



CITY OF VINCENT

ATTACHMENTS

Audit Committee

2 March 2021

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Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
Local Government, Sport
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Vincent - Compliance Audit Return 2020

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2020?	N/A	No major undertakings were undertaken in 2020.	Senior Land and Legal Advisor
2	s3.59(2)(b) F&G Regs 7,8,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2020?	N/A	No major land transactions for a total value of \$6m or more.	Senior Land and Legal Advisor
3	s3.59(2)(c) F&G Regs 7,8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2020?	Yes	As above.	Senior Land and Legal Advisor
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2020?	N/A	As above.	Senior Land and Legal Advisor
5	s3.59(5)	During 2020, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	As above.	Senior Land and Legal Advisor

Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes	Delegation to the COVID Relief and Response Committee was resolved by AMV at the Special Council Meeting 30/03/2020 Item 7.2. Ref D20/54046	Governance Projects Officer
2	s5.16	Were all delegations to committees in writing?	Yes	See Register of Delegations, Authorisations & Appointments & Special Council minutes 30/03/2020 - both available the City's website Ref D20/54046&D 20/106872	Governance Projects Officer

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No	Reference	Question	Response	Comments	Respondent
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	Yes	See Register of Delegations, Authorisations & Appointments & Special Council minutes 30/03/2020 - both available the City's website Ref D20/54046&D 20/106872	Governance Projects Officer
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	Register of Delegations, Authorisations and Appointments is available as a public document on the City's website. (also ref D20/106872)	Governance Projects Officer
5	s5.18	Has council reviewed delegations to its committees in the 2019/2020 financial year?	Yes	Annual review undertaken by Council see minutes of OMC - 16 June 2020 Item 12.1 - D20/105165	Governance Projects Officer
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes	See Register of Delegations, Authorisations and Appointments is available as a public document on the City's website. (also ref D20/106872)	Governance Projects Officer
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	see minutes of OMC - 16 June 2020 Item 12.1 - D20/105165	Governance Projects Officer
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	Provided in the Register of Delegations, Authorisations and Appointments	Governance Projects Officer
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	Provided in the Register of Delegations, Authorisations and Appointments & SC279	Governance Projects Officer
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes	Noted in revisions of the Register of Delegations, Authorisations and Appointments	Governance Projects Officer
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	The Register of Delegations, Authorisations and Appointments is available as a public document on the City's website. (also ref D20/106872)	Governance Projects Officer

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No	Reference	Question	Response	Comments	Respondent
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2019/2020 financial year?	Yes	Annual review undertaken by administration 23/04/2020 (D20/73371) proposed amendments recommended to Council 16/06/2020	Governance Projects Officer
13	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 Admin Reg 19?	Yes	Compliance checks conducted: Senior Shift Ranger - Delegation Item 2.2.5 Towed vehicle spreadsheet D15/56284. Senior Rates Officer - Delegation 2.2.24 Recovery or services charges - stored in customer portals	Council Liaison Officer

Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes	All disclosures are registered in the Register of Interests Disclosed at Council Meetings (D16/43908) - available on the City's website.	Council Liaison Officer
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	Yes	Recorded in OMC minutes on 17 March 2020 and 16 June 2020 and the Register of Interests Disclosed at Council Meetings (D16/43908) - available on the City's website.	Council Liaison Officer
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes	Recorded in the relevant minutes and the Register of Interests Disclosed at Council Meetings (D16/43908) - available on the City's website.	Council Liaison Officer
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes	Register of Financial Interest - Primary and Annual Returns - D20/130156.	Governance Projects Officer
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2020?	Yes	Register of Financial Interest - Primary and Annual Returns - D20/130156.	Governance Projects Officer
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes	Register of Financial Interest - Primary and Annual Returns - D20/130156.	Governance Projects Officer

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No	Reference	Question	Response	Comments	Respondent
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes	Register of Financial Interest - Primary and Annual Returns - D20/130156.	Governance Projects Officer
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes	Register of Interests Disclosed at Council Meetings (D16/43908) - available on the City's website	Governance Projects Officer
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes	See D20/130156	Governance Projects Officer
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes	SC2692	Governance Projects Officer
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes	Register in prescribed Form 4 (r28) is available on the City's website - see Council registers. D19/183319	Council Liaison Officer
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes	Register of Gifts - https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Council_Registers/Register_of_Gifts_-_from_20_October_2019_-_17_November_2020.pdf	Council Liaison Officer
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	N/A	All recipients have remained in office.	Council Liaison Officer
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	N/A	See above	Governance Projects Officer
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?	Yes	D16-43908 and on our website - https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Documents/Council/Agendas/2021/D16_43908_Register_of_Interests_disclosed_at_Ordinary_and_Special_Council_Meetings_20_January_2021.pdf	Council Liaison Officer
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?	Yes	Refer to the minutes which are online.	Council Liaison Officer

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No	Reference	Question	Response	Comments	Respondent
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	N/A	If any potential conflicts of interests arose, they were not involved in the report. The CEO declared conflicts of interest, and he did not approve or review the report. They are recorded on the conflicts of interest register	Council Liaison Officer
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	Not applicable	Council Liaison Officer
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A	Not applicable	Council Liaison Officer
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?	Yes	https://www.vincent.wa.gov.au/council/governance/code-of-conduct.aspx	Council Liaison Officer
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?	Yes	Register of Gifts - https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Council_Registers/Register_of_Gifts_-_from_20_October_2019_-_17_November_2020.pdf	Council Liaison Officer

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes	Unless Regulation 30 of the Local Government (Functions and General) Regulations 1996 applied to exempt a disposition, all property was disposed of by public auction or tender or in accordance with s 3.58 (3) by providing local public notice of the disposition.	Senior Land and Legal Advisor

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No	Reference	Question	Response	Comments	Respondent
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	No	<p>City entered into 14 new leases. 9 were exempt dispositions pursuant to reg 30 LG(F&G Regs). Public notice was provided for the four leases that were not exempt dispositions, being:</p> <ul style="list-style-type: none"> • HISP/Beatty Park Café; • Bethanie Group; • Kidz Galore; and • BP Physio. <p>The exempt dispositions were:</p> <ul style="list-style-type: none"> • Swimming WA; • Town Team Movement; • Tennis West; • Pride WA; • Uni Cricket Club (signage licence); • Floreat Athena Football Club; • Wadjak Northside Aboriginal Community Group; • 152 Joel Terrace – drainage infrastructure licence • Chinta café – licence for permanent umbrellas <p>The City did not provide public notice of the licence for a permanent alfresco structure within the Grosvenor road reserve to Bonnie Brew Pty Ltd, which was not an exempt disposition. This was due to a verbal valuation indicating that the market value was below the \$5,000 threshold specified in regulation 30(2). A detailed explanation has been included in the report to the City's Audit Committee.</p>	Senior Land and Legal Advisor

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Elections						
No	Reference	Question	Response	Comments	Respondent	
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes	Electoral Gift Register 2019 D19/198715	Council Liaison Officer	
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	Yes	Gift declaration - Adina Lieblich D19/143308 and Gift declaration Joshua O'Keefe D19/138105	Council Liaison Officer	
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Yes	D19/198715 -Electoral Gift Register - also on website https://www.vincent.wa.gov.au/council/council-committees/local-government-elections/electoral-gifts.aspx Advertising period 19 April 2019 – 22 October 2019.	Council Liaison Officer	

Finance						
No	Reference	Question	Response	Comments	Respondent	
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	The auditor's report was tabled at the 1 December 2020 Audit Committee Meeting. The minutes of that meeting were tabled at the 15 December 2020 Ordinary Council meeting.	Council Liaison Officer	
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	No powers have been delegated to the Audit Committee.. See Terms of Reference https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Documents/Council/Committees/Audit/D20_155335__Audit_Committee_Terms_of_Reference_-_updated_clean_version_for_OMC_on_15_September_2020_DOCX_4_.pdf	Executive Manager Financial Services	

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No	Reference	Question	Response	Comments	Respondent
3	s7.3(1) & s7.6(3)	Was the person or persons appointed by the local government to be its auditor appointed by an absolute majority decision of council?	N/A	As per S7.3(1A) a local government cannot appoint a person to be its auditor from 28th October 2017. As of this date Local Government Amendment (Auditing) Act 2017 was proclaimed, giving the Auditor General the mandate to audit Western Australia's 139 local governments and 9 regional councils. OAG is directly auditing the City since 2020 and prior to this the City's audit has been contracted out by OAG to Moore Stephen.	Wendy Barnard
4	s7.3(3)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor a registered company auditor or an approved auditor?	Yes	OAG is auditing the City directly . They are registered auditors.	Wendy Barnard
5	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2020 received by the local government by 31 December 2020?	Yes	Was presented to Council on the 15th December 2020.	Executive Manager Financial Services
6	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	All audit queries have appropriate action items and have been logged onto the City's audit log. The log will be monitored and tracked for Audit Committee.	Council Liaison Officer
7	s7.12A(4)(a)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?	Yes	All significant items have a detailed response of what action the City will take.	Council Liaison Officer
8	s7.12A(4)(b)	Where the local government was required to prepare a report under s.7.12A(4)(a), was a copy of the report given to the Minister within three months of the audit report being received by the local government?	Yes	The City's Audit report was issued on 8 Dec 2020. A report on the City's significant audit items together with detailed action items will be issued to the Minister prior to 8 March 2021.	Council Liaison Officer
9	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	No	Will be published as soon as the report is issued to the Minister. Refer to question 8.	Executive Manager Financial Services

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No	Reference	Question	Response	Comments	Respondent
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives and scope of the audit, a plan for the audit, details of the remuneration and expenses paid to the auditor, and the method to be used by the local government to communicate with the auditor?	Yes	A detailed scope of works was provided by OAG.	Executive Manager Financial Services
11	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes	The auditor's report was tabled at the 1 December 2020 Audit Committee Meeting. The minutes of that meeting were tabled at the 15 December 2020 Ordinary Council meeting.	Executive Manager Financial Services

Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Item 13.1 16 October 2018 Ordinary Council Meeting http://vincent.infocouncil.biz/Open/2018/10/CO_20181016_MIN_3134.PDF Carried unanimously by absolute majority.	Council Liaison Officer
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Item 12.1 15 September 2020 Ordinary Council Meeting https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Documents/Council/Agendas/2020/Ordinary_Council_Meeting_Minutes_15_September_2020_FINAL_signed.pdf Carried unanimously by absolute majority.	Council Liaison Officer
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes	Corporate Business Plan is for 2020/21 - 2023/24 - on our website. https://www.vincent.wa.gov.au/documents/1541/corporate-business-plan-202021-202324	Council Liaison Officer

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Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	The CEO was not appointed in this financial year.	Executive Manager Human Resources
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes	Executive Director Community & Business Services was appointed in 2020 in accordance with Admin Reg 18A.	Executive Manager Human Resources
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	The CEO was not appointed in this financial year.	Executive Manager Human Resources
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A	The CEO was not appointed in this financial year.	Executive Manager Human Resources
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	Yes. http://vincent.infocouncil.biz/Open/2019/12/CO_20191210_MIN_4226_AT.PDF	Executive Manager Human Resources
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	The proposal was approved unanimously by Council, see link above.	Executive Manager Human Resources

