



**City of  
Kalgoorlie  
Boulder**

# **AGENDA**

**for the  
Audit and Risk Committee Meeting**

**commencing at 9:00 AM**

**on**

**15 MARCH 2024**

**at the  
Administration Building**

13 March 2024



## NOTICE OF MEETING

An Audit and Risk Committee meeting of the City of Kalgoorlie-Boulder will be held in the **Administration Building** on **15 March 2024** commencing at **9:00AM**.

Regards

A handwritten signature in black ink, appearing to read "Andrew Brien". The signature is stylized with a long, sweeping underline that extends to the right.

**ANDREW BRIEN**

Chief Executive Officer

**Nature of Council's Role in Decision-Making**

Advocacy:	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
Executive Strategic:	The substantial direction setting and oversight role of the Council, e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
Legislative:	Includes adopting local law, town planning schemes and policies.
Review:	When Council reviews decisions made by officers.
Quasi-Judicial:	<p>When Council determines an application/matter that directly affects a person's rights and interests. The Judicial character arises from the obligations to abide by the principles of natural justice.</p> <p>Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits/licenses (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</p>

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## **Audit and Risk Committee Members**

Mayor Glenn Wilson  
Deputy Mayor Kirsty Dellar  
Cr Wayne Johnson  
Cr Nardia Turner  
Cr Kyran O'Donnell  
Cr Terrence Winner

## **1 DECLARATION OF OPENING**

## **2 RECORD OF ATTENDANCE**

### **2.1 Attendance**

**In Attendance:**

**Members of Staff:**

### **2.2 Apologies**

**Apologies – Elected Members:**

**Apologies - Members of Staff:**

**Leave of Absence:**

## **3 PRESENTATIONS**

## **4 DECLARATIONS OF MEMBERS' AND OFFICERS' INTEREST**

**4.1 Interest Affecting Impartiality City of Kalgoorlie-Boulder Code of Conduct**

**4.2 Financial Interest Local Government Act Section 5.60A**

**4.3 Proximity Interest Local Government Act Section 5.60B**

## **5 CONFIRMATION OF MINUTES**

That the minutes of the Audit and Risk Committee Meeting held on 16 November 2023 be confirmed as a true record of that meeting.

## **6 URGENT BUSINESS**

## 7 REPORTS OF OFFICERS

### 7.1 Chief Executive Officer

#### 7.1.1 Overdue Debtors Report as at 31 January 2024

<b>Responsible Officer:</b>	Xandra Curnock Executive Manager Finance
<b>Responsible Business Unit:</b>	Finance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Review
<b>Attachments:</b>	1. CONFIDENTIAL - 90 Days Debt January 2024 [7.1.1.1 - 1 page]

#### SUMMARY STATEMENT

The Committee is asked to review the Overdue Debtors Report, reporting details of overdue debts as at 31 January 2024, and identifying those where the amount owing is over 90 days with total debt exceeding \$10,000.

#### REPORT

This report provides the Audit and Risk Committee the following information in relation to overdue debtors:

- The amount of total debt outstanding for the period aged from current to over 90 days overdue with a comparison to the same period for the previous year;
- All records of the used of delegated authority, to waive or write off debts valued at \$1,000 or above;
- A confidential report containing the individual debtor information in relation to the outstanding debts exceeding 90 days with a combined value of debt, by debtor, exceeding \$10,000; and
- The Debtor Day Ratio, being the average number of days taken for the City to receive payment from its customers for invoices issued to them.

#### ***Debts Written Off***

The 30 June 2023 financial statements include a bad debt provision of \$220,882.03 based on Expected Credit Loss (ECL) calculation.  
\$nil has been written off to date.

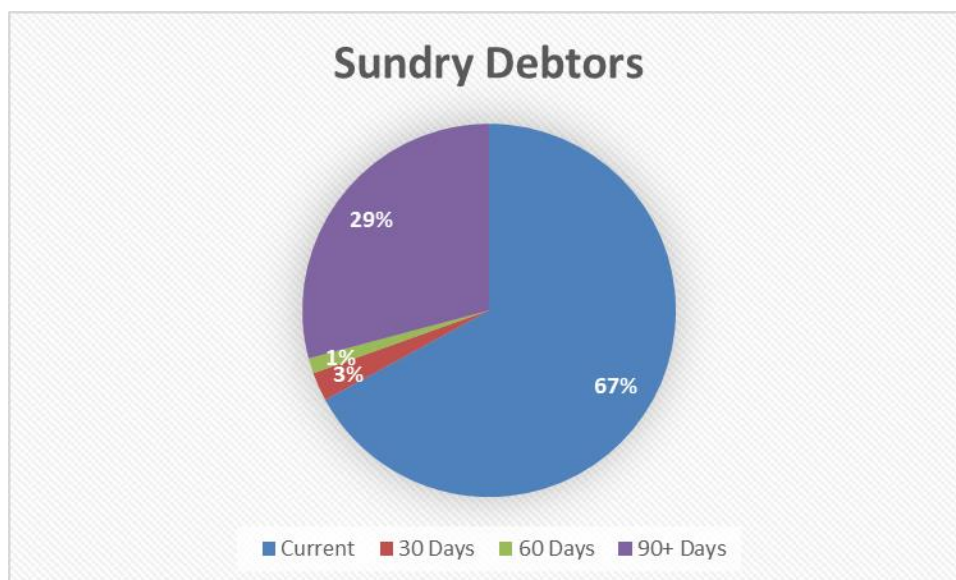
#### ***Debts Outstanding***

The total debts outstanding at 31 January 2024 was \$5,828,953.64. A breakdown of aged debt for the current period compared to prior period is tabled below.



