May.
24-Feb-20	14.2.2	APPROVE TERMS OF REFERENCE	David Trevaskis	John Walker	Finance and Corporate	That Council approve the Finance and Audit Committee Terms of Reference as endorsed by the Finance and Audit Committee.	No further action required.
24-Feb-20	14.2.3	FINANCE AND AUDIT COMMITTEE MEETING SCHEDULE 2020 & FORWARD MEETING PLAN	Michelle Todd	John Walker	CEO	That Council endorse the meeting schedule and forward meeting plan.	No further action required.
24-Feb-20	14.2.4	COMPLIANCE AUDIT RETURN 2019	Michelle Todd	John Walker	CEO	That Council receive and endorse the submission of the Compliance Audit Return for the period 1 January 2019 – 31 December 2019 to the Department of Local Government, Sport and Cultural Industries in accordance with the Local Government (Audit) Regulations 1996	Compliance Audit Return submitted via smart hub.
24-Feb-20	14.2.5	2019 AUDIT FINDINGS UPDATE	Xandra Cumock	David Trevaskis	Finance and Corporate	That Council receive the update on the audit report findings and endorse the proposed actions.	No further action required
24-Feb-20	14.2.6	INVESTMENT PORTFOLIO SUMMARY AS AT 31 DECEMBER 2019	Ishani Subaharan	David Trevaskis	Finance and Corporate	That Council receive the City's Investment Portfolio summary for the year to date 31 December 2019.	No further action required
24-Feb-20	14.2.7	2019/20 RATES COLLECTION	Jocelyn Power	David Trevaskis	Finance and Corporate	That Council: 1. Receive the outstanding rates report for the 2019/20 financial year; and 2. Receive the report showing debt recovery actions being undertaken by the administration for overdue rates accounts are sufficient and appropriate.	No further action required
24-Feb-20	14.2.8	STRATEGIC RISK REGISTER REVIEW	Michelle Todd	David Trevaskis	CEO	That Council: 1. Adopt the February 2020 Strategic Risk Register; 2. Recommend the Finance and Audit Committee receive the Strategic Risk Register quarterly; 3. Request the Finance and Audit Committee conduct a full review of the Strategic and Operational Risk Registers at the August meeting; 4. Request the Finance and Audit Committee conduct full reviews annually thereafter; and 5. Request the CEO prepare a report for the Finance and Audit Committee outlining the risks identified in the Strategic Community Plan, linking those risks to the Strategic Risk Register.	Completed
25-May-20	14.2.1	PAXON OHS AUDIT REPORT	Cally Galliers	John Walker	CEO	That Council receive the Final Actions Report on the Paxon OHS Audit on Workplace injury, death or disease due to poor safety culture/practices	No further action required.
25-May-20	14.2.2	COVID-19 IMPACT - REVISED FORECAST TO 30 JUNE 2020	David Trevaskis	David Trevaskis	Finance and Corporate	That Council receive the Forecast Statement of Comprehensive Income and Forecast Net Current Funding Position to 30 June 2020.	No further action required.
25-May-20	14.2.3	RISK REGISTER	Michelle Todd	David Trevaskis	Finance and Corporate	That Council receive and endorse the Strategic and Operational Risk Registers for May 2020.	No further action required
25-May-20	14.2.4	ACCOUNTING POLICIES	Xandra Cumock	David Trevaskis	Finance and Corporate	That Council endorse the changes to the City's Accounting Policy so it aligns with the supporting notes used in the preparation of annual statements.	Complete - updated policy uploaded onto website.
24-Aug-20	14.2.1	WASTE MANAGEMENT SERVICE DELIVERY	Dylan Martini	Stuart Devenish	I&E	That Council note: 1. The Office of Auditor General has completed the Local Government Waste Management – Service Delivery audit; and 2. A report will be presented to the Committee following submission of the findings by the OAG to Parliament.	No further action required