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Official Conduct						
No	Reference	Question	Response	Comments	Respondent	
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	N/A	16 February 2021 Ordinary Council Meeting. https://www.vincent.wa.gov.au/council/council-committees/council-meetings/past-and-upcoming-meetings/2021-meetings.aspx	Council Liaison Officer	
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)?	Yes	https://www.vincent.wa.gov.au/council/governance/accountability-governance/publicly-available-council-registers.aspx	Council Liaison Officer	
3	s5.121(2)	Does the complaints register include all information required by section 5.121(2)?	Yes		Council Liaison Officer	
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	N/A	https://www.vincent.wa.gov.au/council/governance/publicly-available-council-registers.aspx	Council Liaison Officer	
Optional Questions						
No	Reference	Question	Response	Comments	Respondent	
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2020? If yes, please provide the date of council's resolution to accept the report.	Yes	The City engaged Stanton's International to perform this review between February 2020 and June 2020	Governance Projects Officer	
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2020? If yes, please provide date of council's resolution to accept the report.	Yes	Refer Item 5.2 of the Audit Committee Minutes 20 March 2018	Governance Projects Officer	

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No	Reference	Question	Response	Comments	Respondent
3	s5.87C(2)	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift?	N/A	The were no gifts received over \$300. It is the City's position that any gift received valued above \$50 is disclosed and included in the City's Register of Gifts. The register is published to the City's website.	Governance Projects Officer
4	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, did the disclosure include the information required by section 5.87C?	N/A	The were no gifts received over \$300. All gift received valued above \$50 are disclosed and include the information required under section 5.87C.	Governance Projects Officer
5	s5.90A(2)	Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events?	No	Council resolved on 17 November 2020 (Item 12.6) to invite public comment on the proposed new Policy. Public consultation closed on 15 February 2021. The outcome of advertising will be presented to Council in March 2021.	Governance Projects Officer
6	s.5.90A(5)	Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website?	No	See comments above.	Governance Projects Officer
7	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes	Available on the City's website	Governance Projects Officer
8	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Adopted by Council 16 June 2020 ref D20/105102	Governance Projects Officer
9	s5.127	Did the local government prepare a report on the training completed by council members in the 2019/2020 financial year and publish it on the local government's official website by 31 July 2020?	Yes	Council at its meeting on 28 July 2020 approved publication of the Elected Member Professional Development Register. This register includes training completed in the last financial year in accordance with section 5.127	Governance Projects Officer
10	s6.4(3)	By 30 September 2020, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2020?	Yes	Submitted 28 September 2020	Governance Projects Officer

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
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No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Does the local government have a current purchasing policy that complies with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	The City of Vincent has a Purchasing Policy that complies with Regulation 11A(3). The City has recently reviewed and updated its Purchasing Policy. The Policy can be found at the following link: https://www.vincent.wa.gov.au/documents/641/purchasing-policy	Procurement and Contracts Officer
2	F&G Reg 11A(1)	Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	The City complied with its previous and current Purchasing Policy for all procurements \$250,000 or less.	Procurement and Contracts Officer
3	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes	All procurements worth above \$250,000 were publically invited as per Regulation 11(1).	Procurement and Contracts Officer
4	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes	All tenders were advertised in the West Australian newspaper, Tenderlink and on the City of Vincent website.	Procurement and Contracts Officer
5	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A	The City did not split any contracts into 2 or more contracts to avoid the requirements of regulation 11(1) is a significant reason for not dealing with the matter in a single contract. Jeremy Chalmers – Procurement and Contracts Officer.	Procurement and Contracts Officer
6	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes	Any variation of information was distributed as an addenda notice to all Tenderers via Tenderlink or emailed directly to tenderers.	Procurement and Contracts Officer

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
Local Government, Sport
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
7	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes	All tenders were advertised for at least 14 days or more as required under Regulation 15. Two officers were present when tenders were opened. Due to COVID-19 the City of Vincent no longer accepts hardcopy tenders. Tenders can only be submitted via Tenderlink.	Procurement and Contracts Officer
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	N/A	All information recorded in the tender register complied with Regulation 17. The City's tender register is published on the City's official website and is publically available. The register is saved in Content Manager at D19/184737	Procurement and Contracts Officer
9	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A	All tender submissions evaluated were submitted at the place and within the time specified in the tender.	Procurement and Contracts Officer
10	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes	All successful tenders were evaluated by an evaluation panel and evaluation reports were created and approved.	Procurement and Contracts Officer
11	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
12	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	Yes	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
13	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	Yes	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
14	F&G Reg 23(3)	Were all expressions of interest that were not rejected assessed by the local government?	N/A	No regional price preference was required or used for the assessment of tenders.	Procurement and Contracts Officer
15	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services as an acceptable tenderer?	N/A	The City did not release any expressions of interest.	Procurement and Contracts Officer

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Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
16	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A	The City did not release any expressions of interest.	Procurement and Contracts Officer
17	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
19	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
20	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
21	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	Yes	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
22	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	Yes	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
23	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	Yes	The City does not have a panel of pre-qualified suppliers.	Procurement and Contracts Officer
24	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	N/A	No regional price preference was required or used for the assessment of tenders.	Procurement and Contracts Officer

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
and Cultural Industries**

I certify this Compliance Audit Return has been adopted by council at its meeting on _____

Signed Mayor/President, Vincent

Signed CEO, Vincent

Contract Management Framework



Legislation / local law requirements	<p><i>The City's contract management processes are to be implemented in line with the objectives, principles and rules set out in:</i></p> <ul style="list-style-type: none"> • <i>Local Government Act 1995;</i> • <i>Local Government (Financial Management) Regulations 1996</i> • <i>Local Government (Functions and General) Regulations 1996</i> • <i>State Records Act 2000</i>
Relevant delegations	<<Insert any delegations that are relevant to the policy>>
Related policy procedures and supporting documentation	<ul style="list-style-type: none"> • <i>The City's Procurement Framework</i> • <i>The City's Purchasing Policy</i> • <i>The City's Risk Management Policy</i> • <i>The City's Code of Conduct</i> • <i>The City's Purchasing Limit Register</i> • <i>The City's Delegation Schedule</i> • <i>The City's Execution Policy</i> • <i>The City's Records Management Services Policy and Procedure Manual.</i> <p><i>In addition, the City's processes consider the findings within the Western Australian Auditor General's report 'Local Government Contract Extensions and Variations and Ministerial Notice' (Report 20: 2019-20).</i></p>

PURPOSE

This Contract Management Framework and related processes prescribe how the City of Vincent manages the lifecycle of contracts once they have been finalised after a tender process. The procurement process is covered by the city's procurement policy and procurement framework.

The objective of contract management is to ensure that both parties meet their respective commitments as efficiently and effectively as possible and that the intended outcomes of the contract are delivered. The purpose of contract management is to ensure good value for money for the City of Vincent through a clear and standardised approach to managing and administering contracts while meeting the standards expected by the community and regulatory requirements.

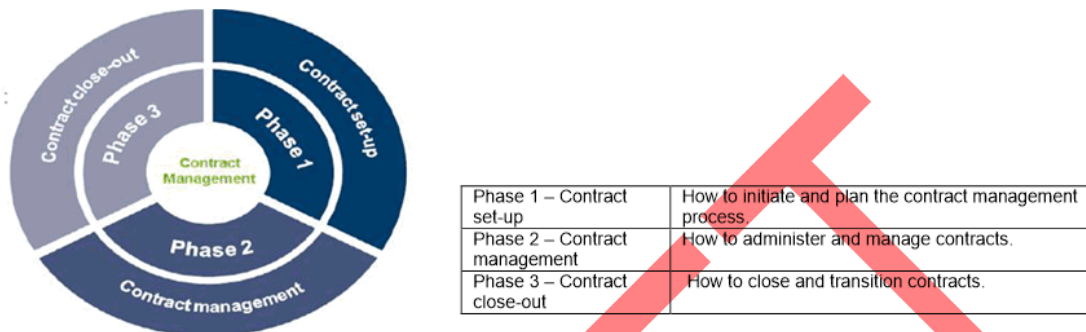
Benefits of contract management	
Value for money	<ul style="list-style-type: none"> • Enable savings opportunities identified during the procurement or contract management process • Enable further benefits through ongoing performance reviews, service improvements, supply chain improvements, innovation, etc.
Risk management	<ul style="list-style-type: none"> • Reduce contractual risks through the robust contract management practices
End-user outcomes	<ul style="list-style-type: none"> • Maximise outcomes to end-users/customers by managing supplier performance, maintaining quality, improving productivity and identifying opportunities for improvement and innovation



Contract Management Framework

This framework outlines the methods used by the City to manage contract risk and ensure probity, transparency, accountability and value for money. In addition, these processes provide guidelines on contract management, performance management (managing variations and Contractor non-performance) and close out procedures.

Figure 1 – Contract Management Framework



Within each phase, there are a number of key activities to be performed. Depending on how the contract is classified based on value and risk, the activities, focus and amount of effort required can vary.

Who does the Contract Management Framework apply to?

The contract management framework applies to all City of Vincent employees and contractors that are involved in the management of supplier contracts. Furthermore, it applies to a contract until all obligations have been completed.

Roles and responsibilities	
Contract owner (CO)	<ul style="list-style-type: none"> • Person accountable for the budget/cost centre that funds the contract • Employee with delegation to approve contract payments and variations • Appoint contract management roles • Recommended to be a senior employee from the business who is impacted by the contract outcomes
Contract manager (CM)	<ul style="list-style-type: none"> • Manage contracts through post-award lifecycle as the single point of contact for suppliers on all contract matters • Monitor and reports on contract performance and compliance • Recommended to be a representative within the business unit with the relevant knowledge and skills in relation to the contract.
Executive Manager Financial Services	<ul style="list-style-type: none"> • Responsible for the overall management of this Framework and related processes.

Contract Management Framework



Contract administrator (CA)

- Perform administrative activities over the contract management lifecycle (e.g. information management, cost control, etc.)
- Recommended to be a representative from the procurement team

OBJECTIVE

The objective of the framework is to assist staff to effectively manage contracts with suppliers and maximise the procurement benefits.

SCOPE

Classification of Contracts Based on Complexity – Value / Risk Matrix

The value/risk matrix methodology considers value and risk to help you determine the level of complexity associated with a contract or group of contracts (helps with contract management). The level of complexity is assessed as either:

- Routine Contracts (low value, low risk): Low value, low risk contracts. Usually transactional in nature. A 'light touch' approach is recommended (i.e. doing the minimum).
- Leveraged (high value, low risk): These contracts can also be are high in value but low risk. These can be classified as contracts which cannot be classified as strategic but have high value. A priority for managing these contracts will be on how to leverage the value as much as possible (e.g. monitoring spends, leakage, application of rebates, volume discounts etc).
- Focused Contracts (low value, high risk contracts or high value, low risk): These contracts generally have a higher risk element compared to routine contracts and will require a contract management plan, but judgment can be exercised as to which aspects of the contract require more focused management. To elaborate further, the priority for managing contracts that are high risk will be to focus on contract management activities that will help minimise risk (e.g. closely monitoring performance against KPIs, regular reporting and meetings with the supplier etc. to pro-actively address any issues about contract performance).
- Strategic Contracts (high value, high risk): Strategic contracts are high value and high risk to the City. These contracts require the most amount of rigour and attention to manage the contract. Experienced Contract Managers should be allocated to these contracts and detailed contract management plans are required

The way contracts are managed will vary depending on their value, risk and complexity. Staff should classify a contract as routine, leveraged, focused or strategic with the VRM to:

- help define the right approach to effectively manage a contract
- inform the activities and focus required to manage performance and achieve value for money
- help ensure that people with the right capability and experience are appointed to manage and administer contracts and suppliers.

