



**City of  
Kalgoorlie  
Boulder**

**MINUTES**

of the

**AUDIT AND RISK COMMITTEE MEETING**

**Held at 11:00AM**

on

**16 MARCH, 2022**

in the

**Councillor's Conference Room**

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## **Audit and Risk Committee Members**

Independent Chairperson Allan Pendal

Mayor John Bowler

Deputy Mayor Glenn Wilson

Cr John Matthew

Cr Terrence Winner

Cr Kirsty Dellar

Cr Kim Eckert

Cr Amy Astill

Independent Member Robert Northcoat

## **1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Chairman declared the meeting open at 11:05am welcoming those present.

## **2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)**

### **IN ATTENDANCE:**

Chairperson Allan Pendal  
Mayor John Bowler  
Cr John Matthew  
Cr Amy Astill  
Cr Kirsty Dellar

### **MEMBERS OF STAFF:**

Mr Andrew Brien	Chief Executive Officer
Mr David Trevaskis	Deputy Chief Executive Officer
Ms Xandra Curnock	Chief Financial Officer
Mrs Emma Holtum	Personal Assistance to the CEO

### **APOLOGIES – ELECTED MEMBERS:**

Deputy Mayor Glenn Wilson  
Cr Terrence Winner  
Cr Kim Eckert  
Independent Member Robert Northcoat

### **APOLOGIES – MEMBERS OF STAFF:**

Nil

### **LEAVE OF ABSENCE:**

Nil

## **3 PETITIONS/DEPUTATIONS/PRESENTATIONS**

Nil

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

##### **4.1 INTEREST AFFECTING IMPARTIALITY CITY OF KALGOORLIE-BOULDER CODE OF CONDUCT**

Nil

##### **4.2 FINANCIAL INTEREST LOCAL GOVERNMENT ACT SECTION 5.60A**

Nil

##### **4.3 PROXIMITY INTEREST LOCAL GOVERNMENT ACT SECTION 5.60B**

Nil

#### **5 CONFIRMATION OF MINUTES**

**MOVED BY:** CR JOHN MATTHEW

**SECONDED BY:** CR KIRSTY DELLAR

Minutes of Audit and Risk Committee Meeting held on 8 December 2021

That the minutes of the **Audit and Risk Committee** meeting held on 8 December 2021 be confirmed as a true record of that meeting.

**CARRIED  
(5/0)**

## 6 REPORTS OF OFFICERS

### 6.1 DEPUTY CEO - FINANCE AND CORPORATE

#### 6.1.1 COMPLIANCE AUDIT RETURN 2021

<b>Responsible Officer:</b>	David Trevaskis Deputy Chief Executive Officer
<b>Author:</b>	Emma Holtum PA to Deputy Chief Executive Officer
<b>Disclosure of Interest:</b>	Nil

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION/ COMMITTEE RESOLUTION

**MOVED BY:** CR KIRSTY DELLAR  
**SECONDED BY:** MAYOR JOHN BOWLER

That the Committee recommend Council:

1. Receive and endorse the submission of the Compliance Audit Return for the period 1 January 2021 – 31 December 2021 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.

CARRIED  
(5/0)

#### EXECUTIVE SUMMARY

In accordance with the *Local Government (Audit) Regulations 1996*, a local government is required to complete an annual Compliance Audit Return (CAR) for the period 1 January to 31 December of the preceding year.

It is a requirement the CAR is presented to the Audit and Risk Committee for review prior to submission to Council. The City of Kalgoorlie-Boulder Compliance Audit Return for 2021 is attached to this report.

The CAR, after being adopted by Council, is to be forwarded to the Department of Local Government, Sport and Cultural Industries by 31 March 2021.

The CAR is seen as an internal control monitoring process and as such is a useful tool for the Chief Executive Officer to report to Council and the Department on the City of Kalgoorlie Boulder (CKB)'s compliance with legislation and more specifically

particular sections of the *Local Government Act 1995* and associated regulations.