24-Aug-20	14.2.2	RISK MANAGEMENT	Michelle Todd	David Trevaskis	Finance and Corporate	That Council: 1. Adopt the Risk Management Policy EXEC-CEO-014; 2. Adopt the Risk Management Framework; and 3. Consider this report and request the Committee undertake a full review of the Strategic Risk Register at the November 2020 Audit and Finance Committee meeting.	Policy adopted, Framework implemented. Full review took place with Finance and Audit Committee in November 2020. No further action required.
24-Aug-20	14.2.3	INVESTMENT POLICY REVIEW CORP-F-001	Xandra Cumock	David Trevaskis	Finance and Corporate	That Council adopt the amended Investment Policy CORP-F-001.	11/02/2021 - Uploaded onto CKB website - No further action required
24-Aug-20	14.2.4	POLICY REVIEW TENDER CRITERIA POLICY CORP-AP-004	David Trevaskis	John Walker	Finance and Corporate	That Council adopt the amended Tender Criteria Policy CORP-AP-004.	11/02/2021 - Uploaded onto CKB website - No further action required
24-Aug-20	14.2.5	SUNDRY DEBTORS POSITION AS AT 30TH JUNE 2020	Casey Radford	David Trevaskis	Finance and Corporate	That Council receive the Sundry Debtors update for the 2019/20 Financial year.	No further action required
24-Aug-20	14.2.6	FRINGE BENEFIT TAX (FBT) REPORT 2020	Ishani Subaharan	David Trevaskis	Finance and Corporate	That Council receive the Fringe Benefit Tax report.	No further action required
24-Aug-20	14.2.7	UNAUDITED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2020	Casey Radford	David Trevaskis	Finance and Corporate	That Council receive the unaudited draft Statement of Comprehensive Income (SOC) and Statement of Financial Position as at 30 June 2020.	No further action required
24-Aug-20	14.2.8	AUDIT UPDATE	Xandra Cumock	David Trevaskis	Finance and Corporate	That Council note the audit is on schedule as per the proposed audit timetable presented at the audit entrance meeting held on 21 May 2020.	No further action required
23-Nov-20	14.2.1	STRATEGIC RISK REGISTER 2020	Michelle Todd	John Walker	CEO	That Council: 1. Endorse the Strategic Risk Register with the addition of a further risk ("Functionality of Council") following the review undertaken by the Committee; and 2. Receive the November 2020 Operational Risk Register.	Risk register updated - No further action required
23-Nov-20	14.2.2	WASTE MANAGEMENT SERVICE DELIVERY AUDIT - SUMMARY OF FINDINGS	Dylan Martini	Stuart Devenish	I&E	That Council receive the information detailed within this report.	No further action required
23-Nov-20	14.2.3	OUTSTANDING DEBTORS TO BE WRITTEN OFF NOVEMBER 2020	Toni Keown	David Trevaskis	Finance and Corporate	That Council approve the write off of the attached Outstanding Debtor invoices totalling \$32,377.30.	Complete
23-Nov-20	14.2.4	RATES COLLECTION 2020/21	Jocelyn Power	David Trevaskis	Finance and Corporate	That Council: 1. Receive the update on the progress of rates collection for the 2020/21 financial year; and 2. Receive the update on outstanding rates and how debt collection is tracking for the 2020/21 financial year.	No further action required
23-Nov-20	14.2.5	2020 AUDIT UPDATE	Xandra Cumock	David Trevaskis	Finance and Corporate	That Council: 1. Receive the update on the External Audit of the financial statements for year ending 30 June 2020; and 2. Note the Audit Exit meeting will take place during the 9 December 2020 Finance and Audit Committee meeting, with the signed financials due to be presented to Council at the Ordinary Council Meeting on 14 December 2020.	No further action required