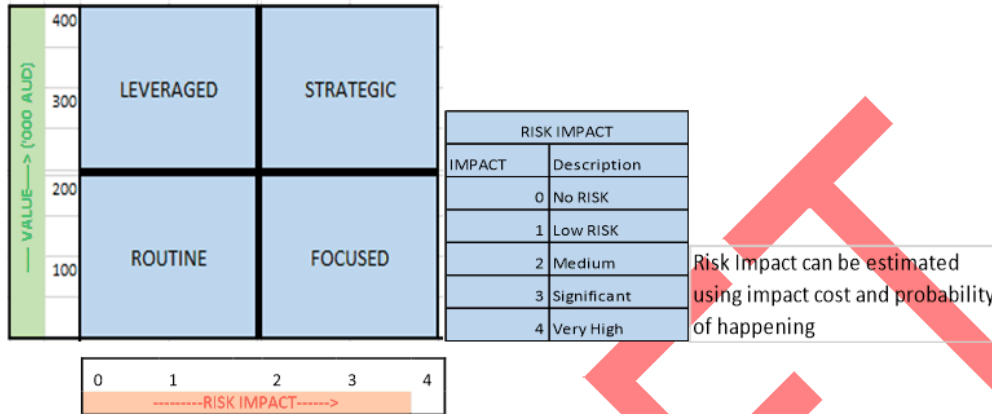
Classifying contracts based on their value and risk will help contract managers to identify the key activities to focus on for a particular contract. The sourcing lead must complete a value/risk assessment to classify



Contract Management Framework

the contract based on its value and risk/strategic importance for the City of Vincent. To use the VRM, staff are required to answer set questions relating to a contract value and risk. The VRM will plot a point on VRM based on the answers provided. INSERT LINK TO VRM

Figure 2 – Contract Classification – Value / Risk Matrix



Phases and Key Steps to Contract Management

The following table summarises the key steps in each phase of contract management. It shows how the approach to each step can vary, depending on whether the contract is classified (based on value and risk) as 'routine', 'strategic' or 'leveraged/focused' (see the paragraph above for further information about these contract classifications).

Phases		Contract Classification			
		Routine	Leveraged	Focused	Strategic
Phase 1 Contract set-up	Contract hand-over	Required	Required	Required	Required
	Classify contract based on Contract value and risk	Required	Required	Required	Required
	Confirm contract management roles	Required	Required	Required	Required
	Finalise contract management checklist	Required	Required	Required	Required
	Set-up information management structure	Recommended	Required	Required	Required
	Conduct kick-off meeting	Optional	Recommended	Required	Required

Contract Management Framework



Phase 2 Contract management	Manage performance	Recommended	Required	Required	Required
	Contract administration	Recommended	Required	Required	Required
	Manage complaints	Required	Required	Required	Required
	Manage contract extensions/renewal/variation	Required	Required	Required	Required
Phase 3 Contract close-out	Final performance review	Optional	Recommended	Required	Required
	Lessons learned	Optional	Recommended	Recommended	Recommended
	Contract close-out/transition	Required	Required	Required	Required

This value/risk approach to contract management recognises (for example), that strategic contracts which are high risk and high value require a lot more rigour, and experienced resources, to manage than a routine contract.

Phases 1 – Contract Setup

The contract set-up defines the plan, roles and responsibilities for managing a contract. This step allows the contract manager to agree upfront the key roles and management activities of the contract during its lifecycle.

Phase 1 – Contract set up	
Why is contract set-up important?	<ul style="list-style-type: none"> To define clear roles and responsibilities for managing the contract To classify the contract depending on its value and risks To define and agree the necessary activities for managing the contract
What does contract set-up deliver?	<ul style="list-style-type: none"> Clear contract management roles and responsibilities Effective contract management plan Information management structure Contract kick-off meeting
What are the risks if the contract set-up is not performed?	<ul style="list-style-type: none"> Lack of accountability on contract management activities Ineffective allocation of contract management resources to relevant Contracts, without proper consideration of value and risk Failures on contract delivery due to poor planning

1.1 Documentation Required for Contract setup

Contract Management Framework



Step 1.1 Contract documents
Signed contract including the supplier proposal or quotation.
Health and safety requirements (<i>summary where applicable</i>) (electronic format sufficient)
Draft Contract management checklist / contract Management plan including details of: <ul style="list-style-type: none"> • Contract classification based on value/risk • Contract scope and objectives • Expected deliverables and milestones • Payment terms • Insurance and securities provided • KPIs and performance measures/service levels (where applicable) • Variations Orders (where applicable)
Risk assessment (if previously conducted) (electronic format sufficient)
Contract implementation plan (if applicable) (electronic format sufficient)
Documentation confirming contract award (hard copy and electronic format)
Certificates of currency of insurances (electronic format sufficient)
Any other documents (e.g. securities such as bank guarantees etc.) (hard copy and electronic format)

1.2 Contract Thresholds and Contract Types

As a general rule, a contract should be developed for all procurements with a total value over \$50,000 or if the services being provided have a medium to high level of risk. Following a Request for Quotation or Request for Tender process a contract template relevant to the goods and/or services being provided and level of risk must be selected, drafted and executed with the successful respondent / tenderer.

It is important to note that the dollar value does not always have a direct relationship with the level of risk. For example, a \$50,000 contract for grounds maintenance carries more risk (such as injury or property damage) than an \$80,000 contract for the purchase of library books.

The types of contracts used by the City include:

- City of Vincent General Conditions of Contract templates (can be used for most services);
- Standards Australia General Conditions of Contract templates (can be used for most construction services);
- WALGA short form contracts (only used when purchasing goods and/or services through WALGA);
- Common Use Arrangement contracts (only used when purchasing goods and/or services through the WA Government's CUA); and
- External supplier contracts such as licence agreements, service level agreements.

Contract Management Framework



Procurements with a total value \$50,000 and under and have a low level of risk can be managed through a general requisition process and Purchase Orders. A Purchase Order contains terms and conditions and is considered a contract. However, a contract can be developed and executed if required.

1.3 Contract Management checklist (for use with Strategic contracts)

A contract management checklist contains key information about the contract. It is important to reflect in the contract management checklist items such as:

- Detailed of the goods/services purchased under the contract and the objectives of both parties.
- Issues raised by the supplier that were negotiated as part of the contract
- Performance review periods
- Any risks that were identified (relating to either the goods/services purchased or the supplier) that need to be managed under the contract
- Any savings or benefits that are expected to be achieved under the contract that need to be monitored and managed.

The contract manager is responsible for finalising the checklist during the contract set-up step.

1.4 Kick-off meeting

Kick-off meetings are a good way to start a relationship with a supplier. The contract manager should organise the kick-off meeting as soon as practically possible after the contract award. Some contracts (e.g. routine contracts) don't warrant having a kick-off meeting. Exercise judgment as to when a kick-off meeting will be a worthwhile use of time, depending on the contract.

The purpose of the meeting is to:

- Ensure 'everyone is on the same page' in regard to the contract objectives and expectations of both parties.
- Establish and agree communication, reporting, delegation of authorities, performance measurement, operational and commercial issues, and escalation pathways under the contract.

Phase 2 – Contract management

Contract management is the key step to manage the contract in order to successfully deliver the goods/services at the agreed level and costs, to the agreed timeframe, with minimal risks.

Phase 2 – Contract management	
Why is contract management important?	<ul style="list-style-type: none"> • To effectively deliver contracted goods/services at agreed levels • To ensure ongoing contract compliance and performance • To maintain relationship with suppliers without formal mediation or litigation • To effectively deliver contracts at or under agreed costs/rates

Contract Management Framework



What does contract management deliver?	<ul style="list-style-type: none"> • Enables City of Vincent to enforce and fulfil the contractual obligations of the supplier and buyer • Correct reporting to key stakeholders • Mechanisms to establish changes to the contract and resolve disputes
What are the risks if the contract management is not performed?	<ul style="list-style-type: none"> • Disruption of supply of goods or services • Increasing disputes and contract issues • The City of Vincent may be exposed to potential claims • Issues can be escalated to the wrong individuals and/or at the wrong time placing an unnecessary burden on management • Reputational damage for City of Vincent and the supplier • Value for money is not maximised • Forecast savings are not realised

Contract management tools and templates	
Contract performance review meeting template	Support the contract manager to conduct and document a contract performance review meeting
Risk register template	Record and maintain a single repository for contract risks
Checklist for contract extensions/renewals	Record the value for money assessment of a contract extension or renewal (suitable for routine contracts)
Contract review report	Record the analysis performed and recommendation to extend or renew a contract, or transition to other suppliers

2.1 Manage performance

Implementation of performance management activities is a key step for delivering the expected values from the contract. The KPIs/SLAs to be measured in the contract should be identified at the sourcing step, before the contract is signed. Both parties will need to agree what will be measured, how it will be measured, who is responsible for tracking the performance and how frequently. This should be included in the signed contract.

Examples of KPIs

Quality	Level of quality of the goods / services delivered
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Contract Management Framework

Outputs	Total output delivered by the supplier to deliver the contract
Productivity	Measures the output produced/delivered per unit of input (e.g. number of services performed per day/week)
Cost	Total cost incurred to deliver a good/service
Savings	Total savings delivered by the supplier to deliver the contract
Responsiveness	Lead-time to respond to requests

2.2 Monitoring performance

Evaluating supplier performance is important in order to:

- Ensure suppliers deliver efficiently and effectively on the contract
- Identify high-performing or low-performing suppliers
- Identify trends, issues or problems that can be addressed the problem becomes significant; and
- Ensure that benefits are being realised under the contract

	Routine contracts	Leveraged / Focused contracts	Strategic Contracts
Establish contract reporting process	Optional	Required	Required
Audience	<ul style="list-style-type: none"> • Key users • Supplier 	<ul style="list-style-type: none"> • Contract owner • Supplier • Contract users 	<ul style="list-style-type: none"> • Contract owner • Supplier • Contract users
Frequency of formal review meetings	Optional	<ul style="list-style-type: none"> • Required • 6 months or annually 	<ul style="list-style-type: none"> • Required • Quarterly or every 6 months
Frequency of informal meetings	As required	Recommended monthly or quarterly (as required)	Recommended monthly or quarterly (as required)

Performance monitoring tools should be specified in the solicitation and included in the contract. There are different types of monitoring methods available, including but not limited to:

Contract Management Framework



- **Desk Reviews** – A desk review includes a review of reports submitted by a contractor to the City. The Contract Manager should establish criteria for items that require reporting by the contractor with the contracted supplier prior to goods or services being delivered. The Contracts Officer if instructed by the Contract Manager can conduct the desk review.
- **Periodic Performance Reviews** – Formal, face-to-face performance reviews should be scheduled at appropriate intervals (e.g. semi-annually) by the Contracts Manager to assure that contractor's performance is discussed. These reviews should have an agenda that includes matters such as: discussion of prior meeting actions, all identified risk areas, established KPI information and progress on these, opportunities for improvement and contract status or phase updates.
- **Site Visits** – Relating to assets being maintained or otherwise affected by a contracted service. These would include major inspections and tests to ensure working order.