### COMMUNITY STRATEGIC PLAN LINKS

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

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

### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this 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 Compliance Audit Return 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 (25 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 (6 questions);
9. Official Conduct (3 questions);
10. Optional questions (9 questions); and
11. Tenders for Providing Goods and Services (22 questions)

There were two items of non-compliance as detailed below:

### FINANCE

#### **(s7.9(1)) Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?**

The Audit and Risk Committee received an update on the progress of the audit at the Committee meeting held 8 December 2021. On 4 January 2022 the City received correspondence from the Auditor General, Caroline Spencer, that the City of

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Kalgoorlie-Boulder audit is one of a number of local government audits that have been delayed this year. The delay has been attributed longer audits across the entire public sector in addition to COVID-19 border closures resulting in labour shortages in the audit profession. The City has been advised the 2021 Audit will be ready for final sign off in April 2022.

**OPTIONAL****(s5.127)**

**Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?**

The City is yet to publish a report on the training completed by council members in the 2020/2021 financial year and publish it on the City's website. This will be actioned and completed by 31 March 2022.

**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.

**COMMUNITY ENGAGEMENT CONSULTATION**

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

**ATTACHMENTS****COMPLIANCE AUDIT RETURN 2021** 

**6.1.2 FINANCIAL MANAGEMENT SYSTEMS REVIEW 2022**

<b>Responsible Officer:</b>	David Trevaskis Deputy Chief Executive Officer
<b>Author:</b>	Xandra Curnock Chief Financial Officer
<b>Disclosure of Interest:</b>	Nil

**VOTING REQUIREMENTS**

Absolute

**OFFICER RECOMMENDATION/ COMMITTEE RESOLUTION**

**MOVED BY:** CR AMY ASTILL  
**SECONDED BY:** CR KIRSTY DELLAR

That the Committee recommend that Council:

1. Note the requirement for the financial management systems review to be compliant with regulation 5(2)(c) of the *Local Government (financial Management) Regulations 1996*
2. Approve the budget amendment of up to \$25,000 for an external consultant to perform the financial management systems review

**CARRIED**  
(5/0)

**EXECUTIVE SUMMARY**

The report has been prepared to provide notice to the Committee and Council of the requirement for a financial management systems review and to approve the budget amendment of \$25,000 for an external consultant to perform the review. The aim of this engagement is to meet regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, identify any weaknesses in controls and procedures and improve these accordingly.

**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.

**BUDGET IMPLICATIONS**

This is an unbudgeted expense and will increase the estimated contractors and consultants expenses by \$25,000 to allow the use of an external accounting firm to execute this review.

## REPORT

The CEO is responsible for implementing policies, procedures and controls designed to ensure the effective and efficient management of the City's resources. At least once in every three financial years the CEO is to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the local government and report to Council the results of those reviews.

The last Financial Management Review was reviewed by Council on 15 May 2019 covering the period from 1 July 2018 to 8 May 2019. In accordance with the Regulations this review is now due for 2022. The City does not have an internal audit team and any staff who are responsible for the day to day accounting or financial management operations, including those who manage or supervise these employees, are not to conduct the financial management systems review in accordance with the regulations. To provide an accurate and unbiased review the CEO is therefore required to engage an external accounting firm to conduct this review and report back to Council with their findings.

In addition to the financial management systems review, regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to carry out a review of systems and procedures relating to risk management, internal control and legislative compliance at least once every three financial years and present the results of the review to the audit committee. Whilst the City last completed this review in 2020 there are obvious benefits with timing the regulation 17 review to be at a similar to the financial management systems review. This will work well with the Committee's request at the December 2021 meeting, for the CEO to conduct an independent review of the City's strategic risk register, as any findings from that process can be included in the CEO's report to the committee.

## STATUTORY IMPLICATIONS

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* requires the CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews

Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996* requires that the Chief Executive Officer establish efficient systems and procedures:

- (a) For the proper collection of money owing the local government; and
- (b) For the safe custody and security of all money collected or held by the local government; and
- (c) For the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and
- (d) To ensure proper accounting for municipal or trust –
  - (i) Revenue received or receivable; and
  - (ii) Expenses paid or payable; and
  - (iii) Assets and liabilities;

And

- (e) To ensure proper authorisation for the incurring of liabilities and the making of payments; and
- (f) For the maintenance of payroll, stock control and costing records; and
- (g) To assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.

Regulation 6 of the *Local Government (Financial Management) Regulations 1996* A local government is to ensure that an employee to whom is delegated responsibility for the day to day accounting or financial management operations of a local government is not also delegated the responsibility for –

- (a) Conducting an internal audit; or
- (b) Reviewing the discharge of duties by that employee,

Or for managing, directing or supervising a person who carries or a function referred to in paragraph (a) or (b).