Period Ending	Current	30 Days	60 Days	90+ Days	Total
July 23 - Jan 24	68%	2%	1%	29%	100%
	\$ 3,908,547.26	\$ 142,630.87	\$ 77,335.77	\$1,700,439.74	\$ 5,828,953.64
July 22 - Jan 23	42%	24%	15%	19%	100%
	\$ 1,754,620.19	\$ 1,007,904.34	\$604,157.87	\$ 783,447.61	\$ 4,150,130.01

The graph below shows the aged debt balances as at 31 January 2024.



Compared to the amount of debt outstanding at 30 June 2023:

- The total value of debts has increased to \$5,828,954 from \$4,150,130; Total outstanding debt over 90 days has increased to \$1,700,440 at the end of 31 January 2024 from previous reporting period of \$783,448; and
- The number of overdue debtors over 90 days, and above the total debt reporting threshold of \$10,000, has increased from 11 to 21.

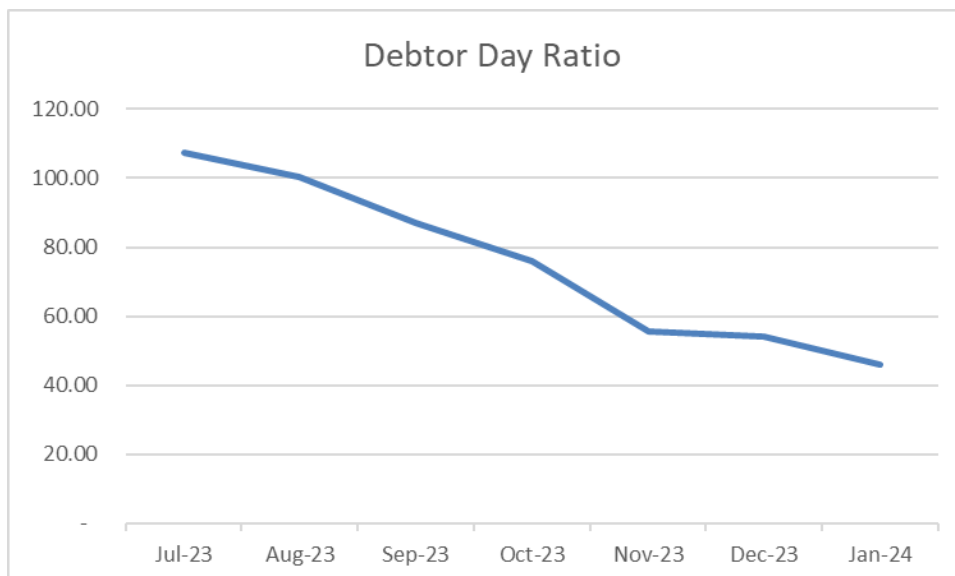
**Debtor Day Ratio**

The Debtor Day Ratio measures how quickly cash is being collected from debtors. The longer it takes for an organisation to collect, the greater the number of debtor days.

The calculation of the ratio considers the total amount outstanding at the end of the period divided by the total amount invoiced to that period for the financial year. This is then multiplied by the total number of days from 1 July to the end of the period.

As at 31 January 2024, the Debtor Day Ratio was 45.74 being a decrease from the prior year as at 31 January 2023 which was 59.07.

See graph below showing debtor days for the current financial year.



**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

**BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

**STATUTORY IMPLICATIONS**

Section 6.12 (1) ( c) of the *Local Government Act 1995* provides authority for Council to write off outstanding monies.

In accordance with section 5.42 and 5.44 of the *Local Government Act 1995* the following delegated authority applies;

The CEO has delegated authority under the Chief Executive Officer Delegation Register to write-off rate debts under \$5,000 and sundry debtor’s debts under \$25,000. Any amount above this must be referred to Council for a determination.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

CAPABLE: We will have the resources to contribute to our community and economy.

**OFFICER RECOMMENDATION**

That the Committee recommend Council receive the Overdue Debtors Report and the confidential attachment listing overdue debts exceeding 90 days that have a combined value greater than \$10,000 as at 31 January 2024.

### 7.1.2 Purchasing Policy Exemptions July to December 2023

<b>Responsible Officer:</b>	Xandra Curnock Executive Manager Finance
<b>Responsible Business Unit:</b>	Finance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Review
<b>Attachments:</b>	Nil

#### SUMMARY STATEMENT

The Committee is asked to note purchases made by the City that were exempted from the requirements of the Purchasing Policy during the period 1 July 2023 to 31 December 2023.

#### REPORT

This report provides the Audit and Risk Committee information in relation to purchase orders that have been deemed exempt as per the City's Purchasing Policy, which outlines the requirements and decision-making process for each policy threshold.