2.3 Managing Unsatisfactory Performance

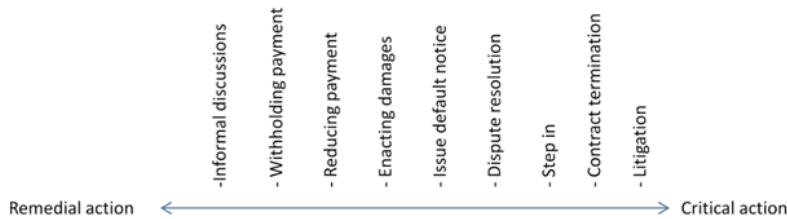
When a supplier's performance is unsatisfactory the Contract Manager needs to anticipate problems or address them promptly as they arise.

Options for managing unsatisfactory performance:

- **Informal discussions** – involving senior management from both parties participating in face-to-face discussions or written communications. Addressing performance this way can avoid damaging the relationship with the supplier by preventing the need to escalate the issue.
- **Withholding payments** – for non-delivery in accordance with the terms of the contract.
- **Reducing payments/withholding incentives** – as a result of failure to meet KPIs/ SLAs.
- **Enacting damages (liquidated damages)** – where the contract designates an applicable sum in the instance of a certain breach, which can be applied to the payment regime.
- **Issue a default notice** – when a default event occurs. This includes the requirement for the supplier to provide a plan identifying how it plans to resolve the issues, which is monitored by the Contract Manager. If a default notice is used it must be in accordance with the terms and conditions stipulated in the Contract.
- **Using dispute resolution** – methods such as negotiation, arbitration and mediation. These can be facilitated by an external third party. If dispute resolution is used it must be in accordance with the terms and conditions stipulated in the Contract.
- **Using 'step-in'** – where COV or an external supplier (s) takes temporary contract over the service delivery until the supplier resolves significant or repeated problems or issues. This includes the requirement for the supplier to provide a plan identifying how they plan to resolve the issues. This continues to be monitored by the Contract Manager after the supplier has resumed service delivery.
- **Terminating the contract** – this occurs in the instance of serious, repeated or significant breaches of contract.
- **Initiating litigation** – where legal action is initiated to have a dispute resolved in court.

Figure 2: Assessing Value/Risk of a Contract

Contract Management Framework



2.4 Contract Administration

The aim of Contract Administration is to fulfil the administrative activities relating to the contract, so that the contract runs smoothly and both parties meet the obligations of the contract. The process of Contract Administration can range from general oversight for a routine contract through to significant Contract Administration activity requiring dedicated resources for Strategic agreements.

Following award of the contract, the contract administrator must issue to the supplier in writing and keep in the contract file all instructions (including amendments and variations), notices, approvals and acknowledgements.

The Contract Administration is the joint responsibility of the contract management team as well as the procurement and finance team. The contract spend should be monitored throughout the contract lifecycle:

Payment to suppliers should only be made:

- Following submission of a valid tax invoice for goods and/or services covered under the scope of the contract. (The contract management team to certify the correctness of invoice)
- Following receipt of a correctly submitted invoice from the supplier within the agreed timeframes. (The contract management team to certify the correctness of invoice)
- The Contract Management Team should ensure the satisfaction of the provisions of the milestones and deliverables. (The contract management team to certify the correctness of invoice)
- Where the payment amounts are validated and in accordance with the contract. (Procurement and finance team to ensure)
- When the necessary internal authorisations have been received. (Accounts payable team)

Approved payments should not be delayed unnecessarily as this can undermine the relationship with the supplier, have a negative financial impact (e.g. additional interest) and breach the terms of the contract

The contract information in the contract management system must be updated to reflect any changes in the Approved contract value (ACV). Once the actual spend reaches the ACV, no additional purchase orders should be issued unless the ACV is revised.

2.5 Risk Management

The Contract Manager should actively compile and manage risks throughout the life of the contract.

Contract Management Framework



For contracts with more significant risks, a separate Risk Plan may need to be developed and periodically reviewed and updated throughout the life of the contract. Risks identified should be documented in a register, assigned to a staff member and revisited periodically.

Risk reviews can be incorporated into the regular performance review meeting to ensure they remain up to date.

An escalation process should be put in place, with all high to extreme risks reported to the contract owner to action.

2.6 Management of extensions, renewal or variations

During the contract lifecycle, circumstances may require the contract to be varied. Reasons why variations may be needed include:

- Technology changes or improvements
- Changes in legislation that impact the contract and specification
- Demand fluctuations
- Requests for additional goods or services outside the original scope
- Exchange rate fluctuations
- Changes in external pricing drivers

The following principles must be met in order to vary or extend a contract. If these are not met, then a contract extension cannot be granted, instead a new procurement process must commence for the goods or services delivery.

- Contracts can be extended only if the terms of the original contract included extension options;
- There is documented evidence of a recent review of contractor performance showing satisfactory performance;
- This renewal processes is initiated well before the expiry of contract in question; and
- Evidence of the Contract Manager assessing whether the contract still offers the best value for money.

Note if it is determined that a contract extension is possible and is an appropriate course of action, only established authorisations and delegations for the approval of contract extensions can approve the contract extension.

Any variations, extensions or renewal must be done in accordance with the procurement policy to ensure approval is given by the appropriate delegate and any changes to the contract's terms and conditions need to be reviewed by Contract Manager.

2.7 Records Management and Updating Information

Records of all purchasing activity must be retained in compliance with the State Records Act 2000 (WA), the City's Records Management Policy and associated procurement procedures. The Contracts Officer and

Contract Management Framework



the Procurement and Contracts Officer should ensure that the following information is stored within the CMM or HPE CM:

- The contract itself with the Schedule of Rates attached;
- Sourcing documents
- Project plans and updates
- Safety management plans
- Minutes of meeting and other documents
- Financial management spreadsheet, invoices, purchase orders
- Insurance documents, bank guarantees and indemnities
- Details of scheduled performance reviews
- Claims and correspondences

The Contract Officer should ensure that all key communications, decisions and meeting minutes are saved within CMM. These records must be kept within CMM as they need to be available in case of a dispute or emergency.

Phases 3 – Contract Close out

The contract close-out is the step for ensuring that contract obligations and liabilities with the supplier have been completed. It may also include transitioning to another supplier for the good and/or services.

The transition period from one contract to another can be a high-risk period. It is the responsibility of the Contract Manager to develop a transition plan. The following aspects should be considered when developing the transition plan:

- Identify any specific differences between the current and future contract
- Develop a new communication plan, identify stakeholders, both internally and externally who may be impacted by the changes
- Update internal processes or procedures with any changes required under the new contract

Depending on the size and complexity of the contract, the transition period may take several months and require ongoing management by the Contract Manager.

3.1 Contract Closure tasks

At the conclusion/expiry of the contract, the contract must be formally closed according to the agreed terms and conditions. The following steps should be considered when finalising a contract:

- Confirm that all contract deliverables or transition out tasks have been delivered or met by the outgoing supplier
- Arranging for the return of all City of Vincent's equipment and assets
- Obtain all final reports, documentation and clearances from the supplier

Contract Management Framework



- Ensure all access rights and security passes for supplier staff are terminated
- Finalise all final payments under the contract
- Liaising with the Procurement and Contracts Officer to close the contract in the CMM and risk register
- Providing formal notification of contract completion to the contractor as required
- Ensuring all documents are filed and recorded in line with the City's record management policies

3.2 Final performance review

For strategic contracts, once a contract has concluded, it is important that the contract is reviewed along with the supplier / contractor representative. This is to ensure that all documentations are complete, and the completion certificates are signed off.

SAMPLE DOCUMENTS TO BE ATTACHED

- Value/risk assessment matrix, available on VINTRANET
- Sample Contract Management checklist
- Sample Contract Templates
- Contract performance review meeting template
- Checklist for contract extensions/renewals
- Template for variation letter
- Template for extension letter
- Contract review report

DEFINITIONS

Include terms continually referred to in the policy. Industrial terminology or jargon should also be defined to provide a clear and consistent meaning for the reader.

Act means the Local Government Act 1995.

Authority refers to the Enterprise Resource Planning (ERP) system used within the City of Vincent for multiple functions including all relevant processes for Procurement and contracts management, banking and management and financial accounting.

Contract an agreement, response to tender, purchase order or any other document which creates, or which may create binding obligations on the Council and on the other party / parties to the contract.

Contracts Management Module (CMM) within Authority is a central Contracts Register facility. The City uses this to manage all procurement lifecycle processes starting from tendering through to contract administration.

Framework means this Framework.

Contract Management Framework



Hewlett Packard Enterprise Content Manager (HPE CM) refers to the electronic document and records management system used within the City.

Internal Stakeholders can be relevant staff involved directly/indirectly with a City Contract, CEO, relevant Business Unit Directors or any staff member affected by a City Contract.

Month-end refers to the calendar month that is being finalised within Authority for financial reporting purposes.

Probity is the evidence of ethical behaviour and procedural fairness and is commonly associated with the practice of adopting and following well considered and sound procedures and practices.

Probity Officer means the officer of the City but is not a member of the Evaluation Panel and is charged with the responsibility of upholding Probity in throughout a Request for Quotation, Request for Tender and EOI.

Procedural Fairness means the duty to act fairly and adopt fair procedures to procurement processes.

Procurement Team means those City officers from the business unit that is responsible for procurement and ensuring Tenders are carried out in accordance with this Framework, the Purchasing Policy, purchasing framework, the Regulations and the Act.

Regulations means the Local Government (Functions and General) Regulations 1996.

Response means a submission to the City by a Tenderer in response to a Request for Quotation, Request for Tender or EOI.

RFQ means Request for Quotation invited by the City under its Purchasing Policy

RFT means Request for Tender invited by the City under Regulation 11(1) and for the purposes of section 3.57 of the Act.

Scoping is the planning and capture of all information required for the RFQ, RFT or EOI to achieve the project on time, within budget and allowing for any unforeseen contingencies.

Supplier Proposal has the same meaning as Response.

Tender or Tender Process means a Request for Tender, Request for Quotation, Request for Proposal or Expression of Interest.

Tenderer means a person that submits a Response.

Reference Documents

OFFICE USE ONLY	
Responsible Officer	<<Please add position title>>
Initial Council adoption	DATE: <APPROVAL DATE>, REF# <TRIM REF>
Reviewed / Amended	DATE: <APPROVAL DATE>, REF#: <TRIM REF>
Next Review Date	DATE: <REVIEW DATE>,

Contract Management Framework



CITY OF VINCENT

Contract management framework, State of Queensland (Department of Housing and Public Works) ,2019.

