

**8.4 REPORT AND MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 15 FEBRUARY 2022**

- Attachments:**
- 1. Audit Committee Minutes 15 February 2022**
  - 2. Confidential Items for Audit Committee - Confidential**
  - 3. Addendum to Item 5.4 OAG Computing Controls Audit 2020/2021 - Confidential**
  - 4. Addendum to Item 5.5 OAG report into Cyber Security in Local Government - Confidential**

**RECOMMENDATION:****That Council:**

- 1. RECEIVES the minutes of the Audit Committee Meeting of 15 February 2022, as at Attachment 1, and NOTES the recommendations;**
- 2. ADOPTS the Local Government Statutory Compliance Audit Return for the period 1 January 2021 to 31 December 2021 noting the one area of non-compliance and explanation for this non-compliance.**

**PURPOSE OF REPORT:**

To report to Council the proceedings of the Audit Committee at its meeting held on 15 February 2022 in accordance with clause 2.21(1) of the City's Meeting Procedures Local Law 2008.

**BACKGROUND:**

The City's Audit Committee is a statutory committee of Council, established in accordance with section 7.1A of the *Local Government Act 1995*. The role of the Audit Committee is to provide independent advice and assurance to Council over the City's risk management, internal controls, legislative compliance and financial management.

The Audit Committee meets approximately every two months and comprises of up to three external independent members (one of which is the Audit Committee Chair) and four Elected Members.

**DETAILS:**

At its meeting on 10 December 2021 the Audit Committee agenda included the following items:

- 5.1 Election of Chairperson and Deputy Chairperson of the City of Vincent Audit Committee
- 5.2 Audited Financial Statements and Management Letters for year ended 30 June 2021
- 5.3 Risk Management Practices in Contract Management and Procurement
- 5.4 OAG Computing Controls Audit 2020/2021
- 5.5 Review: OAG report into Cyber Security in Local Government
- 5.7 Small Maintenance Works Contract
- 5.6 Fraud and Corruption Prevention Plan - Annual Review
- 5.8 Further Risk Assessment (non-structural risks) on Ageing Infrastructure
- 5.9 Review of the City's Audit Log 113
- 5.10 Audit Committee Meeting Dates 2022 22
- 5.11 Appointment of Independent Members to the City of Vincent Audit Committee

The Audit Committee considered two agenda items as follows:

**5.1 Election of Chairperson and Deputy Chairperson of the City of Vincent Audit Committee**

Only one nomination was received for Chairperson. Mr Conley Manifis was therefore elected as Chairperson for the ensuing year.

Only one nomination was received for Deputy Chairperson. Cr Ross Ioppolo was therefore elected as Deputy Chairperson for the ensuing year.

## **5.2 Audited Financial Statements and Management Letters for year ended 30 June 2021**

The auditors have completed the Audit of the City's accounts and Annual Financial Statements for the year ending 30 June 2021, in accordance with the terms of their appointment and the requirements of Part 7 Division 3 of the Act. OAG has submitted their audit opinion, management letters (Financial Audit and Information System audit) and Exit Brief, which are shown as attachments in **Attachments 1 to 4**.

Representatives from the OAG attended the Audit Committee Meeting to present the Audited Financial Statements, management letters (Financial Audit and Information System audit) and Exit Brief. In accordance with section 7.12A (2) of the Act, representatives of the OAG must also attend the 14 December 2021 Council Meeting, as this duty has not been delegated to the Audit Committee.

The Audit Committee received the Management Letters, Exit Brief, Financial Statements and Audit Opinion, and recommended to Council the adoption of the Audited Annual Financial Statements for the year ended 20 June 2021.

Due to a lack of quorum, the 10 December 2021 meeting was closed and the following items were deferred:

- 5.3 Risk Management Practices in Contract Management and Procurement
- 5.4 OAG Computing Controls Audit 2020/2021
- 5.5 Review: OAG report into Cyber Security in Local Government
- 5.7 Small Maintenance Works Contract
- 5.6 Fraud and Corruption Prevention Plan - Annual Review
- 5.8 Further Risk Assessment (non-structural risks) on Ageing Infrastructure
- 5.9 Review of the City's Audit Log
- 5.10 Audit Committee Meeting Dates 2022
- 5.11 Appointment of Independent Members to the City of Vincent Audit Committee

These items, as well as an additional item 5.12 Local Government Statutory Compliance Audit Return 2021, were considered at the 15 February 2022 Audit Committee Meeting:

## **5.3 Risk Management Practices in Contract Management and Procurement**

The Audit Committee noted the information in the report, and that an updated report will be provided to the March meeting.

## **5.4 OAG Computing Controls Audit 2020/2021**

The report was noted, and it was noted that an addendum with further information would be provided. This addendum is **Attachment 3**.

## **5.5 Review: OAG report into Cyber Security in Local Government**

The report was noted, and it was noted that an addendum with further information would be provided. This addendum is **Attachment 4**.

## **5.6 Fraud and Corruption Prevention Plan - Annual Review**

The proposed actions and amendments to the Fraud and Corruption Prevention Plan were recommended to Council. It was noted that the modified internal audit program is currently being procured, and a report will be presented to the May 2022 Audit Committee Meeting.

## **5.7 Small Maintenance Works Contract**

This report was deferred to the 16 March 2022 meeting, to allow the Procurement Plan to be presented.

## **5.8 Further Risk Assessment (non-structural risks) on Ageing Infrastructure**

This report was deferred to the 16 March 2022 meeting.

**5.9 Review of the City's Audit Log**

This report was deferred to the 16 March 2022 meeting.

**5.10 Audit Committee Meeting Dates 2022**

It was resolved to hold the next Audit Committee Meeting on Wednesday, 16 March 2022 at 4pm. A meeting schedule for 2022 will be presented to that meeting.

**5.11 Appointment of Independent Members to the City of Vincent Audit Committee**

It was decided to recommend appointment of two Independent External Members to the Audit Committee. The Committee expressed thanks to the previous members of the Audit Committee for their valuable contributions.

**5.12 Local Government Statutory Compliance Audit Return 2021**

The Compliance Audit Return 2021 was recommended to Council, noting that there was one item of non-compliance, and the reason for that non-compliance.

**CONSULTATION/ADVERTISING:**

Nil.

**LEGAL/POLICY:**

Clause 2.21 of the City's Meeting Procedures Local Law 2008 states that the report and minutes of a Committee meeting are to be provided to Council.

The Audit Committee Terms of Reference govern the functions, powers and membership of the Audit Committee.

**RISK MANAGEMENT IMPLICATIONS:**

Low: It is low risk for Council to consider the report and minutes of the Audit Committee meeting on 10 December 2021.

**STRATEGIC IMPLICATIONS:**

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Innovative and Accountable

*Our resources and assets are planned and managed in an efficient and sustainable manner.*

*We are open and accountable to an engaged community.*

**SUSTAINABILITY IMPLICATIONS:**

This does not contribute to any environmental sustainability outcomes. This action/activity is environmentally neutral.

**PUBLIC HEALTH IMPLICATIONS:**

There are no implications to the priority health outcomes of the City's *Public Health Plan 2020-2025*.

**FINANCIAL/BUDGET IMPLICATIONS:**

Nil.



**CITY OF VINCENT**

# **MINUTES**

**Audit Committee**

**15 February 2022**

## Table of Contents

<b>1</b>	<b>Introduction and Welcome .....</b>	<b>3</b>
<b>2</b>	<b>Apologies / Members on Approved Leave of Absence .....</b>	<b>3</b>
<b>3</b>	<b>Declarations of Interest .....</b>	<b>3</b>
<b>4</b>	<b>Confirmation of Minutes .....</b>	<b>4</b>
<b>5</b>	<b>Business Arising .....</b>	<b>5</b>
5.11	Appointment of Independent Members to the City of Vincent Audit Committee .....	5
5.12	Local Government Statutory Compliance Audit Return 2021 .....	6
5.10	Audit Committee Meeting Dates 2022 .....	22
5.3	Risk Management Practices in Contract Management and Procurement.....	25
5.4	OAG Computing Controls Audit 2020/2021 .....	31
5.5	Review: OAG report into Cyber Security in Local Government.....	57
5.7	Small Maintenance Works Contract .....	58
5.6	Fraud and Corruption Prevention Plan - Annual Review .....	59
5.8	Further Risk Assessment (non-structural risks) on Ageing Infrastructure .....	101
5.9	Review of the City's Audit Log .....	113
<b>6</b>	<b>General Business .....</b>	<b>121</b>
<b>7</b>	<b>Next Meeting .....</b>	<b>121</b>
<b>8</b>	<b>Closure .....</b>	<b>121</b>

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

**MINUTES OF CITY OF VINCENT  
AUDIT COMMITTEE  
HELD AS E-MEETING AND AT THE  
ADMINISTRATION AND CIVIC CENTRE  
244 VINCENT STREET, LEEDERVILLE  
ON TUESDAY, 15 FEBRUARY 2022 AT 4.00PM**

<b>PRESENT:</b>	<b>Mr Conley Manifis</b>	<b>Independent External Member (Chair) (electronically, left at 4.48pm after Item 5.10)</b>
	<b>Cr Ashley Wallace</b>	<b>South Ward (electronically)</b>
	<b>Cr Susan Gontaszewski</b>	<b>South Ward (electronically)</b>
	<b>Cr Ron Alexander</b>	<b>North Ward (electronically from 4.17pm, after Item 4)</b>
	<b>Cr Ross Ioppolo</b>	<b>South Ward (Acting Chair)</b>
 <b>IN ATTENDANCE:</b>	<b>David MacLennan</b>	<b>Chief Executive Officer</b>
	<b>Virginia Miltrup</b>	<b>Executive Manager Community &amp; Business Services (electronically)</b>
	<b>Rhys Taylor</b>	<b>Manager Financial Services (electronically)</b>
	<b>Peter Varris</b>	<b>Executive Manager Corporate Strategy &amp; Governance</b>
	<b>Peter Ferguson</b>	<b>Executive Manager Information and Communication Technology (electronically)</b>
	<b>Andrew Murphy</b>	<b>Executive Director Infrastructure &amp; Development (electronically)</b>
	<b>Wendy Barnard</b>	<b>Council Liaison Officer (electronically)</b>

**1 INTRODUCTION AND WELCOME**

The Presiding Member, Conley Manifis, declared the meeting open at 4.15pm and read the following Acknowledgement of Country statement:

"The City of Vincent would like to acknowledge the Traditional Owners of the land, the Whadjuk people of the Noongar nation and pay our respects to Elders past, present and emerging".

**2 APOLOGIES / MEMBERS ON APPROVED LEAVE OF ABSENCE**

Nil

**3 DECLARATIONS OF INTEREST**

Conley Manifis declared an impartiality interest. The extent of his interest is that his company is contracted by the Office of the Auditor General to complete external audits.

AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

**4 CONFIRMATION OF MINUTES**COMMITTEE DECISION**Moved: Cr Ioppolo, Seconded: Cr Wallace****That the minutes of the Audit Committee held on 10 December 2021 be confirmed.****CARRIED (4-0)****For:** Mr Manifis, Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo**Against:** Nil

As Presiding Member, Conley Manifis, was driving, Deputy Chair Ross Ioppolo took the role of Presiding Member. Cr Alexander joined the meeting electronically.

**AUDIT COMMITTEE MINUTES**

15 FEBRUARY 2022

**5 BUSINESS ARISING**

With the consent of the Committee the Presiding Member decided to discuss the reports in the following order of priority.

**5.11 APPOINTMENT OF INDEPENDENT MEMBERS TO THE CITY OF VINCENT AUDIT COMMITTEE**

**Attachments:** 1. **Shortlist Independent Member Nominations Audit Committee - Confidential**

**RECOMMENDATION:**

**That Council:**

1. In accordance with sections 5.10 and 7.1A of the *Local Government Act 1995*, **APPROVES BY ABSOLUTE MAJORITY** the appointment of the following two external independent members to the City's Audit Committee for the term 9 March 2022 to the date of the next ordinary local government election, 21 October 2023.

1. \_\_\_\_\_
2. \_\_\_\_\_

NOTE: The Committee discussed the merits of various nominees and the relevance of the skills and attributes of each.

**COMMITTEE DECISION ITEM 5.11**

**Moved: Cr Wallace, Seconded: Cr Gontaszewski**

1. In accordance with sections 5.10 and 7.1A of the *Local Government Act 1995*, **APPROVES BY ABSOLUTE MAJORITY** the appointment of the following two external independent members to the City's Audit Committee for the term 9 March 2022 to the date of the next ordinary local government election, 21 October 2023.

1. [REDACTED]
2. [REDACTED]

**CARRIED (5-0)**

**For:** Mr Manifis, Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo

**Against:** Nil

**The Committee's Reason for Varying Administration's Recommendation**

Supported by Administration.

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**AUDIT COMMITTEE MINUTES****15 FEBRUARY 2022**

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**5.12 LOCAL GOVERNMENT STATUTORY COMPLIANCE AUDIT RETURN 2021****Attachments:** 1. City of Vincent Compliance Audit Return 2021 [↓](#) **RECOMMENDATION:**

That the Audit Committee **RECOMMENDS** that Council adopts the Local Government Statutory Compliance Audit Return for the period 1 January 2021 to 31 December 2021 noting the one area of non-compliance and explanation for this non-compliance.

**COMMITTEE DECISION ITEM 5.12****Moved:** Cr Wallace, **Seconded:** Cr Gontaszewski

That the recommendation be adopted.

**CARRIED (5-0)****For:** Mr Manifis, Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo**Against:** Nil

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



Department of  
Local Government, Sport  
and Cultural Industries

## Vincent - Compliance Audit Return 2021

## 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 2021?	N/A	No major trading undertaking entered into.	Executive Manager Corporate Strategy and Governance
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A	No major trading undertaking entered into.	Executive Manager Corporate Strategy and Governance
3	s3.59(2)(c) F&G Regs 7,8A, 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 2021?	N/A	No major trading undertaking entered into.	Executive Manager Corporate Strategy and Governance
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 2021?	N/A	No major land transaction or major trading undertaking entered into.	Executive Manager Corporate Strategy and Governance
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	No major land transaction or major trading undertaking entered into.	Executive Manager Corporate Strategy and Governance
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 Behaviour Complaints Committee was resolved by AMV at the Ordinary Council Meeting 14/12/2021 - Item 9.15 Ref D21/229940.	Governance Projects Officer
2	s5.16	Were all delegations to committees in writing?	Yes	See Register of Delegations, Authorisations & Appointments and Council Minutes 14/12/2021 - both available the City's website Ref D21/229940 & D21/116714	Governance Projects Officer

1 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



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 and Council Minutes 14/12/2021 - both available on the City's website Ref D21/229940 & D21/116714	Governance Projects Officer
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	See Register of Delegations, Authorisations & Appointments available as a public document on the City's website.(also ref D21/116714)	Governance Projects Officer
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	Yes	Annual review undertaken by Council see minutes of OMC 22/06/2021 Item 12.5 - available on the City's website (also ref D21/106344)	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 & Appointments available as a public document on the City's website.(also ref D21/116714)	Governance Projects Officer
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	See minutes of OMC 22/06/2021 - Item 12.5 - D21/106344 12/10/2021 - Item - 9.6 - D21/180929 14/12/2021 - Item 9.15 - D21/229940 Also available on the City's website	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 available as a public document on the City's website.(also ref D21/116714)	Governance Projects Officer
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	Individual Certificates are provided and saved in SC279 Also provided in the Register of Delegations, Authorisations and Appointments available as a public document on the City's website.(also ref D21/116714)	Governance Projects Officer

2 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



No	Reference	Question	Response	Comments	Respondent
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	All amendments are noted in Revisions at the end 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	See Register of Delegations, Authorisations & Appointments available as a public document on the City's website.(also ref D21/116714)	Governance Projects Officer
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes	Annual review undertaken by administration 22/04/2021 D21/6734, D21/1169263 and D21/116707 proposed amendments approved at 22/06/2021 Council Meeting	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	Based on sample audit testing (see SC400)	Governance Projects 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	Two request were made and participation approvals / limitations were adhered to. All disclosures are registered in the Register of Interests Disclosed at Council Meetings (D16/43908) - available on the City's website.	Executive Manager Corporate Strategy and Governance
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 the OMC minutes on 23 March 2021 and 14 December 2021 and the Register of Interests Disclosed at Council Meetings (D16/43908) - available on the City's website.	Executive Manager Corporate Strategy and Governance
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.	Executive Manager Corporate Strategy and Governance

3 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



No	Reference	Question	Response	Comments	Respondent
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. The City also publishes a list of Council Members and Employees (by position) that lodged a primary return and annual return for each financial year. This is available on the Council registers page on the City's website	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 2021?	Yes	Document reference numbers for all returns are available in the 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	Document reference numbers for all acknowledgements are available in the Register of Financial Interest - Primary and Annual Returns D20/130156	Governance Projects Officer
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	See Register of Financial Interest - Primary and Annual Returns - D20/130156. The City also publishes a list of Council Members and Employees (by position) that lodged a primary return and annual return for each financial year. This is available on the Council registers page on the City's website	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 Council registers page 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 Register of Financial Interest - Primary and Annual Returns - 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	These are saved in SC2692	Governance Projects Officer

4 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



No	Reference	Question	Response	Comments	Respondent
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	<a href="https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Council_Registers/Register_of_Gifts_-_from_20_October_2019.pdf">https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Council_Registers/Register_of_Gifts_-_from_20_October_2019.pdf</a>	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?	Yes	The register is available on the City's website as above	Governance Projects 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?	Yes	ref SC279	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)?*  *Question not applicable after 2 Feb 2021	Yes	<a href="https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Council_Registers/Register_of_Interest_disclosed_at_Ordinary_and_Special_Council_Meetings_16_December.pdf">https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Council_Registers/Register_of_Interest_disclosed_at_Ordinary_and_Special_Council_Meetings_16_December.pdf</a>	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	<a href="https://www.vincent.wa.gov.au/council/council-committees/council-meetings/past-and-upcoming-meetings/2021-meetings.aspx">https://www.vincent.wa.gov.au/council/council-committees/council-meetings/past-and-upcoming-meetings/2021-meetings.aspx</a>	Council Liaison Officer
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?	Yes	David MacLennan, CEO declared interest in some items - recorded <a href="https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Council_Registers/Register_of_Interest_disclosed_at_Ordinary_and_Special_Council_Meetings_16_December.pdf">https://www.vincent.wa.gov.au/Profiles/vincent/Assets/ClientData/Council_Registers/Register_of_Interest_disclosed_at_Ordinary_and_Special_Council_Meetings_16_December.pdf</a>	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 required	Executive Manager Corporate Strategy and Governance