##### **July 2023**

The total value of spending exempt from the City's Purchasing Policy was \$9,362,583 for the month of July 2023.

The value of exemptions by category is:

<b>Exemption Category</b>	<b>Value</b>
EN1. Monopoly/Oligopoly/Government department	\$167,664.29
EN2. Specialised supplier	\$29,365.30
EN3. Procurement decision made	\$8,342,643.26
EN5. Council decision	\$295,775.58
EN6. Strategic decision	\$415,138.50
EN7. Only Specialised local supplier	\$21,450.00
EN8. Sole Supplier	\$90,546.46

##### **August 2023**

The total value of spending exempt from the City's Purchasing Policy was \$3,632,849 for the month of August 2023.

The value of exemptions by category is:

<b>Exemption Category</b>	<b>Value</b>
EN1. Monopoly/Oligopoly/Government department	\$207,747.11
EN2. Specialised supplier	\$60,401.70
EN3. Procurement decision made	\$2,935,133.50
EN5. Council decision	\$34,450.00
EN6. Strategic decision	\$308,906.39
EN7. Only Specialised local supplier	\$75,210.61
EN8. Sole Supplier	\$11,000.00

### **September 2023**

The total value of spending exempt from the City's Purchasing Policy was \$1,218,661 for the month of September 2023.

The value of exemptions by category is:

<b>Exemption Category</b>	<b>Value</b>
EN1. Monopoly/Oligopoly/Government department	\$21,604.00
EN2. Specialised supplier	\$16,476.50
EN3. Procurement decision made	\$978,946.94
EN5. Council decision	\$8,340.00
EN6. Strategic decision	\$108,229.67
EN7. Only Specialised local supplier	\$35,783.55
EN8. Sole Supplier	\$49,280.00

### **October 2023**

The total value of spending exempt from the City's Purchasing Policy was \$3,614,803 for the month of October 2023.

The value of exemptions by category is:

<b>Exemption Category</b>	<b>Value</b>
EN1. Monopoly/Oligopoly/Government department	\$107,370.60
EN2. Specialised supplier	\$45,226.40
EN3. Procurement decision made	\$3,298,082.18
EN6. Strategic decision	\$89,342.70
EN7. Only Specialised local supplier	\$18,197.38
EN8. Sole Supplier	\$56,584.00

### **November 2023**

The total value of spending exempt from the City's Purchasing Policy was \$2,848,328 for the month of November 2023.

The value of exemptions by category is:

<b>Exemption Category</b>	<b>Value</b>
EN1. Monopoly/Oligopoly/Government department	\$130,616.00
EN2. Specialised supplier	\$11,914.14
EN3. Procurement decision made	\$2,251,317.16
EN6. Strategic decision	\$211,990.00
EN7. Only Specialised local supplier	\$19,106.62
EN8. Sole Supplier	\$15,163.01

### **December 2023**

The total value of spending exempt from the City's Purchasing Policy was \$1,813,310 for the month of December 2023.

The value of exemptions by category is:

<b>Exemption Category</b>	<b>Value</b>
EN2. Specialised supplier	\$68,227.50
EN3. Procurement decision made	\$1,659,432.00
EN5. Council decision	\$21,421.50
EN7. Only Specialised local supplier	\$33,410.56
EN8. Sole Supplier	\$30,818.42

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

### **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

### **STATUTORY IMPLICATIONS**

In accordance with Local Government (Financial Management) Regulations 1996 r5(1)(e) the CEO is to ensure efficient systems and procedures are established for proper authorisation for the incurring of liabilities and the making of payments.

### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

### **COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

CAPABLE: We are continuing to undertake the appropriate risk management and assessment strategies.

**OFFICER RECOMMENDATION**

That the Committee recommend Council receive and note the contents of this report.

### 7.1.3 Annual Work Plan 2024

<b>Responsible Officer:</b>	Andrew Brien Chief Executive Officer Frances Liston Executive Manager Governance and Risk Services Xandra Curnock Executive Manager Finance
<b>Responsible Business Unit:</b>	Office of the CEO Finance Governance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Executive Strategic Review
<b>Attachments:</b>	1. Annual Work Plan 2024 [7.1.3.1 - 2 pages]

#### SUMMARY STATEMENT

The Committee is asked to endorse the proposed 2024 calendar year work plan for the Audit and Risk Committee.

#### REPORT

The annual work plan has been prepared to support the Audit and Risk Committee by outlining when it will perform its key activities and to help schedule these activities across the calendar year 2024. This plan follows on from the Annual Work Plan endorsed for the 2023 calendar year, with a similar approach being taken to schedule activities in relation to:

1. Governance arrangements;
2. Risk Management updates;
3. Internal control system requirements;
4. Compliance and ethics including review of submissions to external agencies;
5. Internal audit projects; and
6. Financial reporting and external audit.

The development of the Annual Work Plan has identified additional areas for which reports should be presented to Council including in relation to procurement, sponsorship and grants and internal audit plans. These standing reports will be developed over coming months.

#### COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.



**BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

**STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

EMPOWERED: We ensure considered decision making based on collaborative, transparent and accountable leadership.