DRAFT

CITY OF VINCENT AUDIT LOG

<p>Summary of open Confidential items</p> <p>Office of the Auditor General Information Systems Audit:</p> <ul style="list-style-type: none"> 1. EA:2020/10 (1) (a) and (b) High 2. EA:2020/10 (3) Moderate 3. EA:2020/10 (7) Moderate 4. EA:2020/10 (9) Moderate 5. EA:2020/10 (10) Moderate 6. EA:2020/10 (11) Moderate 7. EA:2020/10 (12) Moderate 8. EA:2020/10 (14) Moderate 9. EA:2020/10 (22) Moderate 10. EA:2020/10 (23) Minor <p>Stanton Reg 5 & 17 Review</p> <ul style="list-style-type: none"> EA 2020/12 (9) Moderate <p>Office of the Auditor General – Financial Audit</p> <ul style="list-style-type: none"> EA 2020/12 (14) Significant 			
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CITY OF VINCENT AUDIT LOG

AUDIT DETAILS	MANAGEMENT RESPONSE	ACTION	PROPOSED COMPLETION DATE
<p>EA: 2019/7 Office of the Auditor General's Performance Audit 2019 - Fraud Prevention in Local Government - Findings and Recommendations</p> <p>Finding: 1. Entities have not implemented a coordinated approach to manage their fraud risk. 2. Entities could make themselves more fraud resistant if they strengthen their controls; and 3. Better reporting avenues would help entities detect and respond to fraud.</p> <p>Recommendation: Develop a fraud and corruption control plan and review at least every 2 years.</p> <p>Risk Rating (prior to controls): High</p> <p>Risk Rating (with current controls): High</p>	<p>Responsible Officer: Executive Manager Corporate Strategy and Governance</p> <p>Comments: Governance will review the City's current Fraud and Corruption Prevention Policy and prepare a control plan which incorporates this policy. The proposed implementation date for the plan is June 2020. The plan will be reported to Audit Committee annually and updated as required.</p>	<p>November 2019 Governance to engage a consultant to undertake review and implementation of the fraud control plan in January 2020.</p> <p>The two-yearly review of the plan will be included in the compliance calendar.</p> <p>February 2020 Yet to commence. Further resourcing or a consultant is required.</p> <p>March 2020 Initial discussions with City of Nedlands in respect to a shared resource / consultant have occurred, but currently on hold due to change in priorities due to COVID-19.</p> <p>June 2020 No progress to date</p> <p>July 2020 No progress to date.</p> <p>August 2020 No progress to date.</p> <p>October 2020 No progress to date.</p> <p>November 2020 The updated draft policy and fraud and corruption control plan have been drafted. The updated policy is subject to Council approval and public consultation.</p> <p>January 2021 Plan has been completed and was circulated to the Audit Committee members in December 2020. Minor amendments were provided by the Chair and have been made.</p> <p>February 2021 The policy will be presented to Council for advertising at the 23 March 2021 Ordinary Council Meeting. Training for all staff is scheduled for February and March and April 2021.</p>	<p>30/06/2020</p> <p>31/12/20</p> <p>Complete April 2021</p>

CITY OF VINCENT AUDIT LOG

<p>EA: 2019/8 Office of the Auditor General's Performance Audit 2019 - Fraud Prevention in Local Government - Findings and Recommendations</p> <p>Finding: 1. Entities have not implemented a coordinated approach to manage their fraud risk. 2. Entities could make themselves more fraud resistant if they strengthen their controls; and 3. Better reporting avenues would help entities detect and respond to fraud.</p> <p>Recommendation: Develop and implement a periodic fraud awareness and training program</p> <p>Risk Rating (prior to controls): High</p> <p>Risk Rating (with current controls): High</p>	<p>Responsible Officer: Executive Manager Corporate Strategy and Governance Executive Manager Human Resources</p> <p>Comments: Human Resources with the support of Governance will develop and implement an online fraud awareness training program to be completed by all staff. New staff will be required to complete the training as part of their online induction process and current staff will receive notification to complete the training annually via the induction portal.</p>	<p>November 2019 Development of the training program will commence in September 2020. Requires linkage to the Fraud Management Plan and Risk Management Framework.</p> <p>February 2020 No progress to date.</p> <p>March 2020 No progress to date</p> <p>June 2020 No progress to date</p> <p>July 2020 No progress to date. Note that this will be developed in conjunction with the control plan referred to above.</p> <p>August 2020 No progress to date. Note that this will be developed in conjunction with the control plan referred to above.</p> <p>October 2020 No progress to date.</p> <p>November 2020 Training material is being developed, in line with the City's draft plan and policy. Training has been scheduled for February and March 2021 for all staff. The training materials will also form part of the City's induction program.</p> <p>January 2021 On track</p> <p>February 2021 Training material developed. Training postponed to April 2021 due to other staff training priorities in March 2021.</p>	<p>30/9/2020</p> <p>31/12/2020</p> <p>Complete</p>
<p>Review of DPLH's investigation into legislative non-compliance - unauthorised works at Banks Reserve Development of an internal procedure detailing the approvals required for works or maintenance on land within the Swan River Foreshore, Development Control Area and Aboriginal Heritage Areas.</p> <p>Provide training for relevant staff on the approvals required.</p> <p>Risk Rating (prior to controls) Medium</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Corporate Strategy and Governance</p>	<p>August 2020 Internal procedure to be drafted and training organised.</p> <p>October 2020 On track.</p> <p>December 2020 The internal procedure has been drafted and a workshop with the Department of Planning, Lands and Heritage scheduled for relevant staff in early December to discuss the approvals required and processes.</p> <p>January 2021 Training occurred and internal procedure circulated to relevant staff in December.</p>	<p>31/12/2020</p> <p>Complete</p>
<p>EA:2020/10 (1) (a) and (b) Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) High</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	

CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (2)</p> <p>Office of the Auditor General Information Systems Audit – Vulnerability Management</p> <p>Finding We found that the City has not established adequate policies or procedures around management of vulnerabilities on servers and workstations. Furthermore, the City is not undertaking regular vulnerability assessments on their IT systems. These assessments are required to ensure the effective identification of vulnerabilities and to support the patch management processes.</p> <p>In addition, vulnerability assessments completed as part of the audit identified 56 critical and 47 high vulnerabilities relating to missing service packs and/or software, which is no longer supported by the vendor.</p> <p>Implication Without having effective procedures for identifying, assessing and addressing potential vulnerabilities within a timely manner, the system and/or data may not be adequately protected against potential threats. These vulnerabilities could be exploited and may result in unauthorised access to sensitive data or the loss of system operation.</p> <p>Recommendation The City should develop effective vulnerability management processes. As part of the process, the City should carry out regular vulnerability assessments. These assessments should use appropriate tools to ensure all known vulnerabilities are identified. The vulnerability assessment process should include all relevant IT systems, IT infrastructure and applications.</p> <p>Software updates (patches) to fix known vulnerabilities should be evaluated, tested and where appropriate, applied to systems within a timely manner. Documented policy and procedure guides should be maintained to ensure IT staff are meeting requirements.</p> <p>If decisions are made not to install any critical or security patches, the risk must be understood and any possible alternative mitigations investigated. Relevant details should also be recorded in an appropriate patch register/database.</p> <p>Risk Rating (prior to controls) High</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 Administration’s software patching processes have matured; however, vulnerability testing is still a gap. Administration will respond with two new ongoing activities provided as a managed service: 1. The introduction of a monthly vulnerability assessment process, 2. Monthly reporting of vulnerabilities with remediation actions &/or mitigations</p> <p>December 2020 On track. Remediation work from OAG vulnerability findings is being applied. An ongoing vulnerability management process for the City is being implemented.</p> <p>January 2021 Completed in December 2020. Vulnerability scanning process now implemented with monthly review and remediation of action items.</p>	<p>December 2020</p> <p>Complete</p>
<p>EA:2020/10 (3)</p> <p>Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	

CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (4)</p> <p>Office of the Auditor General Information Systems Audit – Information Security Policy</p> <p>Finding We found that the City does not have an adequate <i>Information Security Policy</i> to cover key areas of information security. The current policy is in draft as the City is in the process of developing it.</p> <p>Implication Without adequate policies and procedures, there is an increased risk that the City will not achieve its objectives for information security. Additionally, staff may not be aware of management expectations relating to security of information.</p> <p>Recommendation The City should reviewing and update its current policies and procedures or develop new ones appropriately address all relevant areas of information security. Management should endorse the new policies and notify all employees and relevant stakeholders of updates.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p> <p>Related Audit Query EA 2020/11 (10)</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 As noted in the Finding, Administration has a draft Information Security Program and will seek to formalise it and align all security activities and improvements to it. The document is based on standards used by the Office of the Auditor General during this audit.</p> <p>December 2020 The Information Security Program will be tabled at Executive Management Committee in December 2020. Completion of this activity is now aligned to training outcome in EA 2020/10(6)</p> <p>January 2021 On track. Information Security Program endorsed by Executive Management Committee in December 2020.</p> <p>February 2021 On track. Cyber security training solution now implemented in pilot ahead of full staff rollout.</p>	<p>December 2020</p> <p>March 2021</p>
<p>EA:2020/10 (5)</p> <p>Office of the Auditor General Information Systems Audit – Operational ICT Risks</p> <p>Finding We found that the City's ICT risks have not been appropriately identified. The current IT risk register is limited to high-level business continuity risks and does not include the broader listing of operational risks and controls associated with IT functions.</p> <p>Implication An incomplete risk register limits the ability to assess the effectiveness of specific controls against risk and their treatments. This could result in control gaps going undetected and/or control deficiencies left unresolved.</p> <p>Recommendation The City should expand on its information risk management process to ensure:</p> <ul style="list-style-type: none"> • the ICT risks within the risk register are up to date and maintained • all relevant risks are appropriately documented in the ICT risk register • the ICT risk management process aligns with the broader organisation risk register • controls are appropriately assessed and assigned relevant ratings in line with internal guidelines. <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology Executive Manager Corporate Strategy & Governance</p>	<p>October 2020 Developing and maintaining a broad register of ICT operational risks will be formally included inside a managed services agreement. Administration will maintain risk ownership while managed service resourcing will help coordinate risk maintenance and controls.</p> <p>December 2020 On track. An initial review of operational risks is in progress.</p> <p>January 2021 In draft</p> <p>February Review of draft delayed due to other priorities. To be completed by ICT team in February 2021.</p>	<p>January 2021</p> <p>February 2021</p>

CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (6)</p> <p>Office of the Auditor General Information Systems Audit – Information Security Training and Awareness</p> <p>Finding We found that the City does not have a formalised induction training and an ongoing awareness program covering information security responsibilities and cyber risks relevant to the City.</p> <p>We note that the City informs its staff about phishing scams via emails.</p> <p>Implication Without a formal induction training and ongoing information security awareness program, there is an increased risk that individuals will not understand security risks relevant to the City and their personal responsibilities. This may result in inappropriate actions, which affect the confidentiality, integrity and availability of information.</p> <p>Recommendation The City should establish an appropriate induction and ongoing information security awareness program. The program should be used to help maintain awareness of the information security and cyber risks relevant to the City. It should also ensure individuals are aware of their personal responsibilities for information security. The awareness program should be updated regularly so it stays in line with policies, procedures and any new or emerging threats. It should also incorporate any lessons learned from information security incidents along with relevant details from information security good practices.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 Administration will establish induction training and an ongoing information security awareness program.</p> <p>December 2020 Training is now aligned to delivery of Information Security Program in EA 2020/10(4).</p> <p>January 2021 On track. Information Security Program endorsed by Executive Management Committee in December 2020.</p> <p>February 2021 On track. Cyber security training now in pilot ahead of full staff rollout. Solution procured from a local City of Vincent business (Blue Zoo).</p>	<p>March 2021</p>
<p>EA:2020/10 (7)</p> <p>Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	

CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (8) Office of the Auditor General Information Systems Audit – Logging and Monitoring</p> <p>Finding We found that the City does not have formalised policies or procedures for logging and review of security logs for network, applications and remote access.</p> <p>Implication Without effective system logging and pro-active monitoring of logs, there is an increased risk that any potential problems, trends or ongoing attempts to compromise system or data will not be identified.</p> <p>Recommendation We recommend that the City implements appropriate levels of monitoring activities on its ICT environment. Key systems that control or restrict user access or process and store sensitive data, the following should be considered:</p> <ul style="list-style-type: none"> • Implement policy and procedure guides on what monitoring and logging will be performed. • Review log files on a regular basis to identify any suspicious events or activities. • Storing log files in a secure location to prevent any unauthorised alterations or deletions. <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 Monitoring and logging policy and procedure will be defined against the Information Security Program (per OAG Finding 5). Review of logs will be formally included inside a managed services agreement. Log file storage will be in a secure location.</p> <p>December 2020 On track. Additional storage is being procured to help manage log file retention and security. Policy and review processes yet to be developed.</p> <p>January 2021 On track. Additional storage provisioned. Changes to log file retention and security implemented. Security log data monitoring automated through connection of existing, but siloed, software security services.</p> <p>February 2021 Completed in January 2021. Security data now collected and automatically correlated for threat event detection and response.</p>	<p>January 2021</p> <p style="text-align: center;">Complete</p>
<p>EA:2020/10 (9) Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	
<p>EA:2020/10 (10) Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	
<p>EA:2020/10 (11) Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	
<p>EA:2020/10 (12) Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	

CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (13)</p> <p>Office of the Auditor General Information Systems Audit – Network Device Management</p> <p>Finding We reviewed the City’s firewalls and network device (routers, switches) management process and found the following issues:</p> <ul style="list-style-type: none"> • Devices are not securely managed. • The firewall logs are not appropriately configured. <p>Implication Without appropriate controls to manage the network devices, there is an increased risk that:</p> <ul style="list-style-type: none"> • individuals will not be accountable for any unauthorised or unintentional modifications to the system • unauthorised access to the system could occur • malicious traffic may not be detected and prevented • suitable evidence to support any forensic or internal investigations may not be available • user credentials may be intercepted and used to gain access to the City’s IT systems and information. <p>Recommendation The City should implement an appropriate process to securely manage and configure network devices.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 Several changes have now been implemented to follow recommended access account controls and logging configuration. Additional security improvements to meet system access recommendations will be reviewed further and either modified or logged against an operational risk register to be developed per OAG Finding 6.</p> <p>December 2020 Completed. Device management has been reviewed and remediated. Firewall log configuration has been remediated.</p>	<p>January 2021</p> <p style="text-align: center;">Complete</p>
<p>EA:2020/10 (14)</p> <p>Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	

CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (15)</p> <p>Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Finding We found that the City does not have a formal change management process in place. We identified the following issues:</p> <ul style="list-style-type: none"> • There is no IT change management policy or procedure that sets out the overall objectives and requirements for change management to ensure all IT system changes are appropriately controlled and managed. • The responsibilities to manage, co-ordinate and approve IT changes are not formally assigned. • There is no central register for recording and tracking details of all internal changes that are made to IT infrastructure, firewall rules and systems, including application upgrades. <p>Implication There is a risk that without change management policies and procedures, changes made to IT systems may not be adequately managed and authorised. The availability or security of IT systems could be compromised should a change negatively impact them.</p> <p>Recommendation The City should:</p> <ul style="list-style-type: none"> • develop an appropriate IT change management policy or procedure. The policy should set out the overall objectives and requirements for change management process • outline appropriate change management role and/or responsibilities to manage, co-ordinate and approve IT changes • make sure all IT system changes are accurately recorded, managed and tracked in a centralised change register. <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 A draft Change Management Policy was provided during the audit. Change Management processes will be formalised per the Information Security Program noted in OAG Finding 5; the register for recording and tracking changes will be formally included inside a managed services agreement.</p> <p>December 2020 On track.</p> <p>January 2021 Complete. Change management policy in place. System in place to record, manage and track changes.</p>	<p>January 2021</p> <p>Complete</p>
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CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (16)</p> <p>Office of the Auditor General Information Systems Audit – Incident and Problem Management</p> <p>Finding We found that there is no standardised process in place to manage IT related incidents. Furthermore, the City does not have a formal process to outline problem management to appropriately manage IT problems, which occur in its IT environment. In addition, data from incidents is not analysed to identify known errors or problems.</p> <p>Implication If IT incidents are not consistently managed, there is an increased risk that the City may not be able to manage or respond to incidents appropriately. Additionally, the City may not be able to evaluate and analyse the trends for continuous improvement and problem management. In addition, without effective IT problem management there is an increased risk that the City will not identify and appropriately address the root cause of reoccurring IT incidents. This may impact IT system and service availability and may potentially affect the City's business operations.</p> <p>Recommendation The City should develop formal incident management processes to ensure all incidents are appropriately and consistently classified. In addition, the City should develop service desk reporting and trend analysis. These reports should be reviewed by the appropriate management so the performance of the incident management process can be monitored.</p> <p>Furthermore, the City should establish an appropriate IT problem management process. This process should ensure IT problems are appropriately identified and investigated. Once the root cause has been identified, appropriate action should be taken to address the problem and prevent the reoccurrence of incidents.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 This finding will be added to an operational risk register to be developed per OAG Finding 6. Recognising its available resources, Administration is most likely to mitigate this risk through existing Service Desk processes that capture and manage incidents and problems as general requests. Administration will, however, introduce additional registers to formally record incidents and log the root-cause of problems – this will be aligned to creation of the risk register to be developed per OAG Finding 6, with incident/problem register review included inside a managed services agreement.</p> <p>December 2020 On track.</p> <p>January 2021 On track. Incident response policy in place. Incident register added to fortnightly operational review. Cyber threat/incident management to be boosted by an external service.</p> <p>February 2021 Completed in January 2021. Cyber incident security data now collected and automatically correlated for threat event detection and response. Incident management process includes alerting, remediation and closing.</p>	<p>January 2021</p> <p>Complete</p>
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CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (17)</p> <p>Office of the Auditor General Information Systems Audit – IT Asset Management</p> <p>Finding We found that the City's IT asset management process is not effective. The following issues were identified:</p> <ul style="list-style-type: none"> • The City does not have up to date IT asset register information and relevant asset details such as asset status and owner are not recorded. • The City does not have any formal procedure to ensure that all sensitive data and licensed software has been removed or securely overwritten as part of the disposal and re-use of IT assets process. <p>Implication Without an effective IT asset management process there is an increased risk that IT assets will be lost or stolen.</p> <p>Without appropriate procedures to manage the disposal and re-use of IT assets, there is a higher risk that sensitive data may not be removed or securely erased. As a result, the City may suffer financial loss and damage to its reputation.</p> <p>Recommendation The City should:</p> <ul style="list-style-type: none"> • establish an effective IT asset management process. This process should ensure IT assets are appropriately managed throughout their lifecycle (from acquisition to disposal) • relevant information on IT assets accurately recorded and maintain relevant information about IT assets in the IT asset register. Periodic audits of IT asset information against physical IT assets should be undertaken to ensure the information is accurate and up to date. Any anomalies with IT assets should be appropriately rectified • ensure that all IT assets containing storage media are appropriately sanitised or destroyed as part of the disposal process. Accurate documentation and records relating to IT asset disposals must be maintained. <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Minor</p> <p>Related Audit Query EA 2020/11 (6)</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 Administration notes that an ICT asset management system was already being introduced during the time of audit and will capture all physical and software/license assets. IT asset management acquisition, tracking and disposal processes will be formalised per the Information Security Program noted in OAG Finding 5.</p> <p>December 2020 On track. System registration of assets is progressing and now tracks ownership of all staff devices. Along with data sanitisation, WA State Supply Commission guidelines will be used for disposal of goods: <i>ethically, equitably, efficiently and safely, in a manner that maximises a value outcome for government whilst minimising any negative impacts of disposal of the good</i></p> <p>January 2021 On track.</p> <p>February 2021 On track, noting that staff were surveyed during COVID lockdown to help track equipment moves enabling remote work.</p>	<p>May 2021</p>
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CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (18)</p> <p>Office of the Auditor General Information Systems Audit – Contract Management</p> <p>Finding We found that the City's contract management process is not effective. We identified that:</p> <ul style="list-style-type: none"> • the City does not have an up-to-date <i>Contract Management Framework</i> and contract register • the configuration of the new contract management system is under development and the relevant staff are not fully aware of the functionality of the system. As a result, there is no comprehensive contract reporting in place. <p>We acknowledge that the City recently established a centralised contract management tool and <i>Contract Management Framework</i> is in draft.</p> <p>Implication Without an appropriate contract management process, the City is at a higher risk of failing to identify:</p> <ul style="list-style-type: none"> • unsuitable working arrangements with vendors, which may result in a failure to realise business benefits • unexpected cost increases or inappropriate practises in a timely manner • unauthorised access or changes to the contract register. <p>Recommendation The City should:</p> <ul style="list-style-type: none"> • review its <i>Contract Management Framework</i> and, where appropriate, centralise vendor management practices • develop suitable guidelines to manage the City's contract register • complete regular supplier performance reviews of all vendors as required. Records of reviews should be retained • maintain records of all contracts within its contract management system, including key financial details relevant to the contracts • complete the access and system configuration of its new contract management system. Subsequently, review access to the system and monitor key contract financial information regularly. <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p> <p>Related Audit Query EA 2020/11 (1)</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>October 2020 The noted draft Contract Management Framework and system will be completed, formalised and communicated to staff.</p> <p>December 2020 Administration has focused on improving contract management over the last 12 months, which has included the implementation of a new contract's management module in Authority and creation of a contract register in Authority. A contract management framework has also been drafted and will be presented to Executive Management Committee early next year. Training will then be rolled out to all staff that manage contracts at the City.</p> <p>February 2021 The draft contracts management framework will be presented to March audit committee. The training and roll-out plan of the framework is being finalised.</p>	<p>March 2021</p> <p>June 2021</p>
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CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (19)</p> <p>Office of the Auditor General Information Systems Audit – Disaster Recovery Plan</p> <p>Finding We found that the City does not have an ICT disaster recovery plan (DRP).</p> <p>Implication Without an adequate DRP and appropriate testing, there is an increased risk that key business functions and processes may not be restored in a timely manner after a disruption, affecting the operations of the City.</p> <p>Recommendation The City should develop and test its DRP to confirm that systems can be recovered in accordance with business expectations and key staff should be familiar with the plan and their specific roles and responsibilities in a disaster situation. The results of testing should be recorded, and the relevant actions taken to improve the plan where necessary.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 Administration will introduce managed backup and infrastructure services that include disaster recovery capability. Disaster recovery and information security continuity processes will then be formalised per the Information Security Program noted in OAG Finding 5. A formal plan will then be prepared for publication to staff and testing purposes.</p> <p>December 2020 On track.</p> <p>January 2021 On track. Disaster Recovery policy now in place. Operational systems (backup and recovery) now compliant for onsite backup. Bandwidth upgrade procured to enable transit of backup files for offsite storage.</p> <p>February 2021 On track. Offsite backup/recovery service commissioned and providing partial coverage. Bandwidth upgrade scheduled for April 2021 to enable full coverage.</p>	<p>April 2021</p>
<p>EA:2020/10 (20)</p> <p>Office of the Auditor General Information Systems Audit – Business Continuity Plan – Testing</p> <p>Finding We found that appropriate tests of the business continuity plan (BCP) have not been undertaken. Due to the lack of testing, the effectiveness of the plans and the City's ability to execute them is unknown.</p> <p>Implication Without appropriate testing of the BCP there is an increased risk that key business functions and processes may not operate as expected during a major incident. In addition, the key business functions may not be appropriately recover following a major incident. This is likely to impact business operations and the delivery of key services.</p> <p>Recommendation The City should undertake appropriate tests to verify the effectiveness of the BCP. These tests should also verify that key staff are familiar with the plans and their specific roles and responsibilities in a disaster situation. The results of these tests should be recorded and the relevant actions taken to improve the plan where necessary.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 Administration notes that there has been 0% interruption to non-library/recreational facility services throughout COVID-19 disruptions in Perth. COVID-19 has been a major incident and required significant change to how business functions operated. City staff who continue to work remotely are effectively testing part of the City's business continuity systems on a daily basis. Through improvements to data backup and infrastructure recovery noted in OAG Finding 20, Administration will expand business continuity testing to include system and infrastructure incidents as part of a managed services agreement.</p> <p>December 2020 On track per EA:2020/10 (19) above. Completion date updated to align with Disaster Recovery Plan activities.</p> <p>January 2021 On track.</p> <p>February 2021 On track.</p>	<p>March 2021</p> <p>April 2021</p>