5 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



No	Reference	Question	Response	Comments	Respondent
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 required	Executive Manager Corporate Strategy and Governance
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	The conduct of Council Members, committee members, the CEO, employees and contractors was previously governed by the City's Code of Conduct 2017 (2017 Code).	Governance Projects Officer
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	Yes	This is available on the City's website	Executive Manager Corporate Strategy and Governance
		*Question not applicable after 2 Feb 2021			
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes	At the 23 March 2021 Ordinary Meeting of Council a new Code of Conduct to be observed by Council Members, Committee Members and Candidates that incorporates the Model Code was adopted.	Governance Projects Officer
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	Yes	Administration proposed some minor amendments to the Model Code Division 3 (Behaviours) to incorporate behaviours referred to in the 2017 Code. All amendments comply with section 5.104(3) and (4)	Governance Projects Officer
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes	This is available on the City's website	Governance Projects Officer
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes	A new Employee and Contractor Code of Conduct has been developed and implemented by the CEO.  This is available on the City's website	Governance Projects Officer

6 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



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)?	N/A	The City did not dispose of any property in accordance with section 3.58(3)	Executive Manager Corporate Strategy and Governance
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?	N/A	See above	Executive Manager Corporate Strategy and Governance
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	No electoral gifts declared.	Executive Manager Corporate Strategy and Governance
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?	N/A	No electoral gifts declared.	Executive Manager Corporate Strategy and Governance
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)?	N/A	No electoral gifts declared. Register published without entry	Executive Manager Corporate Strategy and Governance

7 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



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	At the Ordinary Meeting of Council held 16 November 2021 Council appointed its Audit Committee members by absolute majority in accordance with section 7.1A of the Act.	Executive Director, Community & Business Services
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.	Executive Director, Community & Business Services
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	Yes	Received at the Ordinary Council Meeting held 14 December 2021.	Executive Director, Community & Business Services
4	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 are monitored and tracked at each Audit Committee	Executive Director, Community & Business Services
5	s7.12A(4)(a) & (4)(b)	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? 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 Minister received a letter from the City on 8 March 2021, which was within 3 months of the audit. In response, the Department advised that the correspondence was an insufficient response. However, the Department noted that the City's 2019/20 audit report referred to the City's management of the same significant matter (Asset Sustainability Ratio) and stated that this would satisfy the requirements of the Act.	Executive Director, Community & Business Services
6	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?	Yes	A copy of the report was published on the City's website on 1 February 2022.	Executive Manager Financial Services
7	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	Received at the Ordinary Council Meeting held 14 December 2021.	Executive Director, Community & Business Services

8 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



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	The Strategic Community Plan 2018 - 2028 (SCP) was adopted by AMV at the 16 October 2018 OMC - Item 13.1 - D18/155714. A minor review was undertaken in 2020. The modified SCP was adopted at the 18 August 2020 OMC - Item 9.3 - D20/148041	Governance Projects 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	The Corporate Business Plan 2021/22 -2024/25 was adopted by AMV at the 10 August 2021 OMC - Item 11.5 - D20/148041	Governance Projects Officer
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes	The Corporate Business Plan 2021/22 -2024/25 aligns with the legislative requirements	Governance Projects Officer

9 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



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 appointed in 2018 in accordance with adopted policies. The CEO recruitment panel was appointed at the 1 May 2018 Council Meeting, and the consultant was appointed at the 29 May 2019 Council Meeting	Executive Manager Corporate Strategy and Governance
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?	N/A	There were no CEO and/or senior employee vacancies in 2021.	Executive Manager Corporate Strategy and Governance
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	There were no CEO and/or senior employee vacancies in 2021.	Executive Manager Corporate Strategy and Governance
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	There were no CEO and/or senior employee vacancies in 2021.	Executive Manager Corporate Strategy and Governance
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	There were no CEO and/or senior employee vacancies in 2021.	Executive Manager Corporate Strategy and Governance
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	There were no CEO and/or senior employee vacancies in 2021.	Executive Manager Corporate Strategy and Governance

10 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



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?	Yes	Council appointed the CEO as its complaints officer at the 16 February 2021 OMC - Item 12.4 - D21/24905. At the 14 December 2021 OMC Council delegated by AMV to the Chief Executive Officer the authority to appoint an external Complaints Officer to receive complaints and withdrawal of complaints - Item 9.15 - D21/229940.	Governance Projects Officer
2	s5.121(1) & (2)	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)? Does the complaints register include all information required by section 5.121(2)?	Yes	No complaints received.	Executive Manager Corporate Strategy and Governance
3	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?	Yes	This is available on the City's website	Executive Manager Corporate Strategy and Governance
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 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	Audit Committee 1/12/2020 Council 15/12/2020	Executive Manager Corporate Strategy and Governance
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 2021? If yes, please provide date of council's resolution to accept the report.	Yes	Audit Committee 1/12/2020 Council 15/12/2020	Executive Manager Corporate Strategy and Governance

11 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



No	Reference	Question	Response	Comments	Respondent
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	Yes		Council Liaison Officer
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	Yes	The Attendance at Events policy was adopted by Council at the 23 March 2021 OMC - Item 12.1 - D21/49070	Governance Projects Officer
5	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	This information is available on the City's website	Governance Projects Officer
6	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	The Council Members Continuing Professional Development Policy was adopted by Council at the 16 June 2020 OMC - Item 12.3 - D20/105102	Governance Projects Officer
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes	The professional development report for the 2020/2021 financial year was noted by Council at the 27 July 2021 OMC - Item 12.1 - D21/1311543. The report is published on the City's website under PUBLICLY AVAILABLE COUNCIL REGISTERS	Governance Projects Officer
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	No	The OAG portal experienced technical issues and the City was unable to complete the submission. The OAG then agreed to receive the information within 48 hours, once technical issues had been resolved.	Executive Director, Community & Business Services
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	The City held 6 budget workshops with Council Members, prior to adopting the annual budget on 22 June 2021	Executive Director, Community & Business Services

## Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] 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 Purchasing Policy for all procurements valued at \$250,000 or less.	Coordinator Procurement and Contracts

12 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



No	Reference	Question	Response	Comments	Respondent
2	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 publicly invited as per Regulation 11(1).	Coordinator Procurement and Contracts
3	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.	Coordinator Procurement and Contracts
4	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).	Coordinator Procurement and Contracts
5	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.	Coordinator Procurement and Contracts
6	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 City officers were present when tenders were opened.	Coordinator Procurement and Contracts
7	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?	Yes	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 publicly available.	Coordinator Procurement and Contracts
8	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?	Yes	One tender was rejected in accordance with F&G Reg 18(1).	Coordinator Procurement and Contracts
9	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 produced and approved.	Coordinator Procurement and Contracts
10	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	All unsuccessful tender responses were notified of the evaluation outcome via a letter sent by email.	Coordinator Procurement and Contracts

13 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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



No	Reference	Question	Response	Comments	Respondent
11	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 released one expression of interest (EOI). The EOI was advertised above the minimum time allowed under Reg 22 and was advertised in the West Australian newspaper, Tenderlink and on the City of Vincent website.	Coordinator Procurement and Contracts
12	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?	N/A	All EOI responses were submitted at the place and within the time specified in the EOI.	Coordinator Procurement and Contracts
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A	The EOI responses are currently under evaluation.	Coordinator Procurement and Contracts
14	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 EOI response are currently under evaluation.	Coordinator Procurement and Contracts
15	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 did not establish any panel of pre-qualified suppliers.	Coordinator Procurement and Contracts
16	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 did not establish any panel of pre-qualified suppliers.	Coordinator Procurement and Contracts
17	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 did not establish any panel of pre-qualified suppliers.	Coordinator Procurement and Contracts
18	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 did not establish any panel of pre-qualified suppliers.	Coordinator Procurement and Contracts
19	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?	N/A	The City did not establish any panel of pre-qualified suppliers.	Coordinator Procurement and Contracts

14 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

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
20	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?	N/A	The City did not establish any panel of pre-qualified suppliers.	Coordinator Procurement and Contracts
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	The City did not establish any panel of pre-qualified suppliers.	Coordinator Procurement and Contracts
22	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.	Coordinator Procurement and Contracts

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

\_\_\_\_\_  
Signed Mayor/President, Vincent

\_\_\_\_\_  
Signed CEO, Vincent

15 of 15

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

## 5.10 AUDIT COMMITTEE MEETING DATES 2022

Attachments: 1. Proposed Audit Committee Dates 2022  

## RECOMMENDATION:

That the Audit Committee **ADOPTS** the meeting schedule for 2022 as follows:

Date	Time
Tuesday 1 March	1.00pm
Tuesday 3 May	1.00pm
Tuesday 28 June	1.00pm
Tuesday 2 August	1.00pm
Tuesday 1 November	1.00pm
Tuesday 29 November	1.00pm

At 4:48 pm, Mr Conley Manifis left the meeting, during the discussion of Item 5.10.

**COMMITTEE DECISION ITEM 5.10**

**Moved:** Cr Gontaszewski, **Seconded:** Cr Ioppolo

That the Audit Committee **RESOLVES** to next meet on Wednesday, 16 March 2022 at 4pm, and **NOTES that a meeting schedule for 2022 will be presented to that meeting.**

**CARRIED (4-0)**

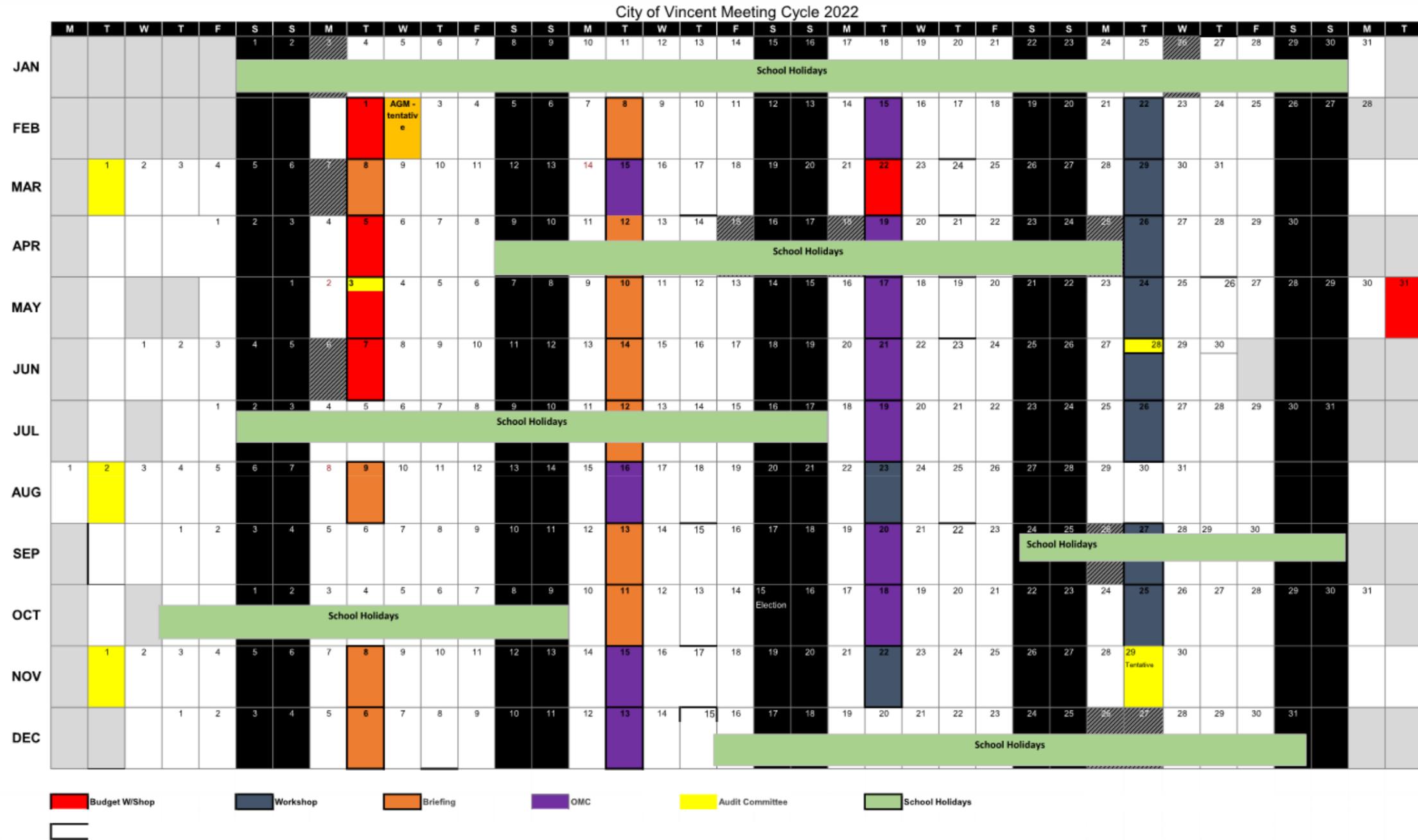
**For:** Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo

**Against:** Nil

**(Mr Manifis was absent from the meeting and did not vote.)**

**The Committee's Reason for Varying Administration's Recommendation**

Supported by Administration. To provide the opportunity for a new schedule to be prepared based on the premise of Tuesday meetings at 4pm, otherwise Wednesday 4pm to avoid conflict with Council Workshops, Briefings and meetings.



Manager Meetings - every 4th Thursday  
EMC - every third Thursday

Briefing - 2nd Tuesday  
OMC - third Tuesday

AC - 1st Tuesday every 2nd month

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**AUDIT COMMITTEE MINUTES**

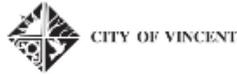
15 FEBRUARY 2022

**5.3 RISK MANAGEMENT PRACTICES IN CONTRACT MANAGEMENT AND PROCUREMENT****Attachments:** 1. Risk Management Practices in Contract Management and Procurement  **RECOMMENDATION:**

That the Audit Committee NOTES the information provided in the attached report.

**COMMITTEE DECISION ITEM 5.3****Moved:** Cr Gontaszewski, **Seconded:** Cr WallaceThat the Audit Committee NOTES the information provided in the attached report **and that an updated report will be provided to the March 2022 Audit Committee meeting.****CARRIED (4-0)****For:** Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo**Against:** Nil**(Mr Manifis was absent from the meeting and did not vote.)****The Committee's Reason for Varying Administration's Recommendation**

Supported by Administration.



**AUDIT COMMITTEE**

**PROCUREMENT AND CONTRACT MANAGEMENT REPORT**

**1. PURPOSE**

To report to the Audit Committee on risk management practices in contract management and procurement.

**2. BACKGROUND**

Council has set the following KPI for the Chief Executive Officer for FY22.

**CEO KPI 10:**

Ensure effective risk management practices overseen by the Audit Committee and Council, including improvements in management of ICT risks, contract management and procurement.

**Measure of achievement agreed with the Executive Director, Community and Business Services:**

The Procurement and Contracts Team will provide a quarterly report to the Audit Committee describing improvements to the management of contracts and procurement. This will be measured by the following:

1. % of staff trained in procurement and % of staff responsible for contract management trained in contract management.
2. No. of suppliers with a spend over \$50,000 added to the Contract Register.
3. Results of quarterly compliance testing of procurement thresholds and contract management.
4. Improvements in processes.

**3. STAFF TRAINING**

Module	Target (30 June 2022)	% Trained	Tracking
Procurement Induction (compulsory for all staff)	100% of all staff (n=200)	87%	
Procurement Essentials (staff with purchasing duties to be trained)	50% of all staff with purchasing duties (n=100)	9%	
Contract Management (compulsory for all staff with contract management duties)	100% of all staff with contract management duties (n=28)	100%	

- Procurement
  - Approx. 200 staff have been identified as having purchasing duties.

*Audit Committee Report – CEO KPI 10*



CITY OF VINCENT

- The first Procurement Essentials Training occurred on 21 October 2021. 9 staff attended the training.
- The next Procurement Essentials Training is scheduled for 27 May 2022.
- Contract Management
  - 28 staff have been identified as Contract Managers. 100% of these identified staff have attended a Contract Management Training session.
  - The next Contract Management Training session is scheduled for 26 November 2021.

**Actions:**

- The Procurement Induction Module for staff has been updated to include essential information on the Contract Management Framework and will be released to all staff next month. Completion of the module is compulsory for all staff.
- Further promotion of the Procurement Essentials Training will occur through the Vintranet and all staff emails to encourage staff to attend the training.

**4. CONTRACT MANAGEMENT REGISTER**

The Contract Management Framework requires all procurements with a total value over \$50,000 excluding GST, or if the services being provided have a medium to high level of risk, to be managed under a contract. Procurements with a total value of \$50,000 excluding GST and under, and have a low level of risk, can be managed through a general requisition process and Purchase Orders.

**2020-21 Financial Year Internal Audit – Contract Management Register**

In July/August 2021 the Procurement and Contracts Team conducted an audit at the end of the 2020-21 financial year on the following:

- number of vendors with a spend of over \$50,000; and
- the number of these vendors with a contract in place; and
- the number of contracts in the contract register.

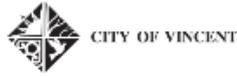
This was the first time this audit had occurred. Another audit will be conducted at the end of the 2021-22 financial year to determine compliance and the effectiveness of the Contract Management Framework and to identify any improvements.

**Spend analysis with vendors over \$50,000 ex GST for FY21**

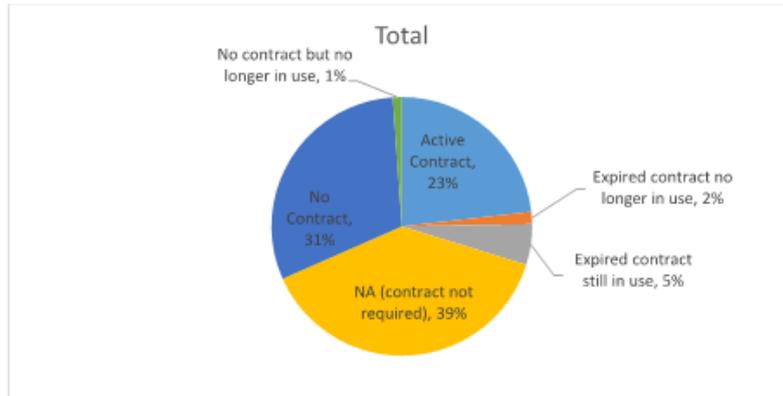
- 110 vendors with a spend of over \$50,000
- Total spend of the 110 vendors was approximately \$38,431,601 (Note: the reporting period in the financial system reports on payment dates, not invoice dates)
- 59 vendors had no contract in place
- 19 vendors had a contract in place and were recorded in the contracts register
- 17 vendors do not require a contract (e.g. Government charges, water fees, purchase of vehicles, super, payroll deduction)
- 15 vendors had expired contracts and were either no longer in use or still being used

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*Audit Committee Report – CEO KPI 10*



Contract status and breakdown is represented in the chart below:



**October 2021 status for vendors with no contract**

Out of the 59 vendors that had no contract in place at 30 June 2021, the following has been achieved:

- 28 vendors (49%) have had contracts executed and recorded in the contracts register
- 31 vendors (51%) have no contracts in place, but are in progress

**Contracts Register status at 12 November 2021**

There are currently 133 records in the contracts register consisting of the following:

- 63 (47%) active contracts with contract documents in place
- 52 (39%) completed and expired contracts
- 18 (14%) contracts in the pre-award stage (i.e. tender currently open)

**Actions:**

- Another audit will be conducted at the end of the 2021-22 financial year.
- Monthly data will be produced recording the number of new contracts added to the register.