**OFFICER RECOMMENDATION**

That the Committee recommend that Council:

1. Endorse the Annual Work Plan 2024; and
2. Authorise the CEO to depart from the Annual Work Plan 2024 if necessary due to administrative, operational or other requirements.

### 7.1.4 Airport Compliance

<b>Responsible Officer:</b>	Glenda Abraham Director of Corporate and Commercial
<b>Responsible Business Unit:</b>	Corporate and Commercial
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Review
<b>Attachments:</b>	Nil

#### SUMMARY STATEMENT

The Committee is asked to note the updates set out in this report on respect of the 16 November 2023 Audit and Risk Committee report which highlighted Kalgoorlie-Boulder Airport operational risks. This report confirms the actions taken by the City and ongoing review of the airport registers.

#### REPORT

In December 2023 a meeting was held with the aviation regulator and Regional Airport Management Services (RAMS) to address the non-compliance status of the Kalgoorlie-Boulder Airport.

The City was transparent with all documentation, noting the work effort required to meet retrospective compliance standards. The City also confirmed the Airport had not had a full audit conducted within past 24 months and as such, the current operational risk register may be redundant.

Agreement was reached for an independent audit to be conducted by RAMS. The findings will be used as the new operational risk register. This will ensure the Airport is compliant with current Australian aviation standards and reduce work effort by the City in remediating historic non-current risk issues.

RAMS conducted the audit in December 2023. The City is still waiting on the final report, however immediate recommendations have been implemented:

- Emergency Management Training took place in December 2023;
- The previous recorded overdue medium rated risks were assessed and prioritised based on aviation standards by RAMS. These are now closed as actioned and been reported back to RAMS as part of the audit;
- The low rated overdue tasks were closed based on recommendations by RAMS that they are no longer warranted; and
- In December the City employed a RAMS supervisor on a short-term contract. Their role supports daily reporting, policy review and monitoring as part of the audit and general operations of the Airport. They are also addressing the gap in staff knowledge by performing regular training sessions.

Further actions from the independent report will be implemented once finalised, these include:

- New operational risk report and matrix based on the recommended risks and their correlated weightings from RAMS who specialise in aviation industry assessments;
- Develop and embed an operational rhythm to ensure risks are managed in a timely manner including accountability for the outcomes;
- Finalisation of the staff training programs and annual professional standard's calendar; and
- Ongoing work on the Airport Masterplan, incorporating the aviation standards and aligning to legislation.

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

### **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

### **STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

### **COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

SAFE: We will be safe and free from harm and crime.

CAPABLE: We are continuing to undertake the appropriate risk management and assessment strategies.

<h3><b>OFFICER RECOMMENDATION</b></h3>
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<p>That the Committee recommend Council receive and note the updates contained in this report.</p>
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### 7.1.5 Internal Audit

<b>Responsible Officer:</b>	Andrew Brien Chief Executive Officer Frances Liston Executive Manager Governance and Risk Services
<b>Responsible Business Unit:</b>	Office of the CEO Governance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Executive Strategic
<b>Attachments:</b>	Nil

### SUMMARY STATEMENT

The Committee is asked to consider and endorse the proposed revised internal audit schedule.

### REPORT

At its meeting on 7 June 2023, the Audit and Risk Committee endorsed the following (subsequently endorsed by Council):

1. *Endorse the following proposed audit focus areas for the 2023-24 Internal Audit Program:*
  - a) *Trading Undertaking and Land Transaction Contract Review and Approval; and*
  - b) *Information Systems and Cyber Security;*

*and*
2. *Allocates \$30,000 for the purposes of appointing an external provider to deliver the Internal Audit Program in the 2023-24 Annual Budget.*

#### **Status of 2023-24 internal audit program**

Due to resourcing challenges and competing priorities, neither of the internal audit programs referred to in paragraph 1 of the above resolution have been actioned by City officers.

#### **Trading Undertaking and Land Transaction Contract Review and Approval**

The most significant contractual arrangement that the City has entered in recent years is in relation to Lynas. Given this particular contract has been reviewed, and the circumstances surrounding entry into that are now under external legal review, it is proposed that this audit be postponed until such time as the outcomes are known. Once the report is available, it may be the case that certain aspects of that review inform part of the audit requirements.

In addition, it has been identified that contract management is a risk area for the City and City officers have identified a need for internal review of:

1. Staff resourcing;
2. Record keeping; and
3. Process and procedures,

as well as the potential need for this to be referred to an external consultant for assistance.

City officers recommend this internal audit item be postponed for further consideration at the June Audit and Risk Committee meeting.

#### Information systems and cyber security

The commencement of the new Director Corporate and Commercial, Glenda Abraham in late 2023 has resulted in a shift in Information Technology management at the City, including a renewed focus on:

1. Development of an IT roadmap;
2. Identification of the IT needs in the organisation and current options;
3. Staff resourcing including new creation of new roles for project management and compliance and security.

In addition, the OAG provided a Local Government Computer Controls Audit Report in 2021 which included cyber security recommendations which have been actioned in part by the City including in relation to implementation of the Essential 8 (best practice in security) as well as actions including upgrade of server and operating system overview. The OAG also include an annual review of ICT in their external finance audit.