Resolution Register 2021							
OCM Meeting Date	Item No	Item Name	Author	Responsible Officer	Department	Council Resolution	Action Progress
22-Feb-21	14.2.1	REVIEW OF FINANCE AND AUDIT COMMITTEE TERMS OF REFERENCE	Michelle Todd	John Walker	CEO	That Council: 1. Endorse the changes to the Terms of Reference in accordance with the officer recommendations contained in this report; and 2. Endorse the further changes as proposed by the Committee, regarding membership of voting and non-voting members; reporting and replacing references to local government with The City where appropriate; as included in the attachment.	Completed
22-Feb-21	14.2.2	RISK MANAGEMENT	Michelle Todd	John Walker	CEO	That Council: 1. Accept the Risk Management Review conducted in accordance with Local Government (Audit) Regulations 1996 regulation 17; 2. Endorse the February 2021 Operational and Strategic Risk Register.	Completed
22-Feb-21	14.2.3	GOLF COURSE DEVELOPMENT UPDATE	Michelle Todd	John Walker	CEO	That Council: 1. Endorse the agreement with Pacifica for the procurement of preliminary site works and installation of services at the Golf Course; and 2. Resolve for the purposes of regulation 11(2)(f) of the Local Government (Functions and General) Regulations 1996 that there is good reason to believe that it is unlikely there is more than one potential supplier to deliver the City's site works obligations in accordance with the lease agreement with Pacifica.	Completed
22-Feb-21	14.2.4	COMPLIANCE AUDIT RETURN 2020	Eve Reitmajer	David Trevaskis	Finance and Corporate	That Council: 1. Receive and endorse the submission of the Compliance Audit Return for the period 1 January 2020 – 31 December 2020 to the Department of Local Government, Sport and Cultural Industries in accordance with the Local Government (Audit) Regulations 1996; and 2. Note the actions being undertaken as described in the report to address the issues identified in the Compliance Annual Return.	Completed
22-Feb-21	14.2.5	FINANCE AND AUDIT COMMITTEE MEETING SCHEDULE 2021 & FORWARD MEETING PLAN	Eve Reitmajer	David Trevaskis	Finance and Corporate	That Council endorse the forward meeting plan and following meeting dates for the Finance and Audit Committee for the remainder of 2021: • Thursday 20 May 2021 • Thursday 19 August 2021 • Thursday 18 November 2021.	Completed
22-Feb-21	14.2.6	2020 AUDIT FINDINGS UPDATE	Xandra Curnock	David Trevaskis	Finance and Corporate	That Council approve the report prepared by the CEO addressing the matters identified as significant by the auditor in the audit report and the proposed actions the City intends to take with respect to each of these matters, and give a copy of the report to the Minister in accordance with s7.12A(4) of the Local Government Act 1995.	Completed
22-Feb-21	14.2.7	FY 2021 MID YEAR BUDGET	Xandra Curnock	David Trevaskis	Finance and Corporate	That Council: 1. Receive the update for the 2020/21 mid-year budget review and proposed timeline; and 2. Upon completion of draft mid-year review 2020/21 report, a copy be sent to the Finance and Audit Committee Independent Chairman.	Complete
22-Feb-21	14.2.8	AGED DEBTORS	Xandra Curnock	David Trevaskis	Finance and Corporate	That Council: 1. Receive the debtors update for the year to December 2020; 2. Approve to write-off of Fairstar Resources Ltd outstanding rates and services charges of \$888,538.50, of which \$724,965 has already been provided for as a doubtful debt at 30 June 2020 and that a further \$163,573.15 bad debt will be incurred in the 2020/21 financial year; and 3. Acknowledge that the City will continue to pursue legal advice to attempt to recover some or all of the outstanding rates and service charges.	Complete
22-Feb-21	14.2.9	INVESTMENT PORTFOLIO SUMMARY AS OF 31 JANUARY 2021	Ishani Subaharan	David Trevaskis	Finance and Corporate	That Council receive the year to date results of the City's Investment Portfolio.	No further action required
22-Feb-21	14.2.10	PROPERTY AND LAND INVESTMENT	David Trevaskis	John Walker	Finance and Corporate	That Council request the CEO prepare a draft Property Investment Policy, which will provide a coordinated and considered approach to guide Council's investment decisions, pertaining to freehold and vested property and to present the draft policy for Council's consideration at the next ordinary Council meeting.	Completed
24-May-21	14.2.1	WESTERN AUSTRALIA PUBLIC SECTOR AUDIT COMMITTEES - BETTER PRACTICE GUIDE	David Trevaskis	David Trevaskis	CFO	That Council: 1. Receive the report on the OAG's Better Practice Guide for Public Sector Audit Committees; 2. Review and endorse the attached Annual Work Plan to schedule activities across the financial year 2021/22; 3. Receive the attached Audit Recommendations Progress Report to be introduced as a standing item each quarter for the Finance and Audit Committee's review; 4. Support the addition of an Audit & Finance Committee action item list to be introduced as a standing item each quarter for the Finance and Audit Committee's review; 5. Support the use of the Audit committee member induction checklist as outlined in the better practice guide; and 6. In view of the timing of local elections and the audit process: a. Endorse the continuation of the Independent Chairperson's appointment for a further two (2) years from the end of the initial two-year term; b. Endorse the appointment of a second independent member for a four (4) year term, to be appointed through an Expression of Interest process; c. Immediately appoint an additional Councillor to the Finance and Audit Committee who will not be contesting the 2021 election; and d. After the election, review the existing composition of the Finance and Audit Committee to include six (6) Elected Members of Council, with three representatives from each election cycle to ensure continuity.	Completed
24-May-21	14.2.2	STRATEGIC RISK REGISTER	Eve Reitmajer	David Trevaskis	CFO	That Council adopt the May 2021 Strategic Risk Register with: 1. The inclusion of an additional treatment for R0043 Service provision to the community; and 2. Amendment of the risk ratings for R0001 Failure of Critical IT Infrastructure and R0035 Lack of suitable land supply.	Completed
23-Aug-21	14.2.1	INVESTMENT PORTFOLIO SUMMARY AS OF 31 JULY 2021	Toni Keown	Xandra Curnock	Deputy CEO	That Council receive and adopt the year to date results of the City's investment portfolio	Completed
23-Aug-21	14.2.2	AUDIT UPDATE	Xandra Curnock	David Trevaskis	Deputy CEO	That Council note the audit is on schedule as per the proposed audit timetable presented at the audit entrance meeting held on 20 May 2021	Completed
23-Aug-21	14.2.3	INTEGRITY STRATEGY FOR WA PUBLIC AUTHORITIES 2020 -2023	David Trevaskis	John Walker	Deputy CEO	That Council: 1.Receive the Integrity Strategy for WA Public Authorities 2020 - 2023; and 2.Advise the CEO to complete the Integrity Snapshot Tool to help identify areas for development or more focus that should be included in the City's Risk Register.	1.Received - no further action 2. Integrity Snapshot Tool still to be completed