CITY OF VINCENT

## 5. QUARTERLY COMPLIANCE TESTING

The Procurement and Contracts Team will undertake quarterly compliance testing from January 2022. The audit approach is being finalised and will receive approval from the Executive Director by 31 December 2021.

### Procurement Framework – Compliance Testing

Procurement Threshold	Compliance testing comments
\$201 - \$5,000	OAG audit in 2020 found 4 sample tests with the incorrect number of quotes and no documentation recorded
\$5,001 - \$20,000	Procurement and Contracts Team does not have to be consulted for this threshold
\$20,001 - \$50,000	Procurement and Contracts Team does not have to be consulted for this threshold

### Contract Management Framework – Compliance Testing

Sample testing will consider if the:

- Contract Management Toolkit is being utilised and updated to manage the contract performance
- Expenditure is being recorded appropriately and correctly under each contract

### Actions:

- Completed audit plan approach for conducting procurement and contracts management audits approved by 31 December 2021.
- Undertake quarterly audits in compliance with the audit plan.

## 6. PROCESS IMPROVEMENT

### Conflict of Interest – Process Improvement

#### *Problem Identified:*

A recent OAG audit tested the conflict of interest process for two public tenders. The OAG was unable to verify the conflict of interest position of two tender panel members as the conflict of interest statements had not been appropriately archived. Although no conflict of interest existed it highlighted that the record keeping process for conflict of interest statements was inadequate.

#### *Process Improvement:*

The Procurement and Contracts Team have developed a new process of recording and archiving conflict of interest documentation to strengthen controls and mitigating the risk of further occurrences.

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*Audit Committee Report – CEO KPI 10*



CITY OF VINCENT

The process is now in place and includes the following:

- distributing conflict of interest forms to the evaluation panel who will be required to sign and return the form prior to reviewing tender submissions (tenders above \$250,000)
- including a conflict-of-interest statement in the request for quotation (\$50,001 - \$250,000) procurement plan template
- using a procurement checklist listing all key procurement documents that are required to be saved/archived, which will be peer reviewed

#### **Strengthening Alignment to Strategic Community Plan Priorities**

The Procurement and Contracts Team are updating all key procurement templates and procedures, to ensure the Purchasing Policy Principles (which are aligned with the SCP Priorities) are being consistently assessed.

The templates and procedure changes are expected to be completed and rolled out by January 2022.

#### **Procurement and Contracts Team – Tracking of Timeframes & Performance**

The Procurement and Contracts Team is developing a process to track and assess its own performance, following feedback from internal customers on turnaround times and communication.

Improved training for City staff, and improved procurement processes, will also assist City staff to comply with procurement requirements and reduce their dependency on the P&C Team.

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*Audit Committee Report – CEO KPI 10*

AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

## 5.4 OAG COMPUTING CONTROLS AUDIT 2020/2021

Attachments: 1. OAG General Computing Controls 2020/2021 - Draft Management Letter [↓](#)  


**RECOMMENDATION:**

That the Audit Committee recommends to Council that it:

1. RECEIVES the Office of the Auditor General's draft Audit findings identified during the information systems audit for the period 1 July 2020 – 30 June 2021, as at Attachment 1; and
2. NOTES that the actions arising from the audit findings will be added to the City's Audit Log.

**COMMITTEE DECISION ITEM 5.4**

**Moved:** Cr Gontaszewski, **Seconded:** Cr Wallace

That the Audit Committee recommends to Council that it:

1. RECEIVES the Office of the Auditor General's draft Audit findings identified during the information systems audit for the period 1 July 2020 – 30 June 2021, as at Attachment 1; and
2. NOTES that the actions arising from the audit findings will be added to the City's Audit Log.
3. **NOTES that an addendum with updated information will be incorporated with the report to Council.**

**CARRIED (4-0)**

**For:** Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo

**Against:** Nil

**(Mr Manifis was absent from the meeting and did not vote.)**

**The Committee's Reason for Varying Administration's Recommendation**

Supported by Administration.

Note: Audit Log will be updated for review at the March 2022 Committee meeting.

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
<b>Findings identified in the current audit</b>			
1. Information Backup and Recovery		✓	
2. Information Risk Management			✓
3. Human Resource Security – Cessation Process			✓
<b>Matters outstanding from prior audits</b>			
4. Database Security	✓		
5. Vulnerability Management		✓	
6. Segregation of Duties		✓	
7. Classification of Information		✓	
8. Information Security Policy		✓	
9. Information Security Training and Awareness		✓	
10. Network Access Management		✓	
11. Authority User Review Process		✓	
12. Authority Event Monitoring		✓	
13. Unauthorised Device Connectivity		✓	
14. Incident and Problem Management		✓	
15. Disaster Recovery Plan		✓	
16. Business Continuity Plan -Testing		✓	
17. Information Security Incident Management Plan		✓	
18. Management of Removable Media		✓	
19. Unsupported Operating Systems			✓
20. Data Centre Management			✓
21. IT Asset Management			✓
22. Standard Operating Environment			✓
23. Change Management			✓

**KEY TO RATINGS**

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

How and when to respond

Please provide a response to this Draft Management Letter by 21/10/2021.

Should you wish to discuss the Draft Management Letter please contact either Khubaib Raza Gondal on 6557 7713 or Paul Tilbrook on 6557 7514.

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 1. INFORMATION BACKUP AND RECOVERY

**Finding**

We found that the City's information backup and recovery process is not fully effective, our testing identified that only 6 out of 37 critical servers are backed up to the cloud and these backups often fail due to network bandwidth issues.

**Rating: *Moderate*****Implication**

Without an effective backup process there is an increased risk that the City will not be able to appropriately recover their information or IT systems, following an outage.

**Recommendation**

The City should enhance its backup management process to ensure all critical servers are part of the backup process. Regular monitoring of all backups should be carried out to verify the process completes successfully.

**Management Comment:**

*The City accepts this finding during the audit period. The City now has upgraded bandwidth capacity and all server backups are copied to an offsite (cloud) location.*

**Responsible Person: Executive Manager ICT****Completion Date: October 2021 (closed)**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 2. INFORMATION RISK MANAGEMENT

**Finding**

We found that the City's information Risk Assessment and Risk Treatment Methodology and Risk Treatment Plan are in draft.

**Rating: *Minor*****Implication**

Without an effective information risk management process business plans and objectives may fail if risks are not appropriately identified, assessed and treated.

**Recommendation**

The City should formalise its Risk Assessment and Risk Treatment Methodology and Risk Treatment Plan.

**Management Comment:**

*The City accepts this finding. Draft documents and procedures will be finalised and implemented into operations.*

**Responsible Person: Executive Manager ICT**

**Completion Date: February 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

**3. HUMAN RESOURCE SECURITY – CESSATION PROCESS**

We found that the City does not have a fully effective process for employee termination. We found:

- confirmation of return of IT assets is not part of the termination checklist
- exiting staff are not informed of their responsibilities for information security post-employment.

**Rating: *Minor*****Implication**

Without ensuring the employee termination process is appropriately documented and followed, there is an increased risk of unauthorised access to the City's information and systems. The City may not be able to take further action in the event of an information breach. The City may also incur financial loss if relevant assets are not appropriately returned by individuals leaving the organisation.

**Recommendation**

The City should review, enhance, and document the staff cessation process. This should include formal acknowledgement of the individual's obligations post-employment and return of IT equipment.

**Management Comment:**

*The City accepts this finding. The termination checklist and process will be updated to confirm return of IT assets and inform existing staff of their responsibilities for information security post-employment.*

**Responsible Person: Executive Managers HR and ICT****Completion Date: November 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## MATTERS OUTSTANDING FROM PRIOR AUDITS

## 4. DATABASE SECURITY

**Update 2021**

The City is in the process of upgrading Authority system to address this finding.

**Finding 2020**

We performed a high level security test on key business application (Authority) database and found the following:

- The database server is missing software updates since 2012, which have been released by the vendor.
- Data encryption is not used to protect highly sensitive information.
- Database logging and auditing is not in place to monitor and record system changes. As a result, any changes made directly in the database are not captured.
- The "PUBLIC" role has default grant privilege on database objects within the Authority database.
- The database has not been securely hardened.

**Rating: Significant Implication**

Without appropriate database security controls, the confidentiality, integrity and availability of sensitive information may be compromised.

**Recommendation**

The City should review and enhance its database management processes to:

- ensure updates to address known vulnerabilities are applied in a timely manner
- assess the risks around storing sensitive information in plain text
- review logging and alerting user activities to ensure sensitive data security
- review assigned public roles within the database and remove those not needed
- based on a risk assessment, hardened database security and improve monitoring controls.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City's key business has now been upgraded as planned, thereby mitigating the majority of this finding. Review of logging and alerting to be completed.*

**Responsible Person: Executive Manager ICT**

**Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 5. VULNERABILITY MANAGEMENT

**Update 2021**

The finding remains open as scans conducted as part of the audit identified:

- Unique 16 critical severity vulnerabilities which totals 48 across 15 servers
- Unique 56 high severity vulnerabilities which totals 152 across 15 servers

These vulnerabilities relate to unsupported windows operating systems and vendor related vulnerabilities (i.e. Windows Server 2008, Oracle Java, Microsoft SQL Server).

We acknowledge that the City has implemented vulnerability management process and are regularly conducting internal and external vulnerability assessments. We reviewed the internal vulnerability assessments completed in June 2021 and September 2021 and found that the majority of the workstations failed the scans due to misconfiguration, therefore not all vulnerabilities were detected.

**Finding 2020**

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.

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.

**Rating: Moderate  
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.

**Recommendation**

The City should continue to enhance its vulnerability management process and ensure software updates (patches) to fix known vulnerabilities are evaluated, tested and where appropriate, applied to systems within a timely manner. In addition, error reported in the scan should be reviewed and result to ensure their effectiveness.

**Management Comment:**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City's key business has now been upgraded as planned, thereby mitigating the majority of vulnerabilities reported through this finding. Vulnerability scanning has been commissioned through a new managed services contract – reviewing and testing to be scheduled.*

**Responsible Person: Executive Manager ICT****Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 6. SEGREGATION OF DUTIES

**Update 2021**

The finding remains open as the City is in the process of upgrading Authority with an expected completion of November 2021.

**Finding 2020**

We found that segregation of duties (SoD) is not enforced within the Authority system. Additionally, the SoD matrix which details specific roles is also not being maintained.

**Rating: Moderate****Implication**

Without SoD appropriately enforced within the system, there is an increased risk that individuals can perform a number of conflicting functions. This may result in an increased number of errors or possibly lead to fraud.

**Recommendation**

The City should develop an appropriate SoD matrix for the Authority system. This matrix should be used to ensure that no users are assigned multiple roles that would be considered high risk or conflicting. A formal review process should ensure that no user is assigned any conflicting duties. A formal record of completed reviews should be maintained.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City's key business system has now been upgraded as planned, including segregation of duties review. Review to be formally finalised and recorded.*

**Responsible Person: Executive Managers Finance and ICT**

**Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 7. CLASSIFICATION OF INFORMATION

**Update 2021**

The City is currently developing an Information Classification Procedure.

**Finding 2020**

We found that the City does not classify and secure information in terms of legal requirements, value, criticality and sensitivity of the information. A classification policy and guidelines are not in place to label and protect information based on its sensitivity.

**Rating: Moderate****Implication**

Without protecting its information in line with its sensitivity, there is an increased risk that information will be misused. This could result in unauthorised access or disclosure of the City's information.

Additionally, there is a risk that inappropriate levels of security will be applied to protect information that does not require it. This may result in wasted resources and increased costs.

**Recommendation**

The City should continue to improve its information classification process to identify and assess the sensitivity and value of its information assets.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City will formalise draft policy and procedures in line with a recently updated Record-Keeping Plan (State Records Office compliance) and current review of its internal record keeping tools.*

**Responsible Person: Executive Manager ICT****Completion Date: March 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 8. INFORMATION SECURITY POLICY

**Finding 2021**

The finding remains open as the City's information security policy is in draft.

We acknowledge that the City has approved information security program in December 2020 that specifies the development, assessment, authorisation and monitoring of cybersecurity. The City is currently working on related cybersecurity policies and standards.

**Finding 2020**

We found that the City does not have an adequate *Information Security Policy* to cover key areas of information security. The current policy is in draft as the City is in the process of developing it.

**Rating: Moderate  
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.

**Recommendation**

The City should continue to work on the Information security policies to appropriately address all relevant areas of information security. Management should endorse the new policies and notify all employees and relevant stakeholders of updates.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City will formalise draft policy and procedures and communication with employees and stakeholders.*

**Responsible Person: Executive Manager ICT  
Completion Date: February 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 9. INFORMATION SECURITY TRAINING AND AWARENESS

**Update 2021**

The finding remains open as the City's cyber security training program is in early adoption.

**Finding 2020**

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.

We note that the City informs its staff about phishing scams via emails.

**Rating: Moderate****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.

**Recommendation**

The City should continue to implement the cyber security training program. The program should be used to help maintain awareness of the information security and cyber risks relevant to the City and ensure individuals are aware of their personal responsibilities for information security.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City has commissioned an information security training service for staff.*

**Responsible Person: Executive Manager ICT**

**Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 10. NETWORK ACCESS MANAGEMENT

**Update 2021**

We found that City's network user access management process is not fully effective as we identified:

- Two terminated employees with active network account in the system. We note that these accounts were disabled during the audit.
- Ten contractor accounts without an expiry date in the system.
- Three service accounts were created without appropriate approval.
- New user passwords are distributed via email.

In addition, we found that the account review process is not fully effective as it is reliant on accounts having an expiry date. We note that staff accounts do not have an expiry date set hence they are not included in the process. Also the process does not address accounts that have not been used for an extended period of time.

**Finding 2020**

We found the current process to disable and review network access accounts is not operating effectively. We identified 6 active accounts belonging to terminated employees, and 2 have accessed the system after their termination date.

**Rating: Moderate****Implication**

Without effective procedures to review and disable user accounts, there is an increased risk of unauthorised access to the City's IT systems and/or information.

**Recommendation**

The City should continue to enhance its network access management process and ensure expiry dates are appropriately updated in the system where appropriate and exiting staff notifications are provided to service desk in a timely manner and actioned appropriately.

In addition, City should enhance its access review process to ensure any accounts that are identified as no longer required or those which have not accessed the system for an agreed period of time should be appropriately disabled

**Management Comment**

*The City accepts these findings. The City has now improved its processes such that: all non-permanent staff accounts have expiry dates that are reviewed on a monthly basis; expiry dates lead to automatic removal of domain access; service account creation follows change approval process; new user passwords are distributed via secure passphrase URLs with expiry parameters.*

**Responsible Person: Executive Manager ICT**

**Completion Date: October 2021 (closed)**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 11. AUTHORITY USER REVIEW PROCESS

**Update 2021**

The finding remains open as the City is in the process of upgrading Authority with an expected completion of November 2021.

**Finding 2020**

The City does not have a routine process to review users with access to Authority application.

**Rating: Moderate****Implication**

Without appropriate user access management controls, there is an increased risk of unauthorised access. This may impact the confidentiality, integrity and availability of the City's information.

**Recommendation**

The City should continue to work towards establishing appropriate application user review process

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City's key business system has now been upgraded as planned, including review of users. Ongoing review process to be finalised.*

**Responsible Person: Executive Manager ICT**

**Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 12. AUTHORITY EVENT MONITORING

**Update 2021**

The finding remains open as the City is in the process of upgrading Authority with an expected completion of November 2021.

**Finding 2020**

We found that there are no formalised requirements for pro-active or regular review of event logs generated by key business application (Authority) to identify unauthorised access or malicious activity.

**Rating: Moderate****Implication**

Without effective pro-active monitoring of high-risk events, there is an increased risk that any potential problems, trends or ongoing attempts to compromise systems or data will not be detected.

**Recommendation**

The City should continue to work towards establishing appropriate application event monitoring process.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City's key business system has now been upgraded as planned. Event monitoring process to be finalised.*

**Responsible Person: Executive Manager ICT****Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 13. UNAUTHORISED DEVICE CONNECTIVITY

**Finding 2021**

The finding remains open as the City is in the process of implementing a solution to restrict unauthorised devices on the network.

**Finding 2020**

We found that the City does not have adequate controls in place to restrict the use of unauthorised devices on their network.

**Rating: Moderate****Implication**

Without appropriate controls in place to restrict the use of unauthorised devices on the network, there is an increased risk that they could be used to attack internal systems.

Additionally, unauthorised devices that connect to the network could result in the spread of malware to the City's network.

**Recommendation**

The City should continue to work on the project to implement appropriate controls to prevent and detect the use of any unauthorised IT devices.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. A major network switching infrastructure upgrade project has been in-progress for much of the year. The final of four sites will be completed in November 2021. Certificate-based authentication will then be introduced for devices, mitigating this finding.*

**Responsible Person: Executive Manager ICT****Completion Date: January 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 14. INCIDENT AND PROBLEM MANAGEMENT

**Update 2021**

The finding remains open as the City's incident and problem management procedure is in early adoption.

**Finding 2020**

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.

**Rating: Moderate****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.

**Recommendation**

The City should continue to work on the 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.

Additionally, The problem management 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.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. Draft documents and procedures will be finalised and implemented into operations.*

*The City notes that its managed service desk environment provides a suitable lodgement and coordination point for problem management for an organisation of this size, however accepts that review, trend analysis and prevention can be improved.*

**Responsible Person: Executive Manager ICT**

**Completion Date: February 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 15. DISASTER RECOVERY PLAN

**Update 2021**

Finding remains open as the City's disaster recovery plan is in draft.

**Finding 2020**

We found that the City does not have an ICT disaster recovery plan (DRP).

**Rating: Moderate****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.

**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.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. Draft documents and procedures will be finalised and implemented into operations. The City has commissioned services to support a Business Impact Assessment review which will be used to guide sensible recovery objectives into the Disaster Recovery Plan.*

**Responsible Person: Executive Manager ICT****Completion Date: February 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 16. BUSINESS CONTINUITY PLAN - TESTING

**Update 2021**

The City is conducting business impact assessments across the business teams and is working towards defining a business continuity testing schedule.

**Finding 2020**

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.

**Rating: Moderate****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.

**Recommendation**

The City should continue to work on the business impact assessment and create a business continuity test schedule to ensure appropriate tests are regularly conducted 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.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. Draft documents and procedures will be finalised and implemented into operations. All server backups are now copied to an offsite data centre service which is also being configured to provide a Disaster Recovery environment for computing systems – this will be tested to mitigate this finding.*

**Responsible Person: Executive Manager ICT****Completion Date: January 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 17. INFORMATION SECURITY INCIDENT MANAGEMENT PLAN

**Update 2021**

The finding remains open as the City's incident and problem management procedure is in early adoption.

**Finding 2020**

We found that the City does not have an information security incident management plan.