Bearing in mind the current status of these operations in the City, it is proposed that this internal review be postponed until the 2025/26 financial year, in order for the array of current works to be progressed. This would enable the review to identify further works that are needed once the already-identified immediate priorities have been actioned.

#### ***Internal audit functions moving forward***

As stated above, two significant challenges this financial year have been in relation to staff resourcing and competing priorities. The work required to complete a detailed audit, particularly with external consultants needing to be provided high levels of information and documentation, is considerable. Existing work volumes for staff, and the need to focus on other existing services and projects, needs to be factored in when planning for audit functions to be carried out. Part of this requires:

1. Clear identification of the scope and focus areas of a proposed audit; and
2. Estimation of staff resourcing needs including estimated hours, proposed duration for the review to be commenced and completed and capacity of relevant staff.

To support the improved planning suggested above, it is proposed that smaller, more specific and more regular internal audits be scheduled across each financial year. This will allow the City to assume an ongoing risk management and continuous improvement function that has not been consistent in recent years. Work is being undertaken at the moment to create internal review plans for the following work areas, in order to provide a detailed proposal to inform the Audit and Risk Committee at its June meeting:

1. Work Health and Safety (WHS) Systems;
2. Pool inspections and compliance; and
3. Asset Management Framework.

### Work Health and Safety Systems

The City's insurer, the Local Government Insurance Scheme (LGIS), intends to run a complimentary assessment of the City's WHS systems at no cost to the City.

This is an area that was already earmarked for internal review, and the opportunity to engage with LGIS in relation to this is welcomed. LGIS have met with People and Culture staff members and have allocated an assessor for the City.

The review by LGIS is anticipated to take place between 12 – 15 August 2024, and will include site visits, documentation review and interviews.

Once completed the LGIS will provide the City with recommendations and can assist with the development of an action plan if required.

This review will pick up processes and systems for employees as well as contractors.

### Pool compliance

Recent legislative changes combined with a number of years of staff challenges in relation to pool compliance have resulted in the City identifying pool compliance as an area for review.

More information about the proposed scope of this internal audit and timeframes for the same will be provided at the June Audit and Risk Committee meeting.

### Asset Management Framework

The City has recently employed a new Coordinator Asset Management who has a wealth of knowledge and experience in this space. City officers have been working on the development of an action plan for the preparation of a new Asset Management Framework which has included prioritisation of assets, policy review and identification of system needs including an appropriate IT platform.

It is expected that this review will be more of an ongoing update to the Audit and Risk Committee as to the progress of this project, rather than an audit.

### Contract management

In addition to the above projects, a fourth considerable area for review is contract management and it is anticipated that this will need to be externalised for assistance in both the review as well as identification of resolution actions.

### ***Oversight of internal audit***

As planning continues in relation to these review projects, resourcing needs will be identified. At this stage, it is anticipated that an officer dedicated to overseeing internal review projects may be needed. The internal audit projects will also be supervised by the Executive Manager Governance and Risk Services, Executive Manager People and Culture and Executive Manager People and Culture in connection with the functions of the Executive Advisory Group.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

**BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report. All costs incurred in relation to the proposed functions will be borne by staff resourcing and absorbed in staff costs.

The budget allocation previously adopted by Council will not be expended in this financial year if the recommendations of this report are endorsed.

**STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

EMPOWERED: We ensure considered decision making based on collaborative, transparent and accountable leadership.

**OFFICER RECOMMENDATION**

That the Committee recommend that Council endorse:

1. The proposal to delay commencement of the 2023/24 internal audit plan projects (Trading Undertaking and Land Transaction Contract Review and Approval and Information Systems and Cyber Security); and
2. The development of an internal audit project plan for 2024/25 to include WHS Systems, Pool Inspection and Compliance and Asset Management Framework;
3. Request the CEO to obtain quotes for external review of the City's contract management systems (with initial focus areas being the process for entry into contracts, record keeping, contract oversight and execution of contracts).

### 7.1.6 Compliance Audit Return

<b>Responsible Officer:</b>	Andrew Brien Chief Executive Officer Frances Liston Executive Manager Governance and Risk Services
<b>Responsible Business Unit:</b>	Office of the CEO Governance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Review
<b>Attachments:</b>	1. 2023 Compliance Audit Return Questions [7.1.6.1 - 13 pages]

#### SUMMARY STATEMENT

The Committee is asked to receive and endorse the submission of the Compliance Audit Return (CAR) for the period 1 January 2023 – 31 December 2023 to the Department of Local Government, Sport and Cultural Industries and to note the actions being undertaken as described in the report.

#### REPORT

The purpose of the annual CAR is for individual local governments to assess their level of compliance with the *Local Government Act 1995* and associated regulations. The Chief Executive Officer and relevant City officers' have assessed their operations in respect of statutory obligations outlined in the CAR and believe that their responses given indicate an accurate perspective of the City's compliance to date.

The CAR focuses on the following areas of compliance:

1. Commercial Enterprises by Local Governments (5 questions);
2. Delegation of Power/Duty (13 questions);
3. Disclosure of Interest (21 questions);
4. Disposal of Property (2 questions);
5. Elections (3 questions);
6. Finance (7 questions);
7. Integrated Planning and Reporting (3 questions);
8. Local Government Employees (5 questions);
9. Official Conduct (4 questions);
10. Optional questions (9 questions); and
11. Tenders for Providing Goods and Services (22 questions).