23-Aug-21	14.2.4	STRATEGIC RISK REGISTER	Eve Reitmajer	David Trevaskis	Deputy CEO	That Council: 1.Adopt the August 2021 Strategic Risk Register; and 2.Recommend the Finance and Audit Committee, once reconstituted after the election, consider the matter of the strategic risk register and the frequency of its review, with a view to: (a) Moving to a six (6) monthly review; and/or (b) Having an independent audit of the register carried out.	Completed
23-Aug-21	14.2.5	REVISED TERMS OF REFERENCE	Eve Reitmajer	David Trevaskis	Deputy CEO	That Council: 1.Endorse the revised Finance and Audit Committee Terms Of Reference and 2.Appoint Councillor John Matthew to the Finance and Audit Committee	Completed
13-Dec-21	15.1.6	2020-21 Annual Financial Report	Xandra Curnock	David Trevaskis	Deputy CEO	That Council: 1.Receives the Chief Financial Officer 2021 Financial Report and Audit update.	Completed
13-Dec-21	15.1.7	Name Change of the Committee & Committee Meeting Schedule 2022	Emma Holtum	David Trevaskis	Deputy CEO	That Council: 1.Change the name of the Finance and Audit Committee to the Audit and Risk Committee and update the Terms of Reference for this change. 2.Approve the following meeting dates for the Committee for the calendar year 2022: Wednesday 16 March 2022, Wednesday 15 June 2022, Wednesday 14 September 2022, Wednesday 7 December 2022.	Completed
13-Dec-21	15.1.8	Straetgic Risk Register	David Trevaskis	David Trevaskis	Deputy CEO	That Council: 1.Receives the November 2021 Strategic Risk Register as reviewed by the Committee. 2. Amend the City of KAlgoorlie-Boulder Finance and Audit Committee Work Plan to include 6 monthly review of the Strategic Risk Register. 3. Request the CEO to engage an independent consultant to conduct a review of the City's strategic risk register and submit recommendations to the committee for consideration.	Completed
13-Dec-21	15.1.9	Finance and Audit Committee Staning Items November 2021	David Trevaskis	David Trevaskis	Deputy CEO	That Council receive the information.	Complete