Regulation 17 of the *Local Government (Audit) Regulations*

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

## **POLICY IMPLICATIONS**

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

## **COMMUNITY ENGAGEMENT CONSULTATION**

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

**6.1.3 ALTUS UPDATE - MARCH 2022**

<b>Responsible Officer:</b>	David Trevaskis Deputy Chief Executive Officer
<b>Author:</b>	Xandra Curnock Chief Financial Officer
<b>Disclosure of Interest:</b>	Nil

**VOTING REQUIREMENTS**

Simple

**OFFICER RECOMMENDATION/ COMMITTEE RESOLUTION**

**MOVED BY:** CR JOHN MATTHEW  
**SECONDED BY:** CR AMY ASTILL

**That the Committee recommend that Council receive the update for the implementation of Altus Core Financials .**

**CARRIED  
(5/0)**

**EXECUTIVE SUMMARY**

The purpose of this report is to update the Committee on the progress of the Altus Core Financials Project.

**COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the following Guiding Theme/s: FUTURISTIC: We plan for the future proofing of our City by being a thinking and innovative society.

**BUDGET IMPLICATIONS**

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

**REPORT****Background**

The Altus Collaboration Project was established in 2017. Altus Financial Suite is one of the key deliverables of the Altus Collaboration Project and involves the migration of the applications and data from Synergysoft (on premise) to the Altus (Cloud) Solution.

The Shire of Gingin was successful with their go live in May 2021, being the first adopter customer of Altus Financials. The feedback from Gingin has ensured the continuous improvement of the product. The City of Kalgoorlie-Boulder, also as an

early adopter, will work closely with IT Vision and provide direct feedback through the testing and implementation phases to ensure that Altus Financials is fit for purpose, to both of the City and the wider Local Government market.

On Monday 21 February 2022 and Tuesday 22 February 2022, Representatives from IT Vision, including technical officers, demonstrated the products that will be supplied, installed and activated as part of the Altus Financial Suite to staff. These included;

- Altus General Ledger;
- Accounts Payable;
- Accounts Receivable;
- Bank Reconciliation (Already implemented and in use);
- Project Accounting;
- Receipting;
- Purchasing;
- Assets;
- Plant Accounting;
- Stock;
- Cash Reserves;
- Loans, Bonds & Deposits ;
- Payroll Interface;
- Altus Contacts ;
- Altus BI;
- Altus Budgeting and;
- Content Management.

The Altus Financial Suit Implementation is consisting of Phase 0 – Project Preliminaries, Phase 1 – Initiation & Planning, Phase 2 – Discovery & Design, Phase 3 – Implementation & Go Live, and Phase 4 – Post Go Live Support.

The expected Go-Live date is 7 November 2022 and date for the Project Closure after Post Go Live support is completed is 3 February 2023.

### **Project Timeline**

We are now in Phase 2 – Discovery & Design.

As a brief conclusion to Phase 0 and Phase 1, the updated chart of accounts (COA) structure has been prepared and shared with IT Vision for testing, which the City will start using from financial year 2023. Data Readiness for Contacts & Creditors has been completed, with Debtors module pending for the new enhancement to be released by IT Vision during March 2022. All project initiation and planning documents have been finalised as required.

For Phase 2, following the demonstrations and discovery sessions that were held on Monday 21 February 2022 and Tuesday 22 February 2022, Altus Financials Configurations on Quality Assurance and Base Functionality Test Plan will be prepared by IT Vision based on the questionnaire been communicated between IT Vision and the City.

At this stage Altus BI Building & Planning, and Altus BI Synergy Soft Financial, will be delivered.

Phase 2 is expected to be completed on 11 July 2022.

### **Altus Core Financials**

Core Financials consists of a suite of modules within the financial system including General Ledger, Accounts Payable, Accounts Receivable, Bank Reconciliation (Already implemented), Project Accounting, Receipting, Purchasing, Assets, Plant Accounting, Stock, Cash Reserves, Loans, Bonds & Deposits. The main functions of these modules have been demonstrated and discussed while the IT Vision team were on site, and following communicated through the Altus Financials Pre-Implementation Questionnaire based on areas of settings, workflow, data, outputs and reporting requirements to each module, this helped to identify the main functions and options of the Altus Financial Suite modules, and for IT Vision to understand the requirements of the City.