**Rating: Moderate****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.

**Recommendation**

The City should continue its work and establish appropriate information security incident management plan. This plan should include relevant procedures to ensure the effective response and management of all information security related incidents.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. Draft documents and procedures will be finalised and implemented into operations.*

*The City notes that it has very comprehensive systems and processes in place to manage cyber incidents triggered by email, endpoint, server and cloud proxy agents. This comes via a managed detection and response service.*

**Responsible Person: Executive Manager ICT****Completion Date: March 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 18. MANAGEMENT OF REMOVABLE MEDIA

**Update 2021**

The finding remains open as the City is working on a project to manage secure data sharing and data loss prevention.

**Finding 2020**

We found that the City does not have appropriate controls to log or restrict the use of removable media devices (e.g. USB).

**Rating: Moderate****Implication**

Without appropriate controls to detect, log and monitor the use of removable media devices, there is an increased risk to the City's information and IT systems. Information copied to removable media devices may be lost, stolen or inappropriately disclosed.

**Recommendation**

The City should assess the risks associated with the use of removable media devices. Where appropriate the following controls should be implemented:

- Preventing the use of any unauthorised removable media devices.
- Only using USB devices that incorporate encryption to help protect the information.
- Maintaining a register of all authorised and in use removable media devices.
- Monitoring and logging files and information copied to or from removal media devices.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. An in-progress initiative will be completed to restrict and govern use of removable media.*

**Responsible Person: Executive Manager ICT****Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 19. UNSUPPORTED OPERATING SYSTEM

**Update 2021**

The finding remains open as the City is in the process of upgrading Authority due for completion November 2021. The City plans to decommission out of support servers after the upgrade.

**Finding 2020**

The City currently has over 10 servers and workstations running unsupported operating systems. These include Windows Server 2008 R2 Enterprise, Windows Server 2008 and Windows 7 for which Microsoft ceased support on 14 January 2020 and 14 July 2015.

Our review identified that those systems were active in March 2020 during the audit conduct.

**Rating: Minor****Implication**

Unsupported operating systems no longer receive security and/or vulnerability updates from the product vendor. As a result, there is an increased risk that these systems are susceptible to exploits, which may compromise the City network and systems.

**Recommendation**

We recommend that all devices running unsupported operating systems be upgraded to supported system. If this is not possible due to operational needs, alternate mitigations must be applied.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City's key business has now been upgraded as planned, thereby removing use of unsupported systems – to be formally decommissioned.*

**Responsible Person: Executive Manager ICT****Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 20. DATA CENTRE MANAGEMENT

**Update 2021**

The finding remains open as the City does not have adequate policies or documented procedures defining responsibility for managing the primary data centre and access management processes.

We found that the swipe card reader for primary data centre is not functional and there is no logbook to record access to the data centre.

Additionally, we also found non-IT related hardware located in the data centre.

**Finding 2020**

The City does not have adequate policies or documented procedures defining responsibility for managing the primary data centre, and access management processes (e.g. request, approve, and review access to data centre).

Furthermore, we found that non-IT related hardware were located in the data centre room.

**Rating: Minor****Implication**

Without adequate protection of IT systems against physical threats there is an increased risk of unauthorised access to systems, and accidental or deliberate damage.

**Recommendation**

The City should:

- develop appropriate data centre access management policies and procedures
- restrict the number of staff who can access the room
- perform regular access reviews and remove inappropriate users in a timely manner. Records of the reviews should be retained.
- only store IT-related hardware in the room.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The swipe card system is now working. A City-wide CCTV project will include coverage of Data Centre access – with footage to be used to review and log access. Non-IT hardware to be removed from the Data Centre.*

**Responsible Person: Executive Manager ICT**

**Completion Date: March 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 21. IT ASSET MANAGEMENT

**Update 2021**

We found that the City does not maintain appropriate sanitisation records for the disposal of IT assets.

We acknowledge that city has implemented IT asset management process and are working to improve the re-issue and disposal process.

**Finding 2020**

We found that the City's IT asset management process is not effective. The following issues were identified:

- 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.

**Rating: Minor****Implication**

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.

**Recommendation:**

The City should ensure that all IT assets containing storage media are appropriately sanitised or destroyed as part of the disposal process. Accurate records relating sanitisation and disposal should be maintained.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City has undertaken major effort across the entire year to register and track its assets. The City does have formal, process-mapped, procedures for asset disposal and re-use, including media sanitisation, however notes that recording sanitisation outcomes can be improved.*

**Responsible Person: Executive Manager ICT****Completion Date: December 2021**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 22. STANDARD OPERATING ENVIRONMENT

**Update 2021**

The finding remains open as the City is in process of implementing controls to secure workstations configuration.

**Finding 2020**

We found that a standard operating environment is not used on workstations. We identified that:

- there is no monitoring of compliance with secure workstation configuration
- relevant staff will not be notified if users attempt or successfully change their workstation configuration, including the installation/removal of software.

**Rating: Minor****Implication**

Without monitoring compliance with secure workstation configuration, there is an increased risk that unauthorised system configuration changes are made to computers. These changes could compromise the confidentiality, integrity and availability of information.

**Recommendation**

The City should continue to enhance standard operating environment process and monitor compliance with secure workstation configuration. The process should include efficient notifications to relevant staff of critical changes or attempts to change workstation configuration.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. An in-progress initiative will be completed to implement a modern approach to standard operating environment, including management of staff attempts to change workstation configuration.*

**Responsible Person: Executive Manager ICT****Completion Date: March 2022**

## ATTACHMENT 1

## CITY OF VINCENT

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT

## 23. CHANGE MANAGEMENT

**Update 2021**

The finding remains open as the City's change management policy was implemented in June 2021 and did not cover a significant part of the audit period.

**Finding 2020**

We found that the City does not have a formal change management process in place. We identified the following issues:

- 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.

**Rating: Minor****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.

**Recommendation**

The City should continue to work on its Change management process and ensure all IT system changes are accurately recorded, managed and tracked in a centralised change register.

**Management Comment**

*The City accepts that this finding was not completed during the audit period 2020/2021. The City has now implemented a robust policy and procedure to register the process of change request, approval and tracking.*

**Responsible Person: Executive Manager ICT**

**Completion Date: October 2021 (closed)**

AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

**5.5 REVIEW: OAG REPORT INTO CYBER SECURITY IN LOCAL GOVERNMENT****Attachments:** Nil**RECOMMENDATION:**

That the Audit Committee recommend to Council that it:

1. NOTES findings from Office of the Auditor General's "Cyber Security in Local Government" report 2021.

**COMMITTEE DECISION ITEM 5.5****Moved:** Cr Wallace, **Seconded:** Cr Gontaszewski

That the Audit Committee recommend to Council that it:

1. NOTES findings from Office of the Auditor General's "Cyber Security in Local Government" report 2021; and
2. **NOTES that an addendum with updated information will be incorporated with the report to Council.**

**CARRIED (4-0)****For:** Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo**Against:** Nil**(Mr Manifis was absent from the Council Chamber and did not vote.)****The Committee's Reason for Varying Administration's Recommendation**

Supported by Administration.

Note: Audit Log will be updated for review at the March 2022 Committee meeting.

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**AUDIT COMMITTEE MINUTES****15 FEBRUARY 2022****5.7 SMALL MAINTENANCE WORKS CONTRACT****Attachments: Nil****RECOMMENDATION:****That the Audit Committee**

- 1. NOTES the tender information provided in relation to the small maintenance works contract.**

**COMMITTEE DECISION ITEM 5.7****DEFERRED****Moved: Cr Gontaszewski, Seconded: Cr Wallace****That the motion be deferred to allow the Procurement Plan to be presented to the March Audit Committee meeting.****CARRIED (4-0)****For: Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo****Against: Nil****(Mr Manifis was absent from the meeting and did not vote.)**

AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

## 5.6 FRAUD AND CORRUPTION PREVENTION PLAN - ANNUAL REVIEW

- Attachments:
1. Integrity Snapshot Assessment [↓](#) 
  2. Fraud and Corruption Prevention Plan (marked up) [↓](#) 

## RECOMMENDATION:

That the Audit Committee recommends to Council that it:

1. NOTES the progress delivery summary of the Fraud and Corruption Prevention Plan as detailed within this report; and
2. APPROVES the proposed:
  - 2.1 actions and comments in the Integrity Snapshot Assessment at Attachment 1; and
  - 2.2 amendments to the Fraud and Corruption Prevention Plan at Attachment 2.

COMMITTEE DECISION ITEM 5.6

Moved: Cr Wallace, Seconded: Cr Gontaszewski

That the Audit Committee recommends to Council that it:

1. NOTES the progress delivery summary of the Fraud and Corruption Prevention Plan as detailed within this report; and
2. APPROVES the proposed:
  - 2.1 actions and comments in the Integrity Snapshot Assessment at Attachment 1; and
  - 2.2 amendments to the Fraud and Corruption Prevention Plan at Attachment 2.
3. **NOTES that the modified internal audit program is currently being procured and a report will be presented to the Audit Committee meeting in May 2022.**

CARRIED (4-0)

**For:** Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo

**Against:** Nil

(Mr Manifis was absent from the meeting and did not vote.)

The Committee's Reason for Varying Administration's Recommendation

Supported by Administration.

## Integrity Snapshot Tool

The snapshot tool supports the [Integrity Strategy](#) for WA Public Authorities 2020-23. It gives public authorities a clear view of what they have in place to support integrity, and can help them identify areas for development or more focus that should feature in their planning. The snapshot tool is not meant to be an exhaustive list of things to consider and should be used by public authorities in a manner that best suits their contexts. It is not intended to replace more detailed or specific risk management activities.

The tool can:

- help public authorities evaluate their approaches to promoting integrity and reducing misconduct risks
- identify any gaps in the current approaches to integrity by public authorities that could be actioned.

## How to use the snapshot tool

As this is a self-assessment tool, public authorities can benefit by using it to review the status of their approach to integrity and make decisions about where further or additional work is needed.

Public authorities are encouraged to update their assessments as they progress with actioning items. In this way they capture their assessments on an ongoing basis. It is acknowledged that each public authority has a different risk profile and operating context, and is at varying points of progress in managing integrity risks.

Assessment guide	
Activity	Description
In place	Suggested activity has been addressed or is subject to review.
In progress	Steps are in place to address suggested activity.
Not in place	Steps may be required to address suggested activity.

PSC1956726

## 01 Plan and act to improve integrity

Effective governance systems and frameworks are established.

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has developed and implemented a Code of Conduct that sets out its standards of conduct and integrity, and incorporates code requirements into policies and procedures to reinforce conduct expectations</p> <p><i>For public sector agencies, the Code of Conduct should reflect Commissioner’s Instruction No. 7: Code of Ethics and comply with Commissioner’s Instruction No.8: Codes of Conduct and Integrity Training.</i></p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City’s <a href="#">Code of Conduct for Elected Members, Committee Members and Candidates</a> and <a href="#">Code of Conduct for City of Vincent Employees and Contractors</a> are in alignment with the specific requirements of the commissioners instructions, namely the responsibility for each Council Member and employee towards personal integrity; relationship with others; and accountability.</p>
<p>has identified its integrity risks considering its work and operating context, and records those risks (e.g. in a risk register, fraud and corruption control plan)</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City’s <a href="#">Risk Management Framework</a> ensures that the integrity of strategies, operations and projects undergo rigorous risk analyses.</p>
<p>enacts controls to address identified risks</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
identifies and links policies that relate to risks to ensure they have consistent principles and objectives, and are clear and easy to follow (e.g., fraud and corruption, use of public resources, record keeping and use of information, conflicts of interest, gifts, and benefits)	√	<input type="checkbox"/>	<input type="checkbox"/>	All principal integrity documents have been used and linked in the development of the City's <a href="#">Governance Framework</a> : Key documents include: <ul style="list-style-type: none"> <li>• Codes of Conduct;</li> <li>• Ethical Standards;</li> <li>• Council Member Continuing Professional Development Policy;</li> <li>• Risk Management Framework,</li> <li>• Risk Management Policy,</li> <li>• Fraud and Corruption Prevention Policy;</li> <li>• Conflicts of interest disclosure requirements; and</li> <li>• the City's position in relation to gifts.</li> </ul>
has an organisation structure that provides clear lines of accountability and responsibility for integrity and misconduct functions (including the role of leaders and managers)	√	<input type="checkbox"/>	<input type="checkbox"/>	The role and responsibilities of Council Members and employees are set out in the <i>Local Government Act 1995</i> (Act), Codes of Conduct, Governance Framework and Fraud and Corruption Prevention Plan.
has documented delegation schedules in place that align to organisation structure and legislative obligations	√	<input type="checkbox"/>	<input type="checkbox"/>	The City's <a href="#">Register of Delegations, Authorisations and Appointments</a> includes: <ul style="list-style-type: none"> <li>• Delegations from Council to the CEO;</li> <li>• Sub delegations from CEO to other employees;</li> <li>• Appointments of authorised persons; and</li> <li>• Appointments of other employees.</li> </ul>
reviews delegation schedules regularly to ensure they remain current and operate with appropriate levels of authority	√	<input type="checkbox"/>	<input type="checkbox"/>	The City's Register of Delegations, Authorisations and Appointments is reviewed annually.

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
has a position, team, or committee with documented responsibility to consider findings and recommendations from integrity audits, assessments, reviews, and investigations	√	<input type="checkbox"/>	<input type="checkbox"/>	The Audit Committee oversees and makes recommendation to Council on internal and external audit matters, risk management and fraud prevention.
assigns accountability and responsibility for monitoring and overseeing risks and controls (e.g., in authority's structure, job descriptions)	√	<input type="checkbox"/>	<input type="checkbox"/>	The City's Risk Management Framework provides the mechanism for teams to monitor and ensure controls are in place to mitigate risk.  The Audit Committee has oversight of any internal control matters arising from internal audit.  Process mapping in place
has an internal audit committee with an independent chair	√	<input type="checkbox"/>	<input type="checkbox"/>	The Audit Committee members for the period 12 November 2019 to 16 October 2021 consisted of four external independent members (one being the Chair) and four Council Members from the City of Vincent.  Audit Committee members for the term 2 November 2021 to October 2023 are currently being appointed.
uses tools and templates provided by the Commission or other sources to support its approach to managing integrity risks	√	<input type="checkbox"/>	<input type="checkbox"/>	The Principles of the City's Governance Framework and the Fraud and Corruption Prevention Plan are in alignment with the <a href="#">Public Sector Commissions Integrity Strategy for Public Authorities 2020-2023</a> .

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has a process to review regularly its integrity risk profile to ensure it is responsive to emerging risks and recommendations made by integrity bodies (e.g. policy and practice review, process improvements)</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City has a <a href="#">Risk Management Policy</a> approved by Council. This policy sets the tone for Council's risk management approach and establishes the risk management responsibilities of Council Members, management, and staff.</p> <p>The <a href="#">Risk Management Administration Procedure</a> supports the Risk Management Policy by further defining the systems and processes necessary to maintain an effective and efficient risk management framework to comply with the Policy.</p> <p>In accordance with the Risk Management Administration Procedure the City is to review all Risk Profiles at least on an annual basis or if triggered by one of the following:</p> <ul style="list-style-type: none"> <li>• Changes to context,</li> <li>• A treatment is implemented,</li> <li>• An incident occurs or due to audit/regulator findings.</li> </ul> <p>The City's corporate risk register comprising of operational and strategic risk was reviewed and presented to the Audit Committee in May 2021 and September 2021 this year.</p>
<p>evaluates and refines any processes, systems and controls that are in place or may be introduced to inform its detection and prevention of irregularities and corrupt practice (e.g. detection software, data analytics)</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The internal audit program is risk based including fraud and misconduct</p>

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
conducts regular assessments of business areas and functions that are, or may be, vulnerable to integrity risks (e.g. procurement and contracting; use of and access to confidential information; recruitment)	√	<input type="checkbox"/>	<input type="checkbox"/>	Annual compliance audits are undertaken and reported in accordance with Section 7.13(1)(i) of the Act.
connects and collaborates with other authorities to seek or share expertise and advice on integrity matters (e.g. conducting investigations, policy development and process improvements)	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City's Policy Development and Review Policy requires consideration of new and changing industry standards in the development and review of all documented City positions.</p> <p>The City is also a participant of LG professionals WA, WALGA industry collaboration and encompasses Public Sector Commission guidance.</p>

## 02 Model and embody a culture of integrity

A culture of integrity exists and is reinforced and communicated by leaders.