The completed return is set out in Attachment 1, including the City's commentary and responses. The areas of non-compliance are detailed below:

*s5.46(3) Admin Reg 19: Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?*

Governance officers have been communicating on a regular basis with the management team in relation to this requirement however have not yet ensured that these records are kept on all occasions. Records are able to be kept in the City's compliance platform, Attain. In addition, records are kept in a variety of other digital systems depending on the nature of the exercise and delegated authority (eg infringements, animal registrations).

Work continues in relation to ensuring staff with delegated authority have knowledge and training in relation to these requirements.

*Section 5.75 Local Government Act: Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?*

As has been reported to the Audit and Risk Committee previously, one officer did not complete their primary return despite notification, prompts and reminders to do so. This is reportable to the Corruption and Crime Commission.

*Section 5.76 Local Government Act: Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2023?*

As has been reported to the Audit and Risk Committee previously, one officer did not complete their annual return despite notification, prompts and reminders to do so. This is reportable to the Corruption and Crime Commission.

*Section 5.88(3) Local Government Act: When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?*

Systems are in place for this to be done monthly but was done irregularly due to resourcing challenges and competing priorities over periods during 2023.

*s3.58(4) Local Government Act: Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) in the required local public notice for each disposal of property?*

These provisions are generally complied with, with the identified exception of the disposal of the City's tram in which market value but not consideration was included in the public notice requirements.

*Section 5.87C Local Government Act: Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?*

Four officers lodged declarations in Attain outside of the 10-day requirement. The City has identified ongoing needs for education and training around requirements for gift declarations, with both new starter and existing staff.

*s5.96A(1), (2), (3) & (4) Local Government Act: Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?*

The City's website does not include a map showing the local government district. This will be obtained and added to the website as soon as possible.

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

### **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

### **STATUTORY IMPLICATIONS**

This report is prepared in compliance with the Local Government (Audit) Regulations 1996.

### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

### **OFFICER RECOMMENDATION**

That the Committee recommend Council:

1. Receive and endorse the submission of the Compliance Audit Return for the period 1 January 2023 – 31 December 2023 to the Department of Local Government, Sport and Cultural Industries in accordance with the *Local Government (Audit) Regulations 1996*; and
2. Note the comments and actions being undertaken as described in the report to address issues identified in the Compliance Audit Return.

### 7.1.7 Risk Update

<b>Responsible Officer:</b>	Andrew Brien Chief Executive Officer Frances Liston Executive Manager Governance and Risk Services
<b>Responsible Business Unit:</b>	Office of the CEO Governance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Executive Strategic
<b>Attachments:</b>	Nil

### SUMMARY STATEMENT

The Committee is asked to receive an update in relation to risk management at the City.

### REPORT

Over the course of 2023, the Audit and Risk Committee has received a number of updates in relation to the progress of risk management systems at the City including in respect of administrative difficulties posed by the City's risk management platform.

In late 2023, the City committed to a new software platform, Pulse, which includes a risk management module. The Governance team are currently working with Pulse to set this module up. Once established, Pulse will improve the City's risk management systems for the following reasons:

1. Better accessibility for staff to see risk register content compared to the former platform;
2. Improved record keeping;
3. Improved reminders and work flow tracking to ensure responsible officers undertake required reviews and updates; and
4. Consistency of language, descriptions and assessments.

To support this new platform, the governance team have completed first drafts of the following:

1. Updated Strategic and Operational Risk Register content for importation to Pulse;
2. New Risk Management Framework;
3. New Risk Management Strategy including risk management action plan; and
4. New Risk Management Procedure.

These documents will be reviewed by the Executive Leadership Team in coming weeks and finalised documents will be presented to the Audit and Risk Committee at its June meeting. In addition to endorsing these documents at the June meeting, the Audit and Risk Committee will be requested to undertake initial reviews to determine

Council's risk appetite and risk tolerance, which will better inform both officers and Council regarding its decision-making.

Due to the current amount of change currently underway in relation to risk management, there has not been a risk review.

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

### **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

### **STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

### **COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

**EMPOWERED:** We ensure considered decision making based on collaborative, transparent and accountable leadership.

**EMPOWERED:** We are utilising diverse points of view to inform decision making and actions taken for the City.

<h3><b>OFFICER RECOMMENDATION</b></h3>
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<p>That the Committee recommend that Council receive the updated in relation to the status of the City's risk management.</p>
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### 7.1.8 Tenders Awarded under Delegation July to December 2023

<b>Responsible Officer:</b>	Xandra Curnock Executive Manager Finance
<b>Responsible Business Unit:</b>	Finance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Review
<b>Attachments:</b>	Nil

#### SUMMARY STATEMENT

The Committee is asked to review the summary of tenders awarded under delegation by various Delegated Officers and Committees during the period 1 July 2023 to 31 December 2023.

#### REPORT

The City's delegation register, adopted at the 30 October 2023 Ordinary Council Meeting (OCM), under section 1.1.17 shows the below table showing delegation for Tenders for Goods and Services which are exempt from usual procurement requirements.