CITY OF VINCENT AUDIT LOG

<p>EA:2020/10 (21)</p> <p>Office of the Auditor General Information Systems Audit – Information Security Incident Management Plan</p> <p>Finding We found that the City does not have an information security incident management plan.</p> <p>Implication Without a developed and documented security incident response plan there is an increased risk that the IT department may not be able to respond to IT security incidents in an effective and timely manner.</p> <p>Recommendation The City should develop an appropriate information security incident management plan. This plans should include relevant procedures to ensure the effective response and management of all information security related incidents.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>October 2020 An incident management and response plan will be formalised per the Information Security Program noted in OAG Finding 5.</p> <p>December 2020 On track. The City is preparing for a system upgrade to help reduce the overhead of incident response and management. The system will form part of an incident response and management plan.</p> <p>January 2021 On track. Incident management plan policy now in place. Cyber incident management processes in place through external service.</p> <p>February 2021 No change.</p>	<p>March 2021</p>
<p>EA:2020/10 (22)</p> <p>Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	
<p>EA:2020/10 (23)</p> <p>Office of the Auditor General Information Systems Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Minor</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	

CITY OF VINCENT AUDIT LOG

<p>EA 2020/12 (1)</p> <p>Stanton Reg 5 & 17 Review – Contract Management Procedure and Framework</p> <p>Finding The City's previous contract management processes were inadequate. Contracts were currently managed within the different business units leading to poor oversight by the City on existing contracts, the City had no assurance that contracts were being managed adequately and spending was in accordance with the City's delegations or if there were duplicate contracts in place providing identical/similar services/goods. However, the City is currently in the process of improving their contract management processes, the updated and revised contract management policy and framework reflecting this new process and the use of the new contract management module within Authority are still in draft and awaiting Council endorsement.</p> <p>Recommendation Audit recommends that the City promptly review and present to Council the revised contract management policy and contract management framework outstanding to be endorsed.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p> <p>Related Audit Query EA 2020/10 (18)</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2020: Administration has focused on improving contract management over the last 12 months, which has included the implementation of a new contract's management module in Authority and creation of a contract register in Authority. A contract management framework has also been drafted and will be presented to Executive Management Committee early next year. Training will then be rolled out to all staff that manage contracts at the City.</p> <p>February 2021 The draft contracts management framework will be presented to March audit committee. The training and roll-out plan of the framework is being finalised.</p>	<p>30 June 2021</p>
<p>EA 2020/12 (2)</p> <p>Stanton Reg 5 & 17 Review – Reporting on Contracts</p> <p>Finding The City does not centrally report and monitor the status of current contracts or review the effectiveness of their management or check for any ongoing issues.</p> <p>Recommendation Audit recommends that the City regularly report contract spending, upcoming contract expiry dates, contract variations or extensions or any contentious contract issues to senior management, this could be done via the weekly Corpex or monthly EMC meetings. The transition to the contract management module within Authority should easy facilitate the compiling of this information so it can be reported.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2020: Management will ensure that information relating to new contracts, contracts to expire in the next 6 months, any contracts that have contentious issues and any contract with excess spend will be included in EMC's monthly reporting.</p> <p>February 2021 This information will be included in the March EMC report. The team however will be working on the completeness of the contracts register as part of the Contracts management roll-out.</p>	<p>31 March 2021</p>

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<p>EA 2020/12 (3)</p> <p>Stanton Reg 5 & 17 Review – Access Management on Pheonix System</p> <p>Finding There was no evidence that random live tests of user access are performed over the Phoenix system at Beatty Park.</p> <p>Recommendation The City should randomly review user access on the Phoenix system to ensure it is line with what the actual user requirements.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Financial Services Manager Beatty Park Leisure Centre</p>	<p>December 2020: The City will conduct an access review immediately and then schedule 6 monthly reviews of all users on Phoenix.</p>	<p>31 December 2020</p>
<p>EA 2020/12 (4)</p> <p>Stanton Reg 5 & 17 Review – Updating Asset Policy and Procedure</p> <p>Finding The City's current asset policy and related asset procedures do not reflect the recent changes the City made requiring the different service areas to maintain their own asset register for assets less than \$5,000</p> <p>Recommendation Audit recommends the City updates their asset process to reflect that asset registers for assets less than \$5,000 are to be maintained by the different services areas.</p> <p>Risk Rating (prior to controls) Minor</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2020: The City's asset procedure will be updated, and training and guidance will be provided to staff on the basics of asset management, including maintenance of asset register for assets less than \$5,000.</p> <p>February 2021: Asset procedure has been updated and training is planned to be completed by end of March.</p>	<p>31 March 2021</p>
<p>EA 2020/12 (5)</p> <p>Stanton Reg 5 & 17 Review – Procedure on Verification of Assets</p> <p>Finding The City's current asset policy and asset procedures do not disclose the City's procedure for counting and revaluing assets. The City currently counts and revalues assets by category on an annual rotating basis.</p> <p>Recommendation Audit recommends the City updates their asset process to reflect that the City counts and revalues assets by category on an annual rotating basis.</p> <p>Risk Rating (prior to controls) Minor</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2020: The City currently revalue assets every 3-5years as per the requirement of the Financial Management Regulations.</p> <p>The City's asset procedure will be updated, and training and guidance will be provided to staff on the basics of asset management, including verification of assets.</p> <p>February 2021: Asset procedure has been updated and training is planned to be completed by end of March.</p>	<p>31 March 2021</p>

CITY OF VINCENT AUDIT LOG

<p>EA 2020/12 (6)</p> <p>Stanton Reg 5 & 17 Review – Verification of Assets</p> <p>Finding Through our inquiries regarding asset stock counts and sighting assets within the City's premises, audit noted that assets (office furniture) not tagged or barcoded.</p> <p>Recommendation Assets not tagged and barcoded cannot be counted correctly. All assets should be barcoded.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p> <p>Related Audit Query EA 2020/10 (17)</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2020: Tagging or barcoding of assets will not be utilised, as an alternative Administration will ensure all asset registers are maintained for assets less than \$5000 by the respective manager. Finance will conduct compliance testing and accuracy of these asset registers every 6 months. Asset procedures will also include details of how and when verification of assets should be conducted.</p> <p>February 2021: Asset procedure has been updated and training is planned to be completed by end of March.</p>	<p>31 March 2021</p>
<p>EA 2020/12 (8)</p> <p>Stanton Reg 5 & 17 Review – Manual Timesheet</p> <p>Finding The City uses manual timesheets, predominately for those employees who work in the depot and recreational leisure centre.</p> <p>Recommendation The use of manual timesheets should be eliminated, it is worth noting that the City has already noted this as a finding within their own audit log.</p> <p>Recommendation</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Human Resources and Executive Manager Information and Communication Technology</p>	<p>December 2020: The City requires a robust online time-sheeting system which is fit for purpose of a casual workforce (i.e. Beatty Park) that is flexible, easy to use and aligned to the relevant cost centres and employment.</p> <p>Administration has determined that Civica's online time-sheeting module will be suitable for the City. The module however can only be implemented once work orders are activated as part of the Chart of Accounts project scheduled for completion in July 2021. Online time-sheeting will have a mobile option as well. The scoping of this project will be requested to commence in March next year with implementation in December 2021.</p> <p>January 2021 No change.</p> <p>February 2021 No change.</p>	<p>31 December 2021</p>
<p>EA 2020/12 (9)</p> <p>Stanton Reg 5 & 17 Review – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Moderate</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	

CITY OF VINCENT AUDIT LOG

<p>EA 2020/12 (10)</p> <p>Stanton Reg 5 & 17 Review – IT Security Framework</p> <p>Finding IT Controls are lacking across a few areas including a formal IT security framework or policy, out of date supporting policies, user training, vulnerability management, staff screening, change control, BCP testing and document maintenance.</p> <p>Recommendation</p> <p>1. IT Controls need enhancement including the creation of an IT security framework or policy, ensuring supporting policies such as the Information and Communications Technology Conditions of Use is reviewed and updated, implementing user security training, having vulnerability management such as an intrusion prevention and detection system. Also there needs to be staff screening implemented for sensitive position holders (high financial delegations/high system privileges), formal change control such as a change advisory board, defined BCP testing regime and ensuring IT documents are maintained and kept up to date.</p> <p>Recommendation</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p> <p>Related Audit Query EA 2020/10 (4)</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>December 2020 The City will formalise its draft Information Security Program to document and govern security training, vulnerability management, change control and continuity testing. (Refer to OAG IS Finding 4)</p> <p>January 2021 On track. Information Security Program endorsed by Executive Management Committee in December 2020.</p> <p>February 2021 On track. Cyber security training now in pilot ahead of full staff rollout. Solution procured from a local City of Vincent business (Blue Zoo).</p>	<p>31 March 2021</p>
<p>EA 2020/12 (11)</p> <p>Stanton Reg 5 & 17 Review – Record Keeping</p> <p>Finding Poor retrievability of information 'term container used' Record keeping of contract documentation is inefficient and leads to poor retrievability. The record keeping system does not facilitate the use of sub folders which results in all documented related to a subject/topic being saved in a 'container'. With regards to contracts, there are a large number of supporting documentations within these 'containers' thus it can take some time to retrieve the sought-after document</p> <p>Recommendations The City should review useability of their record keeping system ensuring that it is operating effectively. For process efficiency allow user to amend and delete own purchase requisition.</p> <p>Risk Rating (prior to controls) Minor</p> <p>Risk Rating (with current controls) Minor</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>December 2020 The City will review its record keeping system to ensure it is operating effectively.</p> <p>January 2021 No change.</p> <p>February On track. Functionality of the system reviewed with external support provider: the use of folders will be introduced. A staff survey for system satisfaction as well as improvement suggestions will commence in March 2021.</p>	<p>31 March 2021</p>