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
has values that include integrity integrated into all aspects of its business (e.g. in policies, processes and systems)	√	<input type="checkbox"/>	<input type="checkbox"/>	The corporate values include accountability. 'We work openly and transparently to earn our community's trust.'
promotes integrity in and outside the authority (e.g. website, publications, staff newsletters, division meetings, annual reports and everyday practices)	√	<input type="checkbox"/>	<input type="checkbox"/>	All principal integrity documents and instructions for reporting allegations and public interests' disclosures are published on the City's website and staff intranet page.
has leaders who role model integrity and demonstrate zero tolerance for breaches of ethical codes and misconduct	√	<input type="checkbox"/>	<input type="checkbox"/>	The <a href="#">Corporate Governance</a> Vintranet page also reiterates the City's position in relation to gifts.  <b>Proposed action</b> 1. Regular news feeds should be implemented to remind staff of the City's position in relation to gifts, misconduct reporting and identifying conflicts of interest. 2. Implementation of integrity controls should be included in Annual Reports

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has a consultation mechanism to engage with and involve staff when reviewing integrity policies, procedures and information to gain shared commitment and understanding</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>All principal integrity documents are presented to the Executive Management Committee (EMC) to enable cross organisation collaboration.</p> <p>Key documents are circulated to Executive Directors and Management for comment and review ahead of EMC meetings. Key documents include:</p> <ul style="list-style-type: none"> <li>• Governance Framework,</li> <li>• Codes of Conduct,</li> <li>• Risk Management Framework,</li> <li>• Risk Management Policy,</li> <li>• Fraud and Corruption Prevention Policy; and</li> <li>• Fraud and Corruption Prevention Plan.</li> </ul>
<p>has human resource policies and practices that reflect a commitment to recruiting staff who demonstrate a strong alignment to its values</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City's <a href="#">Recruitment, Selection and Appointment Procedure</a> requires a combination of technical skill and behavioural competency questions that link to the City's values, so that culture fit can be determined during interviews.</p>
<p>ensures recruitment materials include information on values and conduct expectations</p>	<input type="checkbox"/>	√	<input type="checkbox"/>	<p>The City's <a href="#">Position Description Template</a> includes the organisational values.</p> <p><b>Proposed action</b></p> <p>The City's <a href="#">Job Advert Template</a> should be updated to include information on values and conduct expectations.</p>

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>conducts integrity checking, including qualification and employment history checks, as a normal part of selection and recruitment practices, particularly for positions of trust (e.g. integrity officers, finance and procurement staff)</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City's <a href="#">Recruitment, Selection and Appointment Procedure</a> details the City's requirement for integrity checks, this includes:</p> <ul style="list-style-type: none"> <li>• reference checks</li> <li>• probity checks</li> <li>• identification checks</li> <li>• working rights; and</li> <li>• qualification checks</li> </ul>
<p>uses staff performance processes to discuss and reinforce its values and conduct expectations</p>	<input type="checkbox"/>	√	<input type="checkbox"/>	<p>The City's <a href="#">Performance and Development Procedure</a> sets out the procedure that should be undertaken when reviewing employee performance and development. The procedure requires these meetings to include discussing the employee's alignment with The Vincent Way and behaviours.</p> <p>The City is currently developing an online Fraud Awareness training program including an Accountable and Ethical Decision-making (AEDM) module for all staff members. It is intended that 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><b>Proposed action</b></p> <p>Following finalisation of the training programs the City's <a href="#">Performance and Development Procedure</a> should be extended to require staff to complete the online modules as part of their performance review.</p>

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>measures staff confidence and attitudes about its integrity, including confidence in speaking up about misconduct and integrity matters (e.g., through staff assessment surveys) and identifies steps to address any findings</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Chief Executive Officer (CEO) conducts weekly addresses to all staff via Zoom. These include highlighting the importance of the Governance Framework and the City's Code of Conduct.</p> <p>In April 2021 the City engaged Risk West to undertake mandatory fraud awareness training for nominated staff which included how to report misconduct and integrity matters.</p> <p>A measure of staff awareness would inform further training requirements and engagement opportunities</p> <p><b>Proposed action</b></p> <p>Regular staff assessment surveys should be developed and circulated to measures staff confidence and attitudes about integrity, including confidence in speaking up about misconduct and integrity matters and identifying steps to address any findings</p>
<p>has staff formally acknowledge that they have read its code of conduct at appointment/induction</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City provides new staff with the Code of Conduct, <a href="#">Fraud and Corruption Prevention Policy</a> and <a href="#">Fraud and Corruption Prevention Plan</a> as part of the induction process.</p> <p>Staff are required to complete online modules for training and induction. The system maintains records of new staff who have completed the general induction, and staff who completed training on the purchasing policy and Fraud Awareness training.</p>

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
encourages staff to report misconduct (e.g., in policies, codes of conduct, staff communication)	<input type="checkbox"/>	√	<input type="checkbox"/>	<p>The <a href="#">Fraud and Corruption Prevention Plan</a> and <a href="#">Public Interest Disclosure Procedures (PID) Information Guidelines</a> set out how employees can report suspicious or known illegal or unethical conduct.</p> <p>In April 2021 the City engaged Risk West to undertake mandatory fraud awareness training for nominated staff which also included how to report misconduct and integrity matters.</p> <p><b>Proposed action</b> Regular news feeds should be implemented to encourage staff to report misconduct.</p>
makes information available about public interest disclosure processes and other reporting mechanisms to staff and stakeholders	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City's <a href="#">Fraud and Corruption Prevention Plan</a>, <a href="#">Public Interest Disclosure Procedures (PID) Information Guidelines</a> and dedicated Fraud Management and Corruption <a href="#">Vintranet page</a> set out the public interest disclosure processes.</p>
has reporting policies or codes in place that includes a statement that reprisal action is not tolerated against those who speak up about misconduct and integrity matters	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City's <a href="#">Fraud and Corruption Prevention Plan</a>, <a href="#">Public Interest Disclosure Procedures (PID) Information Guidelines</a> and dedicated Fraud Management and Corruption <a href="#">Vintranet page</a> include statements that the City of Vincent will take all reasonable steps to provide protection to those who speak up about misconduct from any detrimental action in reprisal for the making a disclosure.</p>

### 03 Learn and develop integrity knowledge and skills

Individual and authority integrity knowledge, skills and competence are grown.

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
ensures integrity training programs are up to date (e.g., reflects its code, legislative and policy requirements)	<input type="checkbox"/>	√	<input type="checkbox"/>	<p>In April 2021 the City engaged Risk West to undertake mandatory fraud awareness training for nominated staff.</p> <p>The City is currently developing an online Fraud Awareness training program including an Accountable and Ethical Decision-making (AEDM) module for all staff members. It is intended that 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><b>Proposed action</b> Once implemented the training program should be reviewed annually in line with the Fraud Management Plan.</p>
maintains records of staff who attend induction and integrity training	√	<input type="checkbox"/>	<input type="checkbox"/>	The City's system maintains records of staff training
follows up with staff where necessary to ensure learnings from integrity training are embedded	<input type="checkbox"/>	<input type="checkbox"/>	√	<p><b>Proposed action</b> Regular staff assessment surveys should be developed and circulated to ensure learnings from integrity and AEDM training are embedded</p>
has a process for communicating with staff about integrity matters including updating them about changes to policies, processes and systems (e.g. through newsletters, emails, meetings)	√	<input type="checkbox"/>	<input type="checkbox"/>	The Chief Executive Officer (CEO) conducts weekly addresses to all staff via Zoom. These include updates to all integrity documents and instructions.

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
has a formal induction process in place for all new staff and contractors that includes a clear focus on integrity	<input type="checkbox"/>	√	<input type="checkbox"/>	<p>The City provides new staff with the Code of Conduct, <a href="#">Fraud and Corruption Prevention Policy</a> and <a href="#">Fraud and Corruption Prevention Plan</a> as part of the induction process.</p> <p><b>Proposed action</b> A documented procedure is required to ensure that suppliers are provided with the Code of Conduct, <a href="#">Fraud and Corruption Prevention Policy</a> and <a href="#">Fraud and Corruption Prevention Plan</a> immediately after a contract award.</p>
delivers Accountable and Ethical Decision Making (AEDM) training (or equivalent) and refresher training to staff that:				
• is aligned to its Code of Conduct	<input type="checkbox"/>	√	<input type="checkbox"/>	<p>In April 2021 the City engaged Risk West to undertake mandatory fraud awareness training for nominated staff.</p> <p>The City is currently developing an online fraud awareness and AEDM training program. It is intended that 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>The City's system maintains records of staff training</p>
• is customised to its context and business, and covers its specific integrity risks	<input type="checkbox"/>	√	<input type="checkbox"/>	
• is up to date and reflects changes to systems and processes	<input type="checkbox"/>	√	<input type="checkbox"/>	
• includes information on its integrity framework, policies, processes, and systems	<input type="checkbox"/>	√	<input type="checkbox"/>	
• includes information on how to recognise, respond to and report misconduct	<input type="checkbox"/>	√	<input type="checkbox"/>	
• records attendance and completion rates which can be provided to the Commission and other integrity bodies as required	√	<input type="checkbox"/>	<input type="checkbox"/>	

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
provides specific integrity training to staff working in high-risk roles (e.g. finance, procurement, integrity) in relation to fraud and corruption, accountability requirements and reporting suspected misconduct	√	<input type="checkbox"/>	<input type="checkbox"/>	In April 2021 the City engaged Risk West to undertake mandatory fraud awareness training for nominated staff. Nominate staff included CEO, Executive Directors, Managers, Coordinators, Financial Services, Executive Assistants and Administrators in teams who have access to raise purchase orders.
evaluates staff awareness of its integrity requirements (e.g. through staff perception surveys) and acts on any knowledge deficits	<input type="checkbox"/>	<input type="checkbox"/>	√	<b>Proposed action</b> Regular staff assessment surveys should be developed and circulated to measure staff confidence and attitudes about integrity and to ensure learnings from integrity and AEDM training are embedded.
encourages, supports and provides a mechanism for staff to seek advice on integrity matters when they are unsure	√	<input type="checkbox"/>	<input type="checkbox"/>	Employees are encouraged to consult their Business Unit Managers, Supervisors, Corporate Strategy and Governance Team and Human Resource Partners if they are unsure about integrity matters.
makes staff aware of the process of identifying integrity risks and contributing to the risk register	√	<input type="checkbox"/>	<input type="checkbox"/>	The City's <a href="#">Risk Management Framework</a> ensures that the integrity of strategies, operations, contracts and projects undergo rigorous risk analyses.  Risk management implications are also considered in all Council reports

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>ensures staff who respond to and investigate integrity matters are suitably skilled (e.g. have Certificate IV in Government Investigations or higher qualification and/or relevant experience)</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The following officers are designated as Public Interest Disclosure (PID) officers pursuant to section 23(1)(a) of the <i>Public Interest Disclosure Act 2003</i> and are responsible for receiving disclosures of public interest information:</p> <ul style="list-style-type: none"> <li>• Executive Manager Human Resources</li> <li>• Executive Manager, Corporate Strategy and Governance</li> </ul> <p>Both officers are suitably skilled to investigate integrity matters</p> <p><b>Proposed action</b></p> <p>The City is proposing to increase the number of PID Officers from two to four which also includes a Principal PID Officer who is responsible for coordinating reporting requirements under the <i>Public Interest Disclosure Act 2003</i>.</p> <p>The additional PID officers will be based at Beatty Park and the Depot</p>
<p>exercises due diligence when engaging contractors to deal with integrity matters to ensure they have the necessary qualifications, skills and/or experience (e.g., through reference and qualification checks)</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>Contractors procured through an RFT and RFQ process are required to give references. Documentation evidencing it is required where a qualification requirement has been determined.</p>

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>seeks opportunities for further learning about integrity matters by identifying key staff to attend events and forums provided by the Commission and other bodies</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City encourages industry/position specific training when this is identified as a development need between employee and supervisor/manager.</p> <p>In April 2021 the City engaged Risk West to undertake mandatory fraud awareness training for nominated staff.</p> <p>The City is currently developing an online fraud awareness training program and AEDM module. It is intended that 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>establishes networks with other integrity practitioners</p>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City strongly supports advocacy with the public sector including Public Sector Commissions, Department of Local Government and Professional Associations</p>

## 04 Be accountable for integrity

Prevention, detection and response to integrity matters are everyone’s personal and professional responsibilities.

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
has a clear and documented process to assess potential misconduct that guides decision making about when to notify the Public Sector Commission and Corruption and Crime Commission of minor misconduct and serious misconduct (respectively), using their online reporting tools	√	<input type="checkbox"/>	<input type="checkbox"/>	The City's <a href="#">Fraud and Corruption Prevention Plan</a> , <a href="#">Public Interest Disclosure Procedures (PID) Information Guidelines</a> and dedicated Fraud Management and Corruption <a href="#">Vintranet page</a> documents the process to assess potential misconduct.
articulates the roles and responsibilities of the leadership team in overseeing integrity	√	<input type="checkbox"/>	<input type="checkbox"/>	The roles and responsibilities are determined in the Act, City's <a href="#">Governance Framework</a> , <a href="#">Public Interest Disclosure Procedures (PID) Information Guidelines</a> and dedicated Fraud Management and Corruption <a href="#">Vintranet page</a>
has a documented and active process to review and learn from internal and external reports, including focusing on individual conduct as well as system, cultural and capability weaknesses that may have provided the opportunity for misconduct to occur	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>The City's <a href="#">Fraud and Corruption Prevention Plan</a>, is required to be review annually. The review considered and reports recommended action on all identified gaps in the City's processes.</p> <p>The City actively learns from the Public Sector Commission, Office of the Auditor General and Department of Local Government reports on activities in other agencies</p>

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>monitors, reviews, and addresses its approach to changing and emerging risks (e.g., due to restructure, introduction of technology and legislative change) and ensures:</p> <ul style="list-style-type: none"> <li>• a new integrity risk assessment is completed</li> <li>• its risk register is updated</li> <li>• internal policies, processes and systems are updated to reflect the new operating context</li> </ul>	√	<input type="checkbox"/>	<input type="checkbox"/>	<p>In accordance with the <a href="#">Risk Management Administration Procedure</a> the City reviews all Risk Profiles at least on an annual basis or if triggered by one of the following:</p> <ul style="list-style-type: none"> <li>• Changes to context,</li> <li>• A treatment is implemented,</li> <li>• An incident occurs or due to audit/regulator findings.</li> </ul>
<p>collected data is analysed and reported to the leadership team (e.g., reports of integrity breaches, complaints, grievances, staff survey results, training records, conflicts of interest, gifts and benefits register)</p>	<input type="checkbox"/>	√	<input type="checkbox"/>	<p>Reports of integrity breaches, complaints, grievances, staff survey results and learnings from the annual Public Sector Commission Integrity Survey will be reported to the Executive Management Committee.</p> <p>The City's registers including the gift and conflict of interest registers are updated regularly and publicly available on the City's <a href="#">website</a>.</p>

Assess if your authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has integrity as a standing agenda item for its leadership team to provide a forum to interrogate data, and identify and respond to emerging trends (e.g. data about breaches of Code of Conduct or policy, allegations of misconduct, complaints received, and recommendations from self-assessments and audits)</p>	<input type="checkbox"/>	✓	<input type="checkbox"/>	<p>The City is developing a Governance and Integrity Report to present as a standing agenda item to the Executive Management Committee and Audit Committee.</p> <p>In accordance with the <a href="#">Fraud and Corruption Prevention Plan</a> the following information will be presented quarterly:</p> <ul style="list-style-type: none"> <li>• Information on the program and robustness of the internal control environment in regard to preventing and detecting fraud</li> <li>• the types of fraud and corruption common with the sector</li> <li>• incidence of fraud and corruption generally in Australia</li> <li>• information on the types of fraud and corruption that have been detected at the local government over the previous five years</li> <li>• information of new or emerging trends in this area.</li> </ul> <p>The report will also present an update on the actions that have been identified as part and the <a href="#">Fraud and Corruption Prevention Plan</a> review</p>

## AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

#	Proposed Action	Responsibility	Due Date
1.	Regular news feeds are to be implemented to remind staff of key integrity responsibilities including the process for reporting any instances of misconduct. (reflected in proposed updates to the Plan)	Corporate Strategy and Governance (CS&G)	2022
2.	Implementation of integrity controls are to be included in Annual Reports (reflected in proposed updates to the Plan)	CS&G and Marketing	2022
3.	The City's <a href="#">Job Advert Template</a> to be updated to include information on values and conduct expectations (reflected in proposed updates to the Plan)	Human Resources (HR)	2022
4.	Online training programs for both Fraud Awareness and Accountable and Ethical Decision-making (AEDM) are to be developed and implemented. New staff members will be required to complete both programs as part of their online induction process and current staff will receive notification to complete the training programs annually via the induction portal	CS&G & HR	2022
5.	Both Fraud Awareness and AEDM training programs are to be reviewed annually in line with the Fraud Management Plan.	CS&G & HR	2022
6.	The City's <a href="#">Performance and Development Procedure</a> to be extended to require staff to complete the online fraud awareness training module as part of their performance review. (reflected in proposed updates to the Plan)	HR	2022 - following finalisation of the training program
7.	Regular staff assessment surveys to be developed and circulated to measure staff confidence and attitudes about integrity, including confidence in speaking up about misconduct and integrity matters and identifying steps to address any findings (reflected in proposed updates to the Plan)	CS&G	2022
8.	Regular staff assessment surveys to be developed and circulated to ensure learnings from integrity training are embedded (reflected in proposed updates to the Plan)	CS&G	2022
9.	The number of PID Officers is to be increased from two to four which also includes a Principal PID Officer who is responsible for coordinating reporting requirements under the <i>Public Interest Disclosure Act 2003</i> .  The additional PID officers are to be based at Beatty Park and the Depot (Plan to be updated following appointment)	CS&G	2022
10.	A documented procedure is required to ensure that suppliers are provided with the City's Code of Conduct for Employees and Contractors, <a href="#">Fraud and Corruption Prevention Policy</a> and <a href="#">Fraud and Corruption Prevention Plan</a> immediately after a contract award. (reflected in proposed updates to the Plan)	CS&G & Procurement	2022

# Fraud and Corruption Prevention Plan



## Contents

Executive Summary .....	3
Section 1 - Background .....	4
1.1 Purpose .....	4
1.2 Communication .....	4
1.3 Zero Tolerance to Fraud and Corruption .....	4
1.4 Definitions .....	5
1.5 Objective .....	6
1.6 Scope .....	6
Section 2 - Context .....	7
2.1 Corporate Framework .....	7
2.2 Legislative Framework .....	7
2.3 Australian Standards .....	9
2.4 Roles and Responsibilities .....	9
Section 3 - Planning and Resourcing .....	11
3.1 Program for fraud and corruption control planning and review .....	11
3.2 Fraud control responsibility and resources .....	12
3.3 External assistance .....	12
Section 4 - Prevention .....	13
4.1 Implementing and maintaining an integrity framework .....	13
4.2 Commitment to controlling the risk of fraud and corruption .....	13
4.3 Maintaining strong internal control systems and internal control culture .....	14
4.4 Fraud and corruption risk assessment .....	14
4.5 Communication and awareness of fraud and corruption .....	15
4.6 Employment screening .....	15
4.7 Dealing with annual leave and job rotation .....	16
4.8 Supplier vetting .....	16
Section 5 - Detection .....	17
5.1 Fraud and corruption detection program .....	17
5.2 External auditor's role in the detection of fraud .....	18
5.3 Mechanisms for reporting suspected fraud and corruption incidents .....	18
5.4 Whistle blowers .....	18
Section 6 - Response .....	19
6.1 Procedures of the investigation of detected or suspected incidents .....	19
6.2 Internal reporting .....	19
6.3 Disciplinary procedures .....	19
6.4 External reporting .....	20

ENGAGING | ACCOUNTABLE | MAKING A DIFFERENCE

# Fraud and Corruption Prevention Plan



6.5	Civil proceeding to recover the proceeds of fraud and corruption .....	21
6.6	Internal control review following discovery of fraud .....	21
6.7	Maintaining and monitoring adequacy of insurance.....	21

ENGAGING | ACCOUNTABLE | MAKING A DIFFERENCE

# Fraud and Corruption Prevention Plan



## Executive Summary

The City of Vincent (**City**) is committed to the prevention, deterrence, monitoring, investigation and reporting of all forms of fraud and corruption. Fraud and corruption is damaging to an organisation as it may cause financial loss, loss of public confidence (either perceived or real), reputational damage and adverse publicity.

Local governments are the custodians of significant public funds and assets. Therefore it is important that the community has assurance that these are adequately protected from fraud and corruption.

Fraud and corruption prevention forms part of the City's Risk Management Framework. It is a risk that the City actively seeks to identify and limit its exposure to, by reducing the potential opportunity (risk likelihood) for fraud and corruption to occur.

The purpose of this Plan is to clearly document the City's approach to the prevention of fraud and corruption at both strategic and operational levels. It is to be read in conjunction with the City's [Risk Management Policy](#) and relevant legislation.



Adapted from Office of Auditor General for Western Australia, Report 5: 2019-20, *Fraud Prevention in Local Government*

# Fraud and Corruption Prevention Plan



## Section 1 - Background

### 1.1 Purpose

This Plan supports the City's Fraud and Corruption Prevention Policy to provide a structured framework and approach to fraud and corruption prevention, detection, monitoring and reporting.

This Plan aligns with the Australian Standards for Fraud and Corruption Control (AS8001-2008) and has been endorsed by the Executive Management Committee.

The Plan will be reviewed by the Audit Committee annually.

### 1.2 Communication

This Plan is communicated to all staff via annual training and is available on the City's internal Vintranet site. All new staff are also made aware of the Plan as part of their induction.