<b>Category</b>	<b>Maximum Value for individual contracts</b>
WALGA Preferred Supplier Program [F&G.r.11(2)(b)]	\$750,000
Goods or services obtained through the Government of the State or Commonwealth or any of its agencies, or by a local government or regional local government [F&G.r.11(2)(e)]	\$750,000
Goods or services that are determined to be unique so that there is more than one supplier in accordance with delegation condition (b.) specified below [F&G.r.(2)(f)]	\$250,000
Supply of petrol, oil or any other liquid or gas used for internal combustion engines [F&G.r.11(2)(g)]	\$1,500,000

<b>Category</b>	<b>Maximum Value for individual contracts</b>
person registered on the Aboriginal Business Directory WA OR Indigenous Minority Supplier Office Limited (T/as Supply Nation) AND where satisfied that F&G.r.11(2)(h)(ii) the contract represents value for money. [F&G.r.11(2)(h)]	< \$250,000
Goods or services supplied by an Australian Disability Enterprise [F&G.r.11(2)(i)]	\$250,000

Below shows all tenders awarded by the City between 1 July 2023 and 31 December 2023 under the above mentioned delegations:

**July 2023**

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
Nil				

**August 2023**

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
Nil				

**September 2023**

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
Nil				

**October 2023**

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
RFT010-010 22/23 South Boulder WWTP Inlet Screen &	In-house CEO Delegation	Aqseptence Group Pty Ltd.	Upon Completion and Acceptance of	\$362,904.30

Dewatering System			requirement by Principal	
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**November 2023**

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
RFT009-22/23- The Upgrade of Maxwell Street, Johnston & Kingsmill Street Intersections	In-house CEO Delegation	Boord Construction (Wa) Pty Ltd.	Upon Completion and Acceptance of requirement by Principal	\$686,905.24

**December 2023**

Tender Description	Awarded By	Contractor(s)	Contract Term	Contract Value
Nil				

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

**BUDGET IMPLICATIONS**

All tenders were awarded within the 2022-23 budget approved at Council on 4 August 2022.

**STATUTORY IMPLICATIONS**

All tenders awarded met the requirements of Regulations 11A – 24J of the *Local Government (Functions and General) Regulations 1996* and S3.57 of the *Local Government Act 1995*.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

### **COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

**CAPABLE:** We are continuing to undertake the appropriate risk management and assessment strategies.

### **OFFICER RECOMMENDATION**

That the Committee request Council to accept the report showing tenders awarded under delegation.



### 7.1.9 Audit Recommendations Progress

<b>Responsible Officer:</b>	Xandra Curnock Executive Manager Finance
<b>Responsible Business Unit:</b>	Finance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Review
<b>Attachments:</b>	1. Audit Findings Progress Report March 2024 [7.1.9.1 - 3 pages]

#### SUMMARY STATEMENT

The Committee is asked to review the progress report update in relation to the status of OAG Audit recommendations from past completed audits.

#### REPORT

The OAG perform annual financial and ICT audits on the City. The attached report shows the outstanding items identified by the OAG that the City are still working through, and those identified which have been closed off.

#### COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

#### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

#### STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.

#### POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Theme/s:

CAPABLE: We will have the resources to contribute to our community and economy.

**OFFICER RECOMMENDATION**

That the Committee recommends Council receives the information.

### 7.1.10 Expression of Interest for independent member of Audit and Risk Committee

<b>Responsible Officer:</b>	Andrew Brien Chief Executive Officer Frances Liston Executive Manager Governance and Risk Services
<b>Responsible Business Unit:</b>	Office of the CEO Governance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Executive Strategic
<b>Attachments:</b>	<ol style="list-style-type: none"> <li>1. EOI information pack [7.1.10.1 - 8 pages]</li> <li>2. CONFIDENTIAL - EOI Submission [7.1.10.2 - 6 pages]</li> <li>3. variation 3_2023 independent committee member fees ee Rm Cow p Uyx Xn 81 n 6 Z K 2 g [7.1.10.3 - 2 pages]</li> </ol>

#### SUMMARY STATEMENT

The Committee is asked to note and review all submissions received in response to the City's Expression of Interest (EOI) for an independent member of the Audit and Risk Committee.

#### REPORT

It is considered good practice for an audit and risk committee to include independent members as it is an opportunity to bring in specific financial and governance skills from outside of the City and Council and allows for independent review of these functions.

Prior to the 2023 local government election, the City had two independent members of the Audit and Risk Committee. The terms of these positions came to an end as at the election date.

An EOI was advertised by the City in October 2023 however no submissions were received.

Pursuant to the Audit and Committee's request to the CEO on 16 November 2023, the EOI was re-advertised on 24 January 2024 and closed on 9 February 2024.

The EOI requested that people interested in joining the Audit and Risk Committee have expertise in one or more of the following areas:

- Financial management and internal control;
- Business management;
- Governance;

- Corporate risk management; and/or
- Local government financial management and reporting.

Attachment 1 is a copy of the EOI information pack that was published by the City.

One submission was received in response to the EOI and that response is attached confidentially. The applicant indicates as follows:

1. A desire to use their financial and compliance experience to provide guidance to Council and give back to the community;
2. Qualifications and experience in:
  - Financial management;
    - Risk;
    - Local government financial management and reporting; and
    - Corporate management; and
3. Active involvement in community, environmental or civic activities in Kalgoorlie-Boulder.