CITY OF VINCENT AUDIT LOG

<p>EA 2020/12 (13) Stanton Reg 5 & 17 Review – Compliance Procedures and Systems</p> <p>Finding</p> <p>Legislative compliance procedures and systems are not internally reviewed and audited.</p> <p>Recommendation</p> <p>Audit recommends when developing the City’s strategic audit plan, legislative compliance reviews should be included to be performed, this will also cover off on the City’s future requirements to perform legislative compliance reviews under reg. 17. However, it is worth noting that the City has identified quarterly compliance auditing as a recommendation per their own risk management, internal control, and legislative compliance improvement plan.</p> <p>Risk Rating (prior to controls) Medium</p> <p>Risk Rating (with current controls) Medium</p>	<p>Responsible Officer: Executive Manager Corporate Strategy & Governance</p>	<p>December 2020 This will form part of the annual internal audit program. The draft internal audit program will be prepared in early 2021 and presented to Audit Committee.</p> <p>January 2021 Preparation of draft internal audit program delayed due to other priorities.</p> <p>February 2021 The draft internal audit program is proposed to be presented to the 4 May 2021 Audit Committee meeting.</p>	<p>30 April 2021</p> <p>4 May 2021</p>
<p>EA 2020/12 (14) Office of the Auditor General – Financial Audit – CONFIDENTIAL</p> <p>Risk Rating (prior to controls) Significant</p>	<p>Responsible Officer: Executive Manager Information and Communication Technology</p>	<p>See Confidential log</p>	
<p>EA 2020/12 (15) Office of the Auditor General – Financial Audit – Evidence of review of changes to employee Masterfile</p> <p>Finding</p> <p>We note the City does not have a process to evidence independent review and authorisation of changes made to the employee masterfile.</p> <p>Implication</p> <p>The absence of an independent review of changes made to the employee masterfile increases the risk of unauthorised or erroneous changes to key information.</p> <p>Additionally, this weakness in financial controls is considered a material non-compliance and impacts on the audit opinion for the current year.</p> <p>Recommendation</p> <p>Management should implement a process for an independent review of changes to the employee masterfile.</p> <p>Risk Rating (prior to controls) Significant</p> <p>Risk Rating (with current controls) Significant</p>	<p>Responsible Officer: Executive Manager Human Resources</p>	<p>December 2020: Currently changes to the employee master file are checked by the Payroll Officer/Payroll Support Officer, however not recorded. Based on changes to the employee master file, Human Resources/Payroll will implement the following:</p> <ol style="list-style-type: none"> 1. A change of bank details and superannuation form. 2. All changes to employee master file are requested via a form or letter pertaining to a change of employee entitlements. These forms/letters are added to Content Manager (records system) and work-flowed to the applicable Payroll Officer/Support Officer depending on portfolio. <p>Once adjustments are made to the employee master file based on the form/letter, the Payroll Officer changes the workflow item from ‘action’ to ‘completed’. The Payroll Officer will then workflow the form/letter to the other Payroll representative in Content Manager for review. The Payroll representative will review and if approved, change the workflow from ‘review’ to ‘completed’.</p> <p>Each time a form/letter is added to Content Manager, an audit trail will be created of when an item is ‘completed’ and ‘reviewed’.</p>	<p>Complete</p> <p>Complete</p>

CITY OF VINCENT AUDIT LOG

<p>EA 2020/12 (18) Office of the Auditor General – Financial Audit – Adverse trends in financial ratios</p> <p>Finding During our audit we noted the adverse trends in the following ratios when considering the basic standard set by Department of Local Government, Sport and Cultural Industries (“the department”):</p> <p>Below the basic requirements for 3 years:</p> <ul style="list-style-type: none"> - Asset sustainability - Operating surplus <p>Below the basic requirement and below proceeding two years actual result:</p> <ul style="list-style-type: none"> - Debt service cover <p>Implication Ratios which are below the basic standards as determined by the Department indicate the short term financial performance of the City is likely unsustainable.</p> <p>Additionally, in accordance with the <i>Local Government (Audit) Regulations 1996</i> ratios with adverse trends will be reported within the audit opinion.</p> <p>Recommendation Management should implement measures to ensure the basic requirements are achieved, where the requirements are not able to be achieved plans for correction action should be made.</p> <p>Risk Rating (prior to controls) Significant</p> <p>Risk Rating (with current controls) Significant</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2020:</p> <ol style="list-style-type: none"> 1. Debt Service Ratio – As a result of the once-off contractual balloon payment of \$5.3m for the DLGSC loan, this ratio has been skewed only for the 2019/2020 financial year. The Debt service ratio is expected to normalise for the following years as per the City’s current debt portfolio. 2. Operating Surplus - In order to improve this ratio, new funding sources has to be looked at and also the current fees and charges (including rates) need to be analysed to determine if they are sufficient. Strategies will also be developed to improve this ratio when preparing the 2021/2022 -2030/2031 LTFP. 3. Asset Sustainability Ratio – The asset sustainability ratio has improved compared to last year from 0.30 to 0.45 This is an indicator that administration has focused their attention on ensuring capital spend is focused on renewal instead of new expenditure. The City has implemented the following initiatives since last year: <ul style="list-style-type: none"> • Made a concerted effort on spending on renewal instead of new; • Prepared a 4-year capital works program 2020/21-2023/24; • The City’s Asset Management Strategy is in the process of being finalised; and • Adopted the 2020/21-2029/30 LTFP which reflects the projected asset sustainability ratio will reach the benchmark ratio by 2024/25. <p>The following will be the action plans for this year:</p> <ul style="list-style-type: none"> • Adopting the new asset management strategy; • Updating and aligning the asset management plans to the asset management strategy; and • Updating and preparing the LTFP for 2021/22-2030/31 by incorporating the additional depreciation of NIB stadium into the asset sustainability ratio and revising strategies to attain the benchmark ratio. <p>Department of Local Government Sport and Cultural Industries is in the process of reviewing the current local government ratios as part of the Local Govt Act Reform and some of the benchmarks will be reviewed to be aligned based on the size of the Local Government.</p> <p>February 2021: Work has commenced on the LTFP and 4 year capital works program and strategies on how to improve the asset sustainability and operating surplus ratios is being explored.</p>	<p>Completed</p> <p>30 June 2021</p> <p>30 June 2021</p>
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CITY OF VINCENT AUDIT LOG

<p>EA 2020/12 (19) Office of the Auditor General – Financial Audit – Periodic cleansing of the supplier masterfile</p> <p>Finding During our audit, we identified that there were several old and outdated supplier records. The City of Vincent does not have a formalised process to periodically review its supplier master file to remove/deactivate old, unused or duplicate supplier records.</p> <p>The supplier master file is a comprehensive file in the financial system which stores key information about suppliers for processing payments to suppliers, including information on bank accounts and addresses.</p> <p>Rating: Moderate Implication The presence of old and unused supplier records increases the risk of duplicate records which also increases the risk of duplicate payments being made. It also increases the risk of fraud, as the unused records can be modified and used to make unauthorised payments.</p> <p>Recommendation Management should perform a periodic review of the supplier master file to remove/deactivate inactive, old, unused or duplicate records.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2021: A detailed process will be developed to ensure the Creditors master file will be reviewed. This will be conducted every 6 months to ensure inactive, old, unused or duplicate creditors records are removed or deactivated.</p> <p>February 2021 On track</p>	<p>31 March 2021</p>
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CITY OF VINCENT AUDIT LOG

<p>EA 2020/12 (20) Office of the Auditor General – Financial Audit – Timing of monthly reconciliations</p> <p>Finding During our audit, we identified many of the key reconciliations are prepared prior to close off the sub modules which led to variances between the reconciled balances within the trial balance used to prepare the financial statements.</p> <p>In addition we noted a number of inappropriate reconciling items included within the Municipal bank account reconciliation at 30 June 2020, these were subsequently corrected during the audit process.</p> <p>Rating: Moderate</p> <p>Implication Reconciliations are a key control for ensuring financial data is completely and accurately reflected in the general ledger from which financial statements are derived. The absence of a robust process by the City of Vincent over the reconciliations on period end balances can result in errors or omissions remaining undetected, leading to misstatements in the financial statements.</p> <p>Recommendation We recommend management review their current processes for monthly reconciliations and ensure balances reconciled are those reported and reconciling items are appropriate.</p> <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2020: All monthly reconciliations are undertaken as part of preparing the month end financial statements. However, due to a timing variance the reconciliation process will be reviewed and updated</p> <p>February 2021 All monthly general ledger reconciliation is now being validated to the month end trial balance. This is being reviewed by the Financial Services Coordinator.</p>	<p>31 January 2021</p> <p>Complete</p>
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CITY OF VINCENT AUDIT LOG

<p>EA 2020/12 (21) Office of the Auditor General – Financial Audit – Quotations - minimum number not obtained</p> <p>Finding Council’s purchasing policy states that where the value of a purchase is between \$200 and \$20,000, at least two written quotes must be obtained and recorded.</p> <p>During our expenditure testing, which included reviewing the procurement process, we identified 3 purchases in this range, out of a sample of 36, where there was insufficient documentation to indicate that the requisite number of quotations had been obtained.</p> <p>Implication If purchases are made without obtaining sufficient quotes, there is a risk of favouritism of suppliers and not obtaining value for money.</p> <p>Recommendation</p> <ul style="list-style-type: none"> i) For purchases below the tender threshold, quotes should be obtained, in accordance with the City of Vincent’s purchasing policy ii) If instances arise where it is impractical to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made. <p>Risk Rating (prior to controls) Moderate</p> <p>Risk Rating (with current controls) Moderate</p>	<p>Responsible Officer: Executive Manager Financial Services</p>	<p>December 2020: The following actions will be taken: -The Procurement team will schedule training for individual directorates to reinforce City’s Procurement Framework and Policy; and -Ongoing procurement audits will be conducted to ensure compliance.</p> <p>February 2021 Procurement training has commenced for all directorates. The additional resource in procurement will be able to assist with the compliance audit. In the process of finalising the recruitment for this role.</p>	<p>31 March 2021</p>
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