### 1.3 Zero Tolerance to Fraud and Corruption

The City has zero tolerance for corrupt conduct or fraudulent activities. The City is committed to preventing, deterring, detecting and investigating fraudulent and corrupt behaviour in the delivery of City services. Elected Members and Administration must not engage in practices that may constitute fraud or corruption.

The desired outcome of this commitment is the elimination of fraud and corruption throughout City operations both internally and externally. The City may prosecute people identified as committing fraud or undertaking corrupt behaviour. Employees may also face disciplinary action under the City's Code of Conduct, and restitution of money or property lost through fraudulent activity will be pursued through legislative means.

Fraudulent and corrupt activities may also be required to be referred to external agencies or may be referred at the discretion of the Council or CEO. These agencies include but are not limited to –

- WA Police
- Crime and Corruption Commission
- Public Sector Commission
- Local Government Standards Panel.

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4

# Fraud and Corruption Prevention Plan



## 1.4 Definitions

**Fraud** is defined by Australian Standard AS8001-2008 as –

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*Dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity.*

---

Fraud can take many forms including –

- the misappropriation of assets;
- the manipulation of financial reporting (either internal or external to the organisation);
- corruption involving abuse of position for personal gain.

**Corruption** is defined by Australian Standard AS8001-2008 as –

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*Corruption is dishonest activity in which an employee or contractor of the entity acts contrary to the interests of the entity and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or organisation. The concept of 'corruption' can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity.*

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Corrupt conduct tends to show a deliberate intent for an improper purpose and motivation and may involve misconduct such as: the deliberate failure to perform the functions of office properly; the exercise of a power or duty for an improper purpose; or dishonesty. Some examples of corrupt or criminal conduct which could be serious misconduct include –

- abuse of public office;
- blackmail;
- bribery, including bribery in relation to an election;
- deliberately releasing confidential information;
- extortion;
- obtaining or offering a secret commission;
- fraud or stealing;
- forgery;
- perverting the course of justice;
- an offence relating to an electoral donation;
- falsification of records.

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5

# Fraud and Corruption Prevention Plan



## 1.5 Objective

The City is committed to meeting its legislative obligations under the *Local Government Act 1995* including *ensuring that resources are maintained in a responsible and accountable manner*.

The City's commitment to fraud control will be met by ensuring an environment in which fraudulent or corrupt conduct is discouraged, and conflicts of interest are avoided.

This commitment is reflected in the City's [Governance Framework](#), which has the following five principles:

1. Culture and Vision
2. Roles and Responsibilities
3. Decision Making and Management
4. Commitment to Sustainability
5. Accountability

## 1.6 Scope

This Plan applies to all Elected Members, employees, contractors and volunteers.

Elected Members must also adhere to the standards mandated by the *Local Government Act 1995*.

Further guidance on the City's responsibilities are detailed in the:

- Department of Local Government, Sport and Cultural Industries, *Fraud & Corruption Control Framework*, July 2015
- Office of Auditor General for Western Australia –
  - Report 24: 2018-2019, *Verifying Employee Identity and Credentials*
  - Report 5: 2019-2020, *Fraud Prevention in Local Government*
- Australian Standard AS 8001-2008

# Fraud and Corruption Prevention Plan



## Section 2 - Context

### 2.1 Corporate Framework

This Plan supports the objectives in the City's Strategic Community Plan and Corporate Business Plan, both of which directly inform the City's budgets, strategies, policies and service delivery.

### 2.2 Legislative Framework

The *Local Government Act 1995 (LG Act)* requires local governments to develop and maintain adequate internal control systems. Local governments are also required to establish a Code of Conduct for employees, contractors and Council and have an Audit Committee.

The *Public Interest Disclosure Act 2003 (PID Act)* requires the local government to establish written procedures for handling of any protected disclosures.

The diagram below shows the interdependency of this Plan with complimentary programs and processes.



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7

# Fraud and Corruption Prevention Plan



## Local Government (Financial Management) Regulations 1996, Regulation 5

- (1) *Efficient systems and procedures are to be established by the CEO of a local government –*
- (a) *for the proper collection of all money owing to the local government; and*
  - (b) *for the safe custody and security of all money collected or held by the local government; and*
  - (c) *for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and*
  - (d) *to ensure proper accounting for municipal or trust –*
    - (i) *revenue received or receivable; and*
    - (ii) *expenses paid or payable; and*
    - (iii) *assets and liabilities; and*
  - (e) *to ensure proper authorisation for the incurring of liabilities and the making of payments; and*
  - (f) *for the maintenance of payroll, stock control and costing records; and*
  - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*
- (2) *The CEO is to –*
- (a) *ensure that the resources of the local government are effectively and efficiently managed; and*
  - (b) *assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*
  - (c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.*

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8

# Fraud and Corruption Prevention Plan



Local Government (Audit) Regulations 1996 Regulation 17 (1):

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
  - (a) risk management; and
  - (b) internal control; and
  - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 3 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

## 2.3 Australian Standards

Although not obligatory, Australian Standard for Fraud and Corruption Control (AS8001-2008) provide important guidance.

## 2.4 Roles and Responsibilities

### Audit Committee

In relation to fraud control, the Audit Committee's responsibilities include –

- reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks;
- providing assurance that the City has appropriate processes and systems in place to prevent, detect and effectively respond to fraud-related information; and
- providing leadership in preventing fraud and corruption.

### Chief Executive Officer (CEO)

The CEO applies the City's resources to fraud prevention and ensures the implementation of adequate controls for managing fraud and corruption risks within the City.

The CEO, under the *Corruption, Crime and Misconduct Act 2003* must notify the Corruption and Crime Commission or the Public Sector Commission if misconduct is suspected.

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9

# Fraud and Corruption Prevention Plan



## Executive Management Committee (EMC)

The Executive Management Committee is responsible for implementing this Plan. In particular, the EMC must –

- provide leadership, guidance, training and support to employees in preventing fraud and corruption;
- identify high fraud risk areas;
- participate in fraud and corruption risk assessment reviews;
- monitor the continued operation of controls;
- report suspected fraud and corruption promptly, maintaining confidentiality; and
- ensure the protection of complainants who report fraudulent and corrupt activities.

## Chief Audit Executive (CAE)

The CAE (Executive Manager Corporate Strategy and Governance) is responsible for –

- coordinating the fraud and corruption risk assessment process;
- developing and maintaining this Plan, in consultation with key stakeholders;
- communicating the existence and importance of the Plan to all staff; and
- delivering and/or coordinating fraud and corruption training.

## Executive Manager HR

The Executive Manager Human Resources is responsible for managing the grievance and discipline process.

## Public Interest Disclosure (PID) Officer

The City's PID Officers (Executive Manager Corporate Strategy and Governance and Executive Manager Human Resources) investigate disclosures in accordance with the *Public Interest Disclosure Act 2003*.

## All Employees

All employees have a responsibility to contribute to preventing fraud and corruption by following the Code of Conduct, complying with controls, policies and processes; resisting opportunities to engage in fraudulent or corrupt behaviour; and reporting suspected fraudulent or corrupt incidents or behaviour.

# Fraud and Corruption Prevention Plan



## Section 3 - Planning and Resourcing

Australian Standard 8001/2008 list the following for consideration in planning and resourcing –

- control planning,
- review of control plans,
- control resourcing,
- internal audit activity.

### 3.1 Program for fraud and corruption control planning and review

The LG Act requires that all local governments establish an Audit Committee. An Audit Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal controls, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

The Recommendation on p.7 of the WA Office of Auditor General's Report, Fraud Prevention in Local Government notes –

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*In line with better practice, all entities should ensure they implement a coordinated approach to manage their fraud risks. Entities should –*

1. *assess fraud risks across their business*
  2. *develop a Fraud and Corruption Control Plan and review it at least once every 2 years*
  3. *develop and implement a periodic fraud awareness training program for all staff*
  4. *ensure that all conflicts of interest are recorded, assessed and appropriate management plans are in place*
  5. *have policies and procedures in place to verify the identity and integrity of employees and suppliers*
  6. *document clear internal processes and systems to report any potential fraud, that include anonymous reporting*
  7. *collect and analyse information received about potential fraud to identify any trends or emerging issues.*
- 

This Plan is designed to achieve compliance with each of these recommendations.

The Plan operates in association with existing programs and initiatives throughout the City and forms an integral part of the overall risk management framework.

This Plan will be reviewed annually by the CAE with oversight from the Executive Management Committee. In reviewing the Plan the CAE shall give regard to the following –

- significant changes in business conditions
- strategies arising out of recently detected fraud or corruption control incidents
- results of fraud and corruption risk assessments completed
- changes in fraud and corruption control practices locally and internationally
- resourcing requirements

ENGAGING | ACCOUNTABLE | MAKING A DIFFERENCE

# Fraud and Corruption Prevention Plan



- any identified changing nature of fraud and corruption within the sector.

The Plan will be presented to Audit Committee annually.

### **3.2 Fraud control responsibility and resources**

The responsibility for implementation of this Plan is with the CAE. The CAE will report yearly to the Executive Management Committee, on the progress of delivery on the outcomes from this Plan.

The City is committed to allocating the required resources across the organisation to ensure appropriate controls in regards to fraud and corruption. In particular resources will be made available to –

- implement the Plan
- undertake fraud and corruption risk assessments
- deliver organisational training and awareness
- review incidents reports
- undertake investigations.

### **3.3 External assistance**

Where required, external assistance will be engaged to support the delivery of any aspect of this Plan, including the delivery of training.

# Fraud and Corruption Prevention Plan



## Section 4 - Prevention

Australian Standard 8001/2008 list the following for consideration in planning and resourcing –

- implementing and maintaining an integrity framework
- senior management commitment
- line management accountability
- internal control
- assessing fraud and corruption risk
- communication and awareness
- employment screening
- supplier and customer vetting
- controlling the risk of corruption.

### 4.1 Implementing and maintaining an integrity framework

The City's Code of Conduct specifies the expected behaviour of employees and contractors, which includes reporting and preventing any fraud or corruption.

Recruitment materials will include information on values and conduct expectations

The City will provide a formal induction process for all new staff and contractors that includes a clear focus on integrity.

Managers will exercise and demonstrate high levels of integrity in the performance of their roles and functions and will remind employees of the importance of complying with the City's Code of Conduct.

Annual performance reviews will include a requirement for employees to review the City's Code of Conduct each year and to complete the online training programs for both Fraud Awareness and Accountable and Ethical Decision-making (AEDM).

### 4.2 Commitment to controlling the risk of fraud and corruption

Managers will not be complacent and will treat fraud and corruption risks as a serious threat to the City.

The Executive Management Committee and Audit Committee will regularly be briefed on the following:

- information on the program and robustness of the internal control environment in regards to preventing and detecting fraud
- the types of fraud and corruption common with the sector
- incidence of fraud and corruption generally in Australia
- information on the types of fraud and corruption that have been detected at the local government over the previous five years
- information of new or emerging trends in this area.

# Fraud and Corruption Prevention Plan



## 4.3 Maintaining strong internal control systems and internal control culture

The City has an existing culture of continuous improvement. The implementation of effective systems of internal control is an integral part of this program, particularly for activities assessed as having a high predisposition to the risk of fraud and corruption.

Well planned and documented internal controls will be a major defence for avoiding fraud and corruption. When undertaking projects or reviewing existing practices into the future consideration will be given to appropriate fraud and corruption controls in the development of outcomes.

Internal controls will be:

- Appropriately documented
- Accessible
- Reviewed and amended regularly
- Communicated effectively to all relevant employees
- Subject to review of adherence.

## 4.4 Fraud and corruption risk assessment

Risk assessments will be undertaken for all identified fraud and corruption risks in accordance with the City's Risk Management Policy.

As a minimum the following risks will be assessed –

- theft of cash
- theft/misuse of assets
- misuse of confidential corporate information
- conflict of Interest
- accounts payable
- payroll practices
- procurement
- IT and information security
- recruitment
- misuse of credit cards.

Additional risks will be identified through normal business unit operations and through the regular review of the risk register.

# Fraud and Corruption Prevention Plan



## 4.5 Communication and awareness of fraud and corruption

It is important that fraud and corruption is identified and reported at an early stage and that employees have understanding and confidence in the system.

Employees will be provided with the following –

- a dedicated page will be maintained on the City's Vintranet in regard to fraud and corruption, this will include links to all relevant documents in particular the process for reporting allegations and Public Interest Disclosures;
- fraud & corruption awareness training and AEDM training will be conducted annually, and learnings measured through staff assessment surveys;
- regular news feeds to remind staff of key integrity responsibilities including the process for reporting any instances of misconduct; and
- staff assessment surveys to measure staff confidence and attitudes about integrity, including confidence in speaking up about misconduct and integrity matters and identifying steps to address any findings

Our community will be provided with the integrity controls that have been implemented throughout the year. This will be published in each Annual Report.

## 4.6 Employment screening

Prior to appointment the following screening shall be undertaken with the express consent of the individual concerned, irrespective of whether they are internal or external applicants –

- verification of identity requiring at least two forms of identity (passport, birth certificate, drivers licence, rate certificate, at least one must include photo identification)
- Police criminal history check – relevant positions
- Working with Children check – relevant positions
- reference checks with two most recent employers
- consideration of any gaps on employment history and the reasons for the gaps
- verification of formal qualifications claimed – where relevant or required for position
- if necessary, residency or visa status.

The Recommendation on p.10 of the WA Office of Auditor General's Report, *Verifying Employee Identity and Credentials* notes –

*Public sector entities should –*

1. *have approved policies and procedures for verifying employee identity and credentials which cover –*
  - *using a 100-point identity check*
  - *criminal background checks, based on the risks associated with the position*
  - *periodic monitoring of existing employees*
2. *assess the positions which may require a criminal background or working with children check and ensure that these requirements are clearly documented in position description forms*

ENGAGING | ACCOUNTABLE | MAKING A DIFFERENCE

# Fraud and Corruption Prevention Plan



3. *for high risk positions, or positions where there is an ongoing requirement to hold a licence or professional qualification, obtain regular declarations from employees that there is no significant change in their circumstances*
4. *ensure that sufficient documentary evidence is obtained prior to appointment which supports an employee's –*
  - *identification and right to work in Australia*
  - *professional qualifications and memberships*
  - *criminal background or capacity to work with children (where necessary)*
5. *perform appropriate referee checks for all potential employees and ensure that all employees' reference checks are retained in their employee or recruitment file*
6. *develop a procedure for monitoring the expiry dates of licences, certificates or working with children checks so that they can be followed up with the employee close to expiry date*
7. *perform periodic criminal background checks for positions which require it.*

## 4.7 Dealing with annual leave and job rotation

Directorates will consider job rotation for positions where there are multiple officers undertaking the same or similar functions and the position is deemed a high risk from a fraud or corruption perspective, local law enforcement, parking enforcement, planning officers, contract management, for example.

Excess annual leave will be monitored on a quarterly basis and reported [to the Executive Management Committee](#).

## 4.8 Supplier vetting

The City will continue to undertake supplier vetting for new and ongoing suppliers in accordance with existing practices.

To avoid scams and incorrect payments, all suppliers are to have banking details verified upon initial entry of their details to the IT system and then periodically.

In accordance with the Procurement Policy, new suppliers with prospective business in excess of \$150,000, the minimum checks will include –

- search of Australian Securities & Investment Commission Company Register,
- Australian Business Register ABN verification,
- currency of insurances.

For new contracts exceeding, or potential to exceed \$500,000, the following additional checks should be considered –

- corporate scorecard check which looks at Bankruptcy search,
- assessment of credit rating,
- search of legal proceedings pending or judgements pending.

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# Fraud and Corruption Prevention Plan



## Section 5 - Detection

Australian Standard 8001/2008 list the following for consideration in planning and resourcing –

- implementing a fraud and corruption detection program
- role of external auditor in detection of fraud
- avenues for reporting suspected incidents
- whistle-blower protection program.

### 5.1 Fraud and corruption detection program

As part of the development of the annual internal audit program the Audit Committee will consider opportunities to undertake pro-active fraud and corruption detecting activities that might include –

- (a) conducting unscheduled internal reviews and audits
- (b) post-transactional reviews – a review of transactions after they have been processed, with the aim of identifying or uncovering –
  - documentation that may be missing, altered, missing or falsified,
  - authorisations that may have been omitted or altered, or
  - inadequate documentary support.
- (c) Analysis of management accounting reports – using relatively straight forward techniques in analysing management accounting reports, trends can be examined and investigated which may be indicative of fraudulent or corrupt conduct.
- (d) Financial Management and Risk Reviews will include a review of –
  - IT and information security
  - grants and other payments
  - tendering processes, purchasing and contract management
  - services provided to the community
  - revenue collection
  - use of credit cards
  - travel allowance and other allowances
  - salaries
  - money, property and other physical assets.
- (e) internal audits.
- (f) annual reports to management, the Audit Committee and Council regarding the position of risk management, internal controls and legislative compliance.

In accordance with the LG Act, the CEO is required to –

- a) in accordance with the *Local Government (Financial Management) Regulations 1996* r.5, advise Council at least once every 3 years in respect to –
  - efficient systems and procedures
  - ensure efficient use of resources
  - appropriateness and effectiveness of systems
- b) in accordance with the *Local Government (Audit) Regulations 1996* r.17, at least once every 3 years review –

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# Fraud and Corruption Prevention Plan



- risk management
- internal controls, and
- legislative compliance.

## 5.2 External auditor's role in the detection of fraud

Consistent with recent changes to international and Australian auditing standards, the auditor's accountability for the detection of fraud will form part of any audit. These provisions will increase the likelihood of detecting material mis-statements or errors in the City's financial statements.

## 5.3 Mechanisms for reporting suspected fraud and corruption incidents

The City's Public Interest Disclosure Procedures (PID) [Information Guidelines](#) set out how employees can report suspicious or known illegal or unethical conduct.

Reports can be made anonymously. Anonymous reports will be examined and investigated on the available evidence.

All employees have the right to make a disclosure in accordance with the PID Act. This is encouraged where any person wishes to access the protections afforded by the PID Act.

## 5.4 Whistle blowers

Whistle-blowers, whether internal or external, may be an important component in the detection and exposure of fraud or corrupt behaviour.

They will be protected to the extent permitted by law. Protection may include but is not limited to –

- ensuring the person's safety
- protecting their confidentiality
- arranging any necessary physical or mental support
- referral to an external agency having greater resources for investigation.

A whistle-blower who has been involved in the reported misconduct may be provided with immunity or due consideration from City initiated disciplinary proceedings by agreement, however, the City has no power to provide immunity from criminal prosecution.

Where victimisation or reprisals are reported, a record of the report and the action taken must be placed on the file relating to the public interest disclosure. Steps taken to prevent acts of victimisation or reprisal should be recorded in a manner that they will be accessible for reference, should legal action be taken against the City.

However, vexatious or malicious complaint will not be tolerated, and an appropriate response may be made against the complainant.

# Fraud and Corruption Prevention Plan



## Section 6 - Response

Australian Standard 8001/2008 list the following for consideration in planning and resourcing –

- policies and procedures
- investigations
- internal reporting and escalation
- disciplinary procedures
- external reporting
- civil action for recovery of loss
- review of internal controls
- insurance.