IT Vision estimates that the User Acceptance Testing (UAT) will be started from 19 May 2022, which consists of 3 cycles, for the City to complete the UAT test plan, report failed cases, and IT Vision to triage findings and to perform rectification based on findings. UAT is expected to be finalised by 30 September 2022.

### **Altus Payroll**

The City has been the lead on the implementation of Altus Payroll (Definitiv) which was implemented by the City on 1 July 2019. The product has delivered clear efficiencies and a much improved interface for staff. However, there is an integration issue between Definitiv Payroll and the Synergysoft financial module, which has been shared with IT Vision, who is investigating the integration requirements directly with Definitiv direct and will be reviewed in conjunction with the finance team at the City, together with any further improvements to be implemented.

Since Altus Payroll will require the updated COA structure to be applied, this work is scheduled to be undertaken at the end of June 2022.

### **Altus Bank Reconciliations**

The Altus Bank Reconciliation product is now in use by the City, it has generated significant time savings with staff no longer completing reconciliations manually using excel. The continued improvements and issues will be reviewed and reported by City through the ITV Support channel.

### **Altus Purchasing**

A demonstration of the Purchasing module was delivered to procurement staff on Monday 21 February 2022, detailing the functions and enhancement since the last testing in February 2021. An issue with regard to standing orders has been discovered and discussed over the demonstration session, which IT Vision will investigate further.

### **Altus Budgeting**

The City's annual and mid-year budget is currently prepared in excel.

IT Vision is looking to have Altus Budgeting ready for 2023 Mid-year Budget Review.

### **Altus Contacts**

With the current Contacts module (Names & Addresses) in Synergysoft, it is not automatically updated when the contact detail updates in its related modules, while in Altus Contacts the update in the Contacts module will become mandatory when information is updated in any related module.

With the integration between Altus and Synergysoft, any changes or updates in the Contacts module will be automatically updated into both systems.

### **Content Management**

IT Vision has introduced content management function over the discovery session for recording. Currently we are using CI Anywhere for information recording. This is to be investigated further prior to the City committing to use this function.

## **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 ENGAGEMENT CONSULTATION**

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

**6.1.4 AUDIT AND RISK COMMITTEE STANDING ITEMS MARCH 2022**

<b>Responsible Officer:</b>	David Trevaskis Deputy Chief Executive Officer
<b>Author:</b>	David Trevaskis Deputy Chief Executive Officer
<b>Disclosure of Interest:</b>	Nil

**VOTING REQUIREMENTS**

Simple

**OFFICER RECOMMENDATION/ COMMITTEE RESOLUTION**

**MOVED BY:** CR AMY ASTILL  
**SECONDED BY:** CR JOHN MATTHEW

That the Committee recommends Council receive the information.

**CARRIED**  
(5/0)

**EXECUTIVE SUMMARY**

At the May 2021 Finance & Audit Committee Meeting, members recommended the inclusion of two standing items in future agendas, being the Audit Recommendations Progress Report and the Audit & Finance Committee action item list. The items are attached for review.

**COMMUNITY STRATEGIC PLAN LINKS**

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

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

**BUDGET IMPLICATIONS**

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

**REPORT**

The Finance and Audit Committee considered the Better Practice Guide for Public Sector Audit Committees at its May 2021 meeting, and supported the inclusion of two standing items on the agenda.

**Audit recommendations progress report**

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This report is designed to provide the Committee with an update on the progress of actions taken by management to implement audit recommendations from the OAG, internal audit and external reviews.

### **Audit and Risk Committee action item list**

This report identifies Audit and Risk Committee recommendations that are adopted by Council, and how the resolutions are followed-up and addressed by the responsible officer. The report aims to include a level of information to allow the audit committee to understand the nature of actions taken to date and the real reasons for any delays.

The report uses a 'traffic light system' to categorise progress into three groups: red – not started, amber – in progress, and green – complete.

### **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 ENGAGEMENT CONSULTATION**

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

### **ATTACHMENTS**

Audit and Risk Committee Action Item List 

Audit Findings Progress Report 

**7 CONFIDENTIAL ITEMS**

**8 CLOSURE**

There being no further business, the Chairman,Chairperson Allan Pendal , thanked those present for their attendance and declared the meeting closed at 12:03pm