The below table also assesses the applicant's skillset against the advertised selection criteria of the role:

<b><i>Expertise in financial management</i></b>	Yes
<b><i>Expertise in risk</i></b>	Yes
<b><i>Experience in local government financial management and reporting</i></b>	Yes
<b><i>Experience in public sector management</i></b>	No
<b><i>Experience in corporate management</i></b>	Yes
<b><i>Qualifications in Business</i></b>	No
<b><i>Qualifications in Commerce</i></b>	No
<b><i>Qualifications in Law</i></b>	No
<b><i>Qualifications in Risk Management</i></b>	No
<b><i>Accountant in Public Practice</i></b>	No
<b><i>Accountant in Auditing</i></b>	No
<b><i>Actively involved in community, environmental or civic activities in Kalgoorlie-Boulder</i></b>	Yes
<b><i>Free from any management, business or other relationship that could reasonably be perceived to materially interfere with my ability to act in the best interests of Council</i></b>	Yes

<b><i>Read and understood the responsibilities outlined in the Audit and Risk Terms of Reference</i></b>	Yes
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City officers consider the applicant meets the criteria advertised in the EOI and recommend the appointment to the Audit and Risk Committee.

The Salaries and Awards Tribunal determination was amended in 2023 to include provision for independent members of Council Committee. That amendment is attached as Attachment 3. City officers propose that the maximum amount payable to independent members be paid. Currently, as a band 1 local government, the applicable amount payable by the City of Kalgoorlie-Boulder is between \$0- \$415 per meeting.

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

### **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

### **STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

### **COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

CAPABLE: We are continuing to undertake the appropriate risk management and assessment strategies.

### **OFFICER RECOMMENDATION**

That the Committee recommend that Council:

1. Endorse the appointment of the Applicant named in Attachment 2 as an independent member of the Audit and Risk Committee; and
2. Authorise the CEO to pay sitting fees to the independent member in accordance with the maximum amount payable to an independent member, as determined by the Salaries and Awards Tribunal from time to time.

**7.1.11 Audit and Risk Committee minutes - 16 November 2023**

<b>Responsible Officer:</b>	Frances Liston Executive Manager Governance and Risk Services
<b>Responsible Business Unit:</b>	Governance
<b>Disclosure of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple
<b>Nature of Council's Role in Decision-Making:</b>	Executive Strategic
<b>Attachments:</b>	Nil

**SUMMARY STATEMENT**

The Committee is asked to receive and note the advice in relation to the 16 November 2023 Audit and Risk Committee meetings.

**REPORT**

On 16 November 2023, the Audit and Risk Committee held a meeting at which time the following resolutions were passed:

Risk Review report (alternate motion)

*That the Committee recommends Council:*

1. *Receive and note the updates set out in this report;*
2. *Request the CEO provide a detailed report on non-compliance, strategic risks and significant operational risks at the Kalgoorlie-Boulder Airport to be presented at the next Audit and Risk Committee meeting; and*
3. *Request the CEO provides up-to-date copies of the City's strategic risk register, along with any recommended changes, at the next Audit and Risk Committee meeting.*

Terms of Reference

*That the Committee:*

1. *recommend Council adopt the Terms of Reference for the Audit and Risk Committee in the form attached to this report; and*
2. *note the update in relation to the appointment of an independent member to the Committee.*
3. *The CEO be requested to re-advertise the Expression of Interest for independent member/s of the Audit and Risk Committee.*

Annual Financial Report 2022-23

*That the Committee recommends Council:*

1. *Note that the OAG provided additional information to members at the ARC Meeting which will require some amendments to the report prior to the adoption of the Annual Financial Report and Auditors Management letter;*

2. *Note that the amended matters will be considered as an item of urgent business at the Ordinary Council Meeting to be held on Monday 20 November 2023.*

The actions identified in these resolutions have been progressed by City officers including as follows:

1. The amended finance report was included in the November Ordinary Council Meeting agenda as a late business item and adopted by Council under that item;
2. The expression of interest for independent committee member has been advertised (see separate report in relation to that);
3. An airport compliance report has been included in the March Audit and Risk Committee agenda; and
4. A risk report has been included in the March Audit and Risk Committee agenda.

Following the meeting minutes being prepared and published, the entire meeting and all related reports, the agenda and minutes disappeared from view in Doc Assembler. The reason for the error has not been identified. The consequence of this was that it was overlooked for inclusion in both of the November and December (and subsequent) Ordinary Council Meetings and therefore the meeting minutes have not yet been adopted by Council. The issue has been rectified in Doc Assembler and the minutes will be included in the March Ordinary Council Meeting agenda.

## **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

## **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

## **STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

## **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

## **COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s:

**EMPOWERED:** We ensure considered decision making based on collaborative, transparent and accountable leadership.

**OFFICER RECOMMENDATION**

That the Committee recommend Council note the advice contained in this report and actions being taken to remedy the same.



## **8 DATE OF NEXT MEETING**

The next Audit and Risk Committee Meeting will be held on 13 June 2024.

## **9 CLOSURE**