### 6.1 Procedures of the investigation of detected or suspected incidents

The City's Public Interest Disclosure Information Guidelines set out –

- appropriate measures for the comprehensive investigation of such matters based on the principles of independence, objectivity and fair due process (rules of natural justice)
- systems for internal reporting of all detected incidents
- process for reporting the matters of suspected fraud and corruption to appropriate external enforcement agencies.

The Guidelines will be reviewed regularly to ensure that it continues to meet these objectives.

### 6.2 Internal reporting

The CAE is to ensure that all incidents reported and investigated are documented and registered on the appropriate confidential file.

The documentation placed on the file must include the following minimum information –

- date and time of report
- date and time the incident was detected
- how the incident came to the attention of management
- the nature of the incident
- value of loss (if any) to the entity
- action taken following discovery of the incident.

### 6.3 Disciplinary procedures

The City's disciplinary guidelines and procedures outline the potential disciplinary outcomes that apply in regards to the application of this Plan.

# Fraud and Corruption Prevention Plan



## 6.4 External reporting

The City's Public Interest Disclosure Information Guidelines provide direction to reporting any suspected fraudulent or corrupt conduct to any external enforcement agencies including –

- Department of Local Government, Sport and Cultural Industries;
- Public Sector Commission;
- Police; or
- Crime & Corruption Commission.

Employees may report any reasonable suspicion of minor misconduct involving a public officer to the Public Sector Commission (PSC), in accordance with the *Corruption, Crime and Misconduct Act 2003*.

Employees should consider what behaviours and circumstances constitute minor misconduct and whether the person/s involved is a public officer.

There is a good chance that if the public officer/s involved could be the subject of a disciplinary investigation at the City, then it might be minor misconduct. If you suspect the behaviour is minor misconduct employees can report it to the PSC or the CAE.

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

Gordon Stephenson House, 140 William Street, Perth WA 6000

GPO Box R1250, Perth WA 6844

Telephone: (08) 6551 8700

Fax: (08) 6552 1555

Free call (Country only): 1800 620 511

Email: [info@dlgc.wa.gov.au](mailto:info@dlgc.wa.gov.au)

Website: [www.dlgc.wa.gov.au](http://www.dlgc.wa.gov.au)

Translating and Interpreting Service (TIS) – Tel: 13 14 50

### **Public Sector Commission**

Two office locations:

- Dumas House, 2 Havelock St, West Perth WA 6005
- Hale House, 1 Parliament Place, West Perth WA 6005

Locked Bag 3002, West Perth WA 6872

Phone: (08) 6552 8500

Fax: (08) 6552 8501

Email: [admin@psc.wa.gov.au](mailto:admin@psc.wa.gov.au)

Website: <https://publicsector.wa.gov.au>

# Fraud and Corruption Prevention Plan



**Corruption and Crime Commission**

Level 5, 45 Francis Street, Northbridge WA 6003  
 PO Box 330, Northbridge Post Shop WA 6865  
 Phone: (08) 9215 4888  
 Fax: (08) 9215 4884  
 Toll-free: 1800 809 000  
 Email: [info@ccc.wa.gov.au](mailto:info@ccc.wa.gov.au)  
 Website: <https://www.ccc.wa.gov.au/>

Hearing impairment: If you are deaf, or have a hearing impairment or speech impairment, contact us through the National Relay Service:

TTY users phone 1800 555 677 then ask for 1800 809 000  
 Speak and Listen users phone 1800 555 727 then ask for 1800 809 000.

**6.5 Civil proceeding to recover the proceeds of fraud and corruption**

The City may seek recovery of any losses due to fraud or corruption where there is clear evidence of fraud and corruption and where the likely benefits of such recovery will exceed the funds and resources required to be invested in the recovery action.

**6.6 Internal control review following discovery of fraud**

Where fraud or corruption is detected the relevant Executive Manager will be responsible to assess the adequacy of the relevant internal control environment and provide a report to the Executive Management Committee on the improvements identified.

**6.7 Maintaining and monitoring adequacy of insurance**

The City will maintain a fidelity guarantee insurance policy that insures the risk of loss arising from internal fraudulent conduct. The level of the policy and other policies relevant to fraudulent or improper conduct will be reviewed annually by the Executive Management Committee.

OFFICE USE ONLY	
Council adoption	Date: <approval date>, Ref# <TRIM Ref>
Reviewed / Amended	Date: <approval date>, Ref#: <TRIM Ref>
Next review	Date <review date>:

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AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

**5.8 FURTHER RISK ASSESSMENT (NON-STRUCTURAL RISKS) ON AGEING INFRASTRUCTURE**

- Attachments:
1. Risk Assessment - Litis Stadium Grandstand [↓](#) 
  2. Risk Assessment - Leederville Oval Grandstand [↓](#) 
  3. Risk Assessment - Beatty Park Grandstand [↓](#) 
  4. Evaluation Matrix - Risk Management Policy [↓](#) 

**RECOMMENDATION:**

That the Audit Committee notes the report on non-structural risks associated with sporting infrastructure assets.

**COMMITTEE DECISION ITEM 5.8****DEFERRED**

**Moved:** Cr Gontaszewski, **Seconded:** Cr Wallace

That the item be deferred to the March 2022 Audit Committee Meeting.

**CARRIED (4-0)**

**For:** Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo

**Against:** Nil

**(Mr Manifis was absent from the meeting and did not vote.)**

INFRASTRUCTURE RISK ASSESSMENT			
Facility:	Litis Stadium Grandstand		
Completed by:	Andrew Murphy, Ben Davis, Kon Bilyk		
RISKS TO PEOPLE			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Electrocution from old electrical infrastructure	Likelihood – 1 Consequence – 5 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>All power to grandstand decommissioned</li> </ul>	Likelihood – 1 Consequence – 4 Risk Rating – <b>Low</b>
Exposure to asbestos	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Asbestos register updated 21/22.</li> <li>Building access restricted.</li> </ul>	Likelihood – 1 Consequence – 4 Risk Rating – <b>Low</b>
Fall from height / low barrier	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Access restricted to elevated sections.</li> </ul>	Likelihood – 1 Consequence – 4 Risk Rating – <b>Low</b>
Falling objects / storm and building deterioration	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Regular visual inspections.</li> <li>Building access restricted.</li> </ul>	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>
Sub-standard Emergency Escapes	Likelihood – 1 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Building access restricted.</li> </ul>	Likelihood – 1 Consequence – 1 Risk Rating – <b>Low</b>
Fire risk	Likelihood – 3 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Building access restricted.</li> </ul>	Likelihood – 1 Consequence – 1 Risk Rating – <b>Low</b>
Building Security / Unauthorised Access	Likelihood – 1 Consequence – 3 Risk Rating – <b>Low</b>	<ul style="list-style-type: none"> <li>Building access restricted.</li> </ul>	Likelihood – 1 Consequence – 2 Risk Rating – <b>Low</b>
INTERUPTION TO SERVICE			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Not applicable. Building decommissioned and restricted	N/A	<ul style="list-style-type: none"> <li>Building decommissioned and restricted.</li> </ul>	Likelihood – 1 Consequence – 1 Risk Rating – <b>Low</b>

REPUTATION			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Grandstand is left derelict.	Likelihood – 2 Consequence – 3 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Federal funding in pipeline for demolition and redevelopment.</li> </ul>	Likelihood – 1 Consequence – 2 Risk Rating – <b>Low</b>
COMPLIANCE (LEGAL & TECHNICAL)			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
OHSE Non-compliance due to deterioration of building.	Likelihood – 2 Consequence – 1 Risk Rating – <b>Low</b>	<ul style="list-style-type: none"> <li>Building scheduled for demolition in 6 months.</li> </ul>	Likelihood – 2 Consequence – 2 Risk Rating – <b>Low</b>
PROPERTY			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Not applicable. Building decommissioned, restricted, and scheduled for demolition.	N/A	<ul style="list-style-type: none"> <li>Building decommissioned, restricted, and scheduled for demolition.</li> </ul>	Likelihood – 1 Consequence – 1 Risk Rating – <b>Low</b>
NATURAL ENVIRONMENT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Not applicable. Building decommissioned, restricted, and scheduled for demolition.	N/A	<ul style="list-style-type: none"> <li>Building decommissioned, restricted, and scheduled for demolition.</li> </ul>	Likelihood – 1 Consequence – 1 Risk Rating – <b>Low</b>
FINANCIAL IMPACT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Not applicable. Building decommissioned, restricted, and scheduled for demolition.	N/A	<ul style="list-style-type: none"> <li>Building decommissioned, restricted, and scheduled for demolition.</li> </ul>	Likelihood – 1 Consequence – 1 Risk Rating – <b>Low</b>
CONTRACT / PROJECT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Not applicable. Building decommissioned, restricted, and scheduled for demolition.	N/A	<ul style="list-style-type: none"> <li>Building decommissioned, restricted, and scheduled for demolition.</li> </ul>	Likelihood – 1 Consequence – 1 Risk Rating – <b>Low</b>

INFRASTRUCTURE RISK ASSESSMENT			
Facility:	Leederville Oval Grandstand		
Completed by:	Andrew Murphy, Ben Davis, Kon Bilyk		
RISKS TO PEOPLE			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Electrocution from old electrical infrastructure	Likelihood – 3 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Currently upgrading switchboards and RCD's.</li> <li>Annual test &amp; tag.</li> </ul>	Likelihood – 2 Consequence – 5 Risk Rating – <b>High</b>
Exposure to asbestos	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Asbestos register updated 21/22.</li> <li>Asbestos Management Plan in place.</li> <li>Asbestos condition has been rated and all potentially dangerous sections sealed.</li> </ul>	Likelihood – 1 Consequence – 4 Risk Rating – <b>Low</b>
Fall from height / low barrier	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Workers inducted.</li> <li>Annual inspection of fall restraints.</li> <li>Roof access is controlled.</li> </ul>	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>
Falling objects / storm and building deterioration	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Regular visual inspections.</li> <li>Annual maintenance of facia, roof structure and other potential fall hazards</li> </ul>	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>
Sub-standard Emergency Escapes	Likelihood – 2 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Upgraded emergency signage.</li> <li>Annual Emergency Evacuation Training for staff.</li> <li>Evacuation Plan in place.</li> </ul>	Likelihood – 1 Consequence – 5 Risk Rating – <b>Medium</b>
Fire risk	Likelihood – 3 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Upgraded emergency signage.</li> <li>Annual Emergency Evacuation Training for staff.</li> <li>Annual safety checks on Fire Equipment</li> <li>Evacuation Plan in place.</li> </ul>	Likelihood – 2 Consequence – 5 Risk Rating – <b>High</b>
Building Security / Unauthorised Access	Likelihood – 3 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Continual upgrading of fencing and gates.</li> <li>CCTV Installed.</li> <li>Rangers patrolling area.</li> <li>Lighting upgrades (24/7)</li> </ul>	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>

INTERUPTION TO SERVICE			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
An event that would result in the Grandstand being closed for use e.g. - Fire - Electrical hazard - Asbestos incident - Vandalism	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Management practices put in place around identified risks. Refer to Risk Assessment Register.</li> </ul>	Likelihood – 1 Consequence – 3 Risk Rating – <b>Low</b>
REPUTATION			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
An event e.g., Grandstand closure, injury to customer/staff, death of customer/staff that would result in reputational damage.	Likelihood – 3 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Management practices put in place around identified risks. Refer to Risk Assessment Register.</li> </ul>	Likelihood – 1 Consequence – 4 Risk Rating – <b>Low</b>
COMPLIANCE (LEGAL & TECHNICAL)			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Negative WorkSafe Reviews	Likelihood – 3 Consequence – 3 Risk Rating – <b>Medium</b>	<ul style="list-style-type: none"> <li>Regular OHSE inspections by qualified staff.</li> <li>Qualified contractors.</li> <li>JSA &amp; SWMS in place prior to works being carried out.</li> </ul>	Likelihood – 2 Consequence – 2 Risk Rating – <b>Low</b>
Dangerous Environmental Health practices	Likelihood – 3 Consequence – 1 Risk Rating – <b>Low</b>	<ul style="list-style-type: none"> <li>Regular inspections and maintenance.</li> <li>Routine cleaning.</li> </ul>	Likelihood – 2 Consequence – 1 Risk Rating – <b>Low</b>
PROPERTY			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Lack of appropriate maintenance causing degradation.	Likelihood – 3 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Electrical services renewal.</li> <li>Mechanical services renewal underway.</li> <li>Flooring renewal.</li> <li>Regular inspections / property inspection reports.</li> <li>Lease conditions obligate tenant to maintain the building.</li> </ul>	Likelihood – 2 Consequence – 3 Risk Rating – <b>Medium</b>

AUDIT COMMITTEE MINUTES

15 FEBRUARY 2022

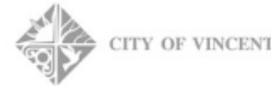
NATURAL ENVIRONMENT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Asbestos in various locations throughout building.	Likelihood – 2 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Replacing electrical switchboards.</li> <li>Asbestos register updated 21/22.</li> <li>Asbestos Management Plan in place.</li> <li>Asbestos condition has been rated and all potentially dangerous sections sealed.</li> </ul>	Likelihood – 1 Consequence – 5 Risk Rating – <b>Medium</b>
FINANCIAL IMPACT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Building is not fit for purpose for Tenants.	Likelihood – 1 Consequence – 2 Risk Rating – <b>Low</b>	<ul style="list-style-type: none"> <li>Lease conditions require tenant to maintain building.</li> <li>CoV works with tenants regarding major Capital Works.</li> </ul>	Likelihood – 1 Consequence – 2 Risk Rating – <b>Low</b>
Ongoing costs to maintain building are higher than income generation potential.	Likelihood – 4 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Lease conditions require tenant to maintain building.</li> <li>CoV works with tenants regarding major Capital Works.</li> </ul>	Likelihood – 4 Consequence – 3 Risk Rating – <b>High</b>
CONTRACT / PROJECT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Latent conditions affecting project cost and delay.	Likelihood – 3 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Qualified investigations undertaken to understand building.</li> <li>Using experienced, qualified contractor/tradesman.</li> </ul>	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>

INFRASTRUCTURE RISK ASSESSMENT			
Facility:	Beatty Park Grandstand		
Completed by:	Andrew Murphy, Ben Davis, Kon Bilyk		
RISKS TO PEOPLE			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Electrocution from old electrical infrastructure	Likelihood – 3 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Partially upgraded switchboard internals and RCD's.</li> <li>Annual thermal imaging of switchboards.</li> <li>Isolated certain areas from public access.</li> <li>* Additional works planned in 21/22</li> </ul>	Likelihood – 2 Consequence – 5 Risk Rating – <b>High</b>
Exposure to asbestos	Likelihood – 3 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Asbestos register updated 21/22.</li> <li>Asbestos Management Plan in place.</li> <li>Asbestos has been sealed.</li> </ul>	Likelihood – 1 Consequence – 4 Risk Rating – <b>Low</b>
Fall from height / low barrier	Likelihood – 3 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Closed Grandstand seating area to the public.</li> <li>Workers inducted.</li> <li>Annual inspection of fall restraints.</li> <li>Roof access is controlled.</li> </ul>	Likelihood – 1 Consequence – 4 Risk Rating – <b>Low</b>
Falling objects / storm and building deterioration	Likelihood – 4 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Security fence around perimeter.</li> <li>Remove loose render from public areas and thoroughfares.</li> <li>Removed all render from above poolside seating area.</li> <li>Regular visual inspections.</li> </ul>	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>
Sub-standard Emergency Escapes	Likelihood – 2 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Closed Grandstand seating area to the public.</li> <li>Only ground floor occupied.</li> <li>Upgraded emergency signage.</li> <li>Annual Emergency Evacuation Training for staff.</li> <li>Evacuation Plan in place.</li> </ul>	Likelihood – 1 Consequence – 5 Risk Rating – <b>Medium</b>
Fire risk	Likelihood – 3 Consequence – 5 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Closed Grandstand seating area to the public.</li> <li>Only ground floor occupied.</li> <li>Upgraded emergency signage.</li> <li>Annual Emergency Evacuation Training for staff.</li> <li>Annual safety checks on Fire Equipment</li> <li>Annual thermal imaging of switchboards.</li> <li>Evacuation Plan in place.</li> </ul>	Likelihood – 1 Consequence – 5 Risk Rating – <b>Medium</b>

INTERUPTION TO SERVICE			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
An event that would result in the Grandstand being closed for use e.g. - Fire - Electrical hazard - Asbestos incident	Likelihood – 3 Consequence – 4 Risk Rating – High	<ul style="list-style-type: none"> <li>Management practices put in place around identified risks. Refer to Risk Assessment Register.</li> </ul>	Likelihood – 1 Consequence – 3 Risk Rating – Low
REPUTATION			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
An event e.g., Grandstand closure, injury to customer/staff, death of customer/staff that would result in reputational damage.	Likelihood – 3 Consequence – 4 Risk Rating – High	<ul style="list-style-type: none"> <li>Management practices put in place around identified risks. Refer to Risk Assessment Register.</li> </ul>	Likelihood – 1 Consequence – 4 Risk Rating – Low
COMPLIANCE (LEGAL & TECHNICAL)			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Negative WorkSafe Reviews	Likelihood – 3 Consequence – 3 Risk Rating – Medium	<ul style="list-style-type: none"> <li>Regular OHSE inspections by qualified staff.</li> <li>Qualified contractors.</li> <li>JSA &amp; SWMS in place prior to works being carried out.</li> </ul>	Likelihood – 2 Consequence – 2 Risk Rating – Low
Dangerous Environmental Health practices	Likelihood – 3 Consequence – 1 Risk Rating – Low	<ul style="list-style-type: none"> <li>Regular inspections and maintenance.</li> <li>Routine cleaning.</li> </ul>	Likelihood – 2 Consequence – 1 Risk Rating – Low
PROPERTY			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Lack of appropriate maintenance causing degradation.	Likelihood – 4 Consequence – 4 Risk Rating – High	<ul style="list-style-type: none"> <li>\$450,000 for 21/22 FY allocated for water ingress management.</li> <li>Electrical services renewal</li> </ul>	Likelihood – 3 Consequence – 4 Risk Rating – High
NATURAL ENVIRONMENT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Asbestos in window grouting	Likelihood – 2 Consequence – 5 Risk Rating – High	<ul style="list-style-type: none"> <li>Closed off large sections of the Grandstand to the Public.</li> <li>Occupied sections have had the grouting sealed.</li> </ul>	Likelihood – 1 Consequence – 5 Risk Rating – Medium