City of Kalgoorlie-Boulder

Objective

This report is to provide the audit committee with an update on the progress of actions taken by management to implement audit recommendations. The information is to help the audit committee monitor the timeliness of agreed actions and understand the reason for any delay.

Source and year	Report Date	Recommendation (record details)	Risk Rating	Manager responsible	Original completion date	Revised completion date	Status	Management Comments on action taken
Audit Findings 2019/20 – Grant Thornton/OAG	09/12/2020	Airport revenue supporting documentation – Recommend a documented review process be put in place to limit the risk of under reporting the number of passengers by the airlines	Moderate	David Trevaskis	June 2021	30/06/2023	Open	Airport has implemented a Conditions of Use Document over the Aerodrome, subject to commence in 2023. This document shall formalise the current informal arrangement and give the City audit capability over these metrics
Audit Findings 2019/20 – Grant Thornton/OAG	09/12/2020	Documentation inconsistencies in IT policies – recommend management:	Minor	Alyce Spokes	June 2021	30/11/2022	Resolved	IT policies have been implemented as recommended.

		<ul style="list-style-type: none"> • Incorporate missing elements into existing documentation as listed • Finalise the implementation of formal policies where lacking and • Ensure that existing requirements be documented 						
Audit Findings 2019/20 – Grant Thornton/OAG	30/04/2022	Capitalisation of overhead allocation costs - Management should review all capitalised expenditure to ensure these costs meet the criteria as defined in AASB 116.	Minor	Xandra Curnock	31/07/2021	31/07/2021	Resolved	This treatment ceased during FY2021
Audit Findings 2019/20 – Grant Thornton/OAG	30/04/2022	Landfill rehabilitation provision and related landfill asset - In future where potential transactions of this nature or complexity arise, management seek to engage external technical experts to assess	Moderate	Xandra Curnock	30/06/2022	30/06/2022	Resolved	Noted for future significant accounting transactions

		the accounting treatment for compliance with accounting standards. Expert reports should then be reviewed and approved by Council						
Audit Findings 2019/20 – Grant Thornton/OAG	30/04/2022	Disaster recovery plan - The City should ensure the DRP is adequately defined to meet these recovery requirements and tested on a regular basis. These tests should be used to confirm key IT systems and services can be restored or recovered within the required timeframes. The tests should also be used to verify that key staff are familiar with the plan and their specific roles and responsibilities in a disaster situation. The results of these tests should be documented, and	Moderate	Alyce Spokes	30/06/2022	30/06/2023	Open	The City awarded a managed services contract to an external consultant in July 2021. Urgent works to address immediate shortcomings within the ICT environment were a priority. A full disaster recovery solution will be in place by June 2022. Currently all data and servers are backed up off site in Perth to ensure minimal loss to

		relevant actions taken to improve the plan where necessary						the business in the event of a disaster
Audit Findings 2019/20 – Grant Thornton/OAG	30/04/2022	User access reviews - Management should ensure formal user access review of all relevant network user accounts is performed on a regular basis. Results of this review should be communicated, documented, signed-off and retained	Minor	Alyce Spokes	30/06/2022	30/06/2022	Resolved	The Finance team perform reviews of users on an ad hoc and annual basis. When roles are changed / new starters on boarded finance will ensure appropriate access has been granted from reviewing “officer maintenance”. Annually this is reviewed in totality to ensure access has been amended as required from a finance perspective
Audit Findings 2019/20 – Grant Thornton/OAG	30/04/2022	Cybersecurity testing - Management should perform tests to assess	Moderate	Alyce Spokes	31/12/2022	31/12/2022	Open	Since the audit was completed a Cyber Security

		<p>vulnerabilities of the IT environment on a periodic basis in order to identify potential vulnerabilities and improve the strength of IT security measures</p>						<p>process has been implemented, including social engineering fraud and threat testing. The City has run multiple threat tests in the last few months and have performed end user training to assist in mitigating end user risks. ICT are currently working to upgrade all ICT equipment, having already completed the main firewall upgrade and implemented 24x7 cyber security services to also mitigate this risk. All works aiming</p>
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								to be completed by December 2022
Audit Findings 2019/20 – Grant Thornton/OAG	30/04/2022	AASB 15 revenue recognition timing - Management should ensure that revenue transactions are appropriately recorded throughout the financial year in-line with the AASB 15 revenue recognition requirements, either at a point-in-time or over-time. The associated contract liabilities should also be recognised throughout the year rather than only through year-end journal adjustments.	Minor	Xandra Curnock	30/06/2022	30/06/2022	Resolved	This process will be reviewed and true up will be performed on a more frequent basis
Financial Management Review June 2022 – Hall Chadwick	14/09/2022	Bank reconciliations and petty cash management – Bank, trust fund and petty cash reconciliations are recommended to be completed within 15 business days after month end.	Minor/low	Xandra Curnock	30/09/2022	30/09/2022	Resolved	Reconciliations to be completed as recommend.

Financial Management Review June 2022 – Hall Chadwick	14/09/2022	Credit card purchases – Recommend CKB to update its credit card policy to reflect updated processes (use of mobile phone app)	Moderate	Xandra Curnock	31/10/2022	31/10/2022	Resolved	Credit Card Policy to be reviewed and updated as recommended.
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