FINANCIAL IMPACT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Building is not fit for purpose for Tenants.	Likelihood – 1 Consequence – 2 Risk Rating – <b>Low</b>	<ul style="list-style-type: none"> <li>Regular servicing maintenance.</li> <li>Reducing number of tenants.</li> </ul>	Likelihood – 1 Consequence – 2 Risk Rating – <b>Low</b>
Ongoing costs to maintain (assets not useable and cannot generate income due to current condition and heritage council restrictions)	Likelihood – 4 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>\$450,000 for 21/22 FY allocated for water ingress management.</li> <li>Electrical services renewal</li> </ul>	Likelihood – 4 Consequence – 4 Risk Rating – <b>High</b>
CONTRACT / PROJECT			
RISK/S	RISK RATING	MITIGATING MEASURES	MANAGED RISK RATING
Contractors not abiding by the conditions set by the Heritage Council resulting in breach and reducing the Heritage value of the asset.	Likelihood – 1 Consequence – 4 Risk Rating – <b>Low</b>	<ul style="list-style-type: none"> <li>Qualified investigations undertaken to understand building.</li> <li>Using experienced, qualified contractor/tradesman.</li> </ul>	Likelihood – 1 Consequence – 2 Risk Rating – <b>Low</b>
Latent conditions affecting project cost and delay.	Likelihood – 3 Consequence – 4 Risk Rating – <b>High</b>	<ul style="list-style-type: none"> <li>Qualified investigations undertaken to understand building.</li> <li>Using experienced, qualified contractor/tradesman.</li> </ul>	Likelihood – 2 Consequence – 4 Risk Rating – <b>Medium</b>

# RISK MANAGEMENT POLICY

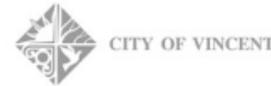


## ATTACHMENT 1 – RISK CONSEQUENCE AND LIKELIHOOD CRITERIA

### 1.1 Consequence criteria

RATING	PEOPLE (SAFETY)	INTERRUPTION TO SERVICE	REPUTATION	COMPLIANCE (LEGAL & TECHNICAL)	PROPERTY	NATURAL ENVIRONMENT	FINANCIAL IMPACT	CONTRACT / PROJECT
<b>Low (1)</b>	Minor injury or ailment to staff, results in loss of time less than 5 days.	Failure of assets / disruption which results in inconvenience but no material service interruption (resolved within one day).	An incident with low impact on community trust which is covered in a community newspaper and/or has a social media profile for maximum of a day.	Minor compliance (technical or legal) breach which is not reportable and can be resolved within 24 hours.	Localised damage to City property which can be rectified by routine internal procedures and is within operating budget \$20,000 (0.035% of operating budget).	Environmental damage or harm which can be contained by an internal response within 1 week, and any damage / harm can be reversed by the City's action.	Short term impact on operating funds, or financial loss less than \$20,000 (0.035% of operating budget).	Insignificant breach of contract or delay in project which has a minor impact on service delivery, consistent with 'low' rating.
<b>Minor (2)</b>	Injury or ailment to staff resulting in loss of time between 5-10 days.	Failure of assets / disruption which results in temporary interruption which can be resolved within one week (backlog cleared within one week).	Public embarrassment, some impact on community trust, covered in community newspaper and/or social media profile which lasts for less than a few days.	More than one minor compliance breach or minor breach with potential for minor damages or monetary penalty.	Localised damage to City property requiring additional resources to rectify (reallocation within operating budget – \$20,001 - \$100,000 (0.035% - 0.17% of operating budget).	Environmental damage or harm which requires management by external agencies or contractors and can be contained within 1 week, and any damage / harm can be reversed by the City's actions.	Medium term impact on operating funds, or financial loss between \$20,001 - \$100,000 (0.035% - 0.17% of operating budget).	Minor breach of contract or delay to project which will have minor financial impact or delay service delivery, consistent with 'minor' rating.
<b>Moderate (3)</b>	Injury or ailment to staff resulting in loss of time greater than 10 days, or causes temporary disability to staff member, or public exposed to a hazard which is attributable to the City, but immediately treatable / resolved.	Failure of assets / disruption which results in one month interruption, may require additional resources to resolve within one month (backlog cleared within one month).	Covered in community newspaper and social media profile which lasts for more than a few days, attention by regulators or state department/ government.	Short to medium term non-compliance which may result in prosecution / fine. Investigation may be required.	Significant damage to City property requiring management attention for a period of up to three months (\$100,001 to \$250,000 (0.17% - 0.43% of operating budget).	Environmental damage or harm which requires management by external agencies or contractors and takes 1 week – 1 month to contain, and any damage / harm can be reversed by the City's actions.	Impact to service delivery due to impact on operating funds, or financial loss between \$100,001 to \$250,000 (0.17% - 0.43% of operating budget).	Breach of contract or delay to project which will impact service delivery or result in damages payable by the City, consistent with 'moderate' rating.

# RISK MANAGEMENT POLICY

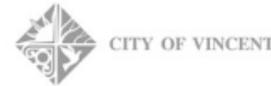


<b>Major (4)</b>	Permanent disability or life threatening injury to staff member, or public exposed to a hazard which is attributable to the City and results in temporary adverse health impacts.	Failure of assets / disruption which results in more than one month interruption (backlog of over one month) or is an interruption to core or essential services for more than one day	Public embarrassment, high impact on community trust, covered in community and state newspapers and social media profile which lasts for about a week (includes TV and press), third party action	Non-compliance results in termination of services or imposed penalties to City / Staff.	Significant damage to City property requiring additional resources to rectify (Council approval of funds required, \$250,000 - \$1 million (0.43% to 1.7% of operating budget) Period of restitution up to six months.	Environmental damage or harm which remains uncontained for over a month and requires a coordinated response from multiple external agencies, but is reversible by coordinated response.	Significant impact to service delivery due to impact on operating funds, or financial loss between \$250,001 to \$1 million (0.43% to 1.7% of operating budget)	Significant changes to a project or breach of contract which may result in termination of contract and significantly impacts service delivery. Impact consistent with 'major' rating.
<b>Extreme (5)</b>	Fatality to staff member, or public exposed to a hazard which is attributable to the City and results in widespread adverse health impacts.	Failure of assets / disruption which results in a prolonged interruption of core or essential services	Public embarrassment with significant reputational damage, widespread loss of community trust, widespread and sustained community, state and national newspaper and TV coverage and social media profile, third party action	Non-compliance results in criminal charges or significant damages or penalties to City / staff.	Extensive damage requiring prolonged period of restitution or complete loss of plant, equipment and building, or over \$1,000,000 (1.7% of operating budget)	Environmental damage or harm which can not be contained and is not reversible by a coordinated response.	Insufficient operating funds over sustained period, or loss of more than \$1 million (over \$1.7% of operating budget).	Major project can not be completed or critical breach of contract resulting in significant damages payable by the City or non delivery of service for extended time. Impacts consistent with 'extreme' rating.

## 1.2 Likelihood criteria (refer to the description or the frequency)

Level	Rating	Likelihood description	Likelihood frequency
5	<b>Almost Certain</b>	The event is expected to occur in most circumstances	More than once per year
4	<b>Likely</b>	The event will probably occur in most circumstances	At least once per year
3	<b>Possible</b>	The event should occur at some time	At least once in three years
2	<b>Unlikely</b>	The event could occur at some time	At least once in ten years
1	<b>Rare</b>	The event will only occur in exceptional circumstances	Less than once in 15 years

# RISK MANAGEMENT POLICY



## ATTACHMENT 2 - RISK CLASSIFICATION MATRIX

Consequence		Low	Minor	Moderate	Major	Extreme
Likelihood		1	2	3	4	5
Almost Certain	5	Medium	High	High	Extreme	Extreme
Likely	4	Low	Medium	High	High	Extreme
Possible	3	Low	Medium	Medium	High	High
Unlikely	2	Low	Low	Medium	Medium	High
Rare	1	Low	Low	Low	Low	Medium

## ATTACHMENT 3 - RISK RATING AND MANAGEMENT

Risk Classification	Action	Risk management process	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to ongoing monitoring	Manager
MEDIUM	Monitor	Risk acceptable with adequate and effective controls, managed by specific procedures and subject to ongoing monitoring	Executive Director
HIGH	Urgent Attention Required	Risk treatment subject to Council approval	CEO + Council
EXTREME	Unacceptable	Risk treatment subject to Council approval	CEO + Council

*\*\*Extreme risks require a risk treatment plan which is reported to the CEO (via the Executive Management Committee) and the Audit Committee until the risk rating is at an acceptable level.*

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**AUDIT COMMITTEE MINUTES****15 FEBRUARY 2022**

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**5.9 REVIEW OF THE CITY'S AUDIT LOG**

- Attachments:
1. Audit Log as at 30 November 2021 [↓](#) 
  2. Audit Log as at 30 November 2021 - Confidential

**RECOMMENDATION:**

That the Audit Committee recommends to Council that it:

1. NOTES the status of the City's Audit Log at Attachments 1 and 2, and
2. APPROVES proposed completion dates as specified at Attachments 1 and 2.

**COMMITTEE DECISION ITEM 5.9****DEFERRED**

**Moved:** Cr Gontaszewski, **Seconded:** Cr Wallace

That the item be deferred to the March 2022 Audit Committee meeting.

**CARRIED (4-0)**

**For:** Cr Wallace, Cr Gontaszewski, Cr Alexander and Cr Ioppolo

**Against:** Nil

**(Mr Manifis was absent from the meeting and did not vote.)**

# AUDIT LOG



## Contents

Office of the Auditor General Information Systems Audit.....2

EA:2020/10 (1) (a) and (b) (CONFIDENTIAL).....2

EA:2020/10 (3) (CONFIDENTIAL).....2

EA:2020/10 (9) (CONFIDENTIAL).....2

EA:2020/10 (10) (CONFIDENTIAL).....2

EA:2020/10 (11) (CONFIDENTIAL).....2

EA:2020/10 (12) (CONFIDENTIAL).....3

EA:2020/10 (14) (CONFIDENTIAL).....3

EA:2020/10 (19).....3

EA:2020/10 (20).....4

EA:2020/10 (22) (CONFIDENTIAL).....4

Stanton Reg 5 & 17 Review .....5

EA:2020/12 (8).....5

EA:2020/12 (9) (CONFIDENTIAL).....5

EA:2020/12 (11).....6

Office of the Auditor General – Financial Audit.....6

EA:2020/12 (14) (CONFIDENTIAL).....6

Office of the Auditor General Interim Audit for 2020/21 .....7

EA: 2021/08 (3) (CONFIDENTIAL).....7

## Summary of open Confidential items (D21/61059)

### Office of the Auditor General Information Systems Audit:

- 1. EA:2020/10 (1) (a) and (b) High
- 2. EA:2020/10 (3) Moderate
- 3. EA:2020/10 (9) Moderate
- 4. EA:2020/10 (10) Moderate
- 5. EA:2020/10 (11) Moderate
- 6. EA:2020/10 (12) Moderate
- 7. EA:2020/10 (14) Moderate
- 8. EA:2020/10 (22) Moderate

### Stanton Reg 5 & 17 Review

- 9. EA 2020/12 (9) Moderate

### Office of the Auditor General – Financial Audit

- 10. EA 2020/12 (14) Significant

### Office of the Auditor General – Interim Audit for 2020/21

- 11. EA: 2021/08 (3) Significant

# AUDIT LOG



<i>Audit Details</i>	<i>Action</i>	<i>Approved Completion Date</i>	<i>Status</i>	<i>Proposed Completion Date</i>
Office of the Auditor General Information Systems Audit			See Confidential log	
<b>EA:2020/10 (1) (a) and (b) (CONFIDENTIAL)</b> Office of the Auditor General Information Systems Audit				
Risk Rating (prior to controls) High				
<b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology			See Confidential log	
<b>EA:2020/10 (3) (CONFIDENTIAL)</b> Office of the Auditor General Information Systems Audit				
Risk Rating (prior to controls) Moderate				
<b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology			See Confidential log	
<b>EA:2020/10 (9) (CONFIDENTIAL)</b> Office of the Auditor General Information Systems Audit				
Risk Rating (prior to controls) Moderate				
<b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology			See Confidential log	
<b>EA:2020/10 (10) (CONFIDENTIAL)</b> Office of the Auditor General Information Systems Audit				
Risk Rating (prior to controls) Moderate				
<b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology			See Confidential log	
<b>EA:2020/10 (11) (CONFIDENTIAL)</b> Office of the Auditor General Information Systems Audit				
Risk Rating (prior to controls) Moderate				
<b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology				

# AUDIT LOG



Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
<p><b>EA:2020/10 (12) (CONFIDENTIAL)</b> Office of the Auditor General Information Systems Audit</p> <p><b>Risk Rating (prior to controls)</b> Moderate</p> <p><b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology</p>			See Confidential log	
<p><b>EA:2020/10 (14) (CONFIDENTIAL)</b> Office of the Auditor General Information Systems Audit</p> <p><b>Risk Rating (prior to controls)</b> Moderate</p> <p><b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology</p>			See Confidential log	
<p><b>EA:2020/10 (19)</b> <b>Office of the Auditor General Information Systems Audit – Disaster Recovery Plan</b></p> <p><b>OAG Update 2021:</b> Finding remains open as the City's disaster recovery plan is in draft.</p> <p><b>Finding</b> We found that the City does not have an ICT disaster recovery plan (DRP).</p> <p><b>Implication</b> 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><b>Recommendation</b> 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><b>Risk Rating (prior to controls)</b> Moderate</p> <p><b>Risk Rating (with current controls)</b> Moderate</p> <p><b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology</p>	<p>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>August 2021</p>	<p><b>CoV update to OAG 2021:</b> The City accepts that this finding was not completed during the audit period 2020/2021. Draft documents and procedures will be finalised and implemented into operations. The City has commissioned services to support a Business Impact Assessment review which will be used to guide sensible recovery objectives into the Disaster Recovery Plan.</p>	<p>February 2022</p>

# AUDIT LOG



Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
<p><b>EA:2020/10 (20)</b>  <b>Office of the Auditor General Information Systems Audit – Business Continuity Plan – Testing</b></p> <p><b>OAG Update 2021:</b> The City is conducting business impact assessments across the business teams and is working towards defining a business continuity testing schedule.</p> <p><b>Finding</b>                      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><b>Implication</b>                      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><b>Recommendation</b>                      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><b>Risk Rating (prior to controls)</b>                      Moderate</p> <p><b>Risk Rating (with current controls)</b>                      Moderate</p> <p><b>Management Response</b>  <b>Responsible Officer:</b>                      Executive Manager Information and Communication Technology</p>	<p>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.</p> <p>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>August 2021</p>	<p><b>CoV update to OAG 2021:</b> The City accepts that this finding was not completed during the audit period 2020/2021. Draft documents and procedures will be finalised and implemented into operations. All server backups are now copied to an offsite data centre service which is also being configured to provide a Disaster Recovery environment for computing systems – this will be tested to mitigate this finding.</p>	<p>February 2021</p>
<p><b>EA:2020/10 (22) (CONFIDENTIAL)</b>  <b>Office of the Auditor General Information Systems Audit</b></p> <p><b>Risk Rating (prior to controls)</b>                      Moderate</p> <p><b>Management Response</b>  <b>Responsible Officer:</b>                      Executive Manager Information and Communication Technology</p>			<p>See Confidential log</p>	

# AUDIT LOG



Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
<p><b>Stanton Reg 5 &amp; 17 Review</b></p> <p><b>EA:2020/12 (8)</b>  <b>Stanton Reg 5 &amp; 17 Review – Manual Timesheet</b></p> <p><b>Finding</b>                      The City uses manual timesheets, predominately for those employees who work in the depot and recreational leisure centre.</p> <p><b>Recommendation</b>                      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><b>Recommendation</b></p> <p><b>Risk Rating (prior to controls)</b>                      Moderate</p> <p><b>Risk Rating (with current controls)</b>                      Minor</p> <p><b>Management Response</b>  <b>Responsible Officer:</b>                      Executive Manager Human Resources and Executive Manager Information and Communication Technology</p>	<p>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>December 2021</p>	<p>Partially completed: Beatty Park are now partially using mobile application for rostering and time-sheeting. Further rollout subject to Beatty Park change management resourcing.</p> <p>In progress: for Depot staff with mobile application AND job costing requirements for time-sheeting, two solutions are being reviewed:</p> <ol style="list-style-type: none"> <li>1. The City will help Civica test their new mobile time-sheeting (currently in development) in early 2022.</li> <li>2. A CRM-based approach where jobs are electronically work-flowed to staff who can then update and complete the job using a mobile application.</li> </ol>	<p>March 2021</p>
<p><b>EA:2020/12 (9) (CONFIDENTIAL)</b>  <b>Stanton Reg 5 &amp; 17 Review</b></p> <p><b>Risk Rating (prior to controls)</b>                      Moderate</p> <p><b>Management Response</b>  <b>Responsible Officer:</b>                      Executive Manager Information and Communication Technology</p>			<p>See Confidential log</p>	

# AUDIT LOG



Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
<p><b>EA:2020/12 (11)</b>  <b>Stanton Reg 5 &amp; 17 Review – Record Keeping</b></p> <p><b>Finding</b>                      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><b>Recommendations</b>                      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><b>Risk Rating (prior to controls)</b>                      Minor</p> <p><b>Risk Rating (with current controls)</b>                      Minor</p> <p><b>Management Response</b>  <b>Responsible Officer:</b>                      Executive Manager Information and Communication Technology                      Office of the Auditor General – Financial Audit</p>	<p>The City will review its record keeping system to ensure it is operating effectively.</p>	<p>August 2021</p>	<p>Requirements analysis for improved record-keeping system in progress. This will determine the viability of implementing a new solution using the City's existing Microsoft Sharepoint environment. The analysis will consider design elements including:</p> <ul style="list-style-type: none"> <li>• A user-friendly record-keeping environment.</li> <li>• Compliance with the Western Australian State Records Act and the General Disposal Authority for Local Government Records (2015001/1).</li> <li>• Configuration to reflect the Council's organisational structure and business processes for greater automation and integration with the City's internal and external services.</li> </ul>	<p>December 2021</p>
<p><b>EA:2020/12 (14) (CONFIDENTIAL)</b>  <b>Office of the Auditor General – Financial Audit</b></p> <p><b>Risk Rating (prior to controls)</b>                      Significant</p> <p><b>Management Response</b>  <b>Responsible Officer:</b>                      Executive Manager Information and Communication Technology</p>			<p>See Confidential log</p>	

# AUDIT LOG



<i>Audit Details</i>	<i>Action</i>	<i>Approved Completion Date</i>	<i>Status</i>	<i>Proposed Completion Date</i>
Office of the Auditor General Interim Audit for 2020/21				
<b>EA: 2021/08 (3) (CONFIDENTIAL)</b> <b>Office of the Auditor General Interim Audit for 2020/21</b>			See Confidential log	
<b>Risk Rating (prior to controls)</b> Significant				
<b>Management Response</b> <b>Responsible Officer:</b> Executive Manager Information and Communication Technology				

**6 GENERAL BUSINESS**

**7 NEXT MEETING**

16 March 2022

**8 CLOSURE**

There being no further business the meeting closed at 5.45pm.

These Minutes were confirmed at the 16 March 2022 meeting of the Audit Committee as a true record and accurate of the Audit Committee meeting held on 15 February 2022

Signed: Mr Conley Manifs

Dated