

# MINUTES

## Audit, Risk and Governance Committee Meeting

9 March 2021

Committee Members

Here within are the Minutes of the Audit, Risk and Governance Committee Meeting held Tuesday 9 March 2021 in the City of South Perth Council Chamber, Cnr Sandgate Street and South Terrace, South Perth.

*As this Committee does not hold Delegated Powers or Duties in accordance with Section 5.23 of the Local Government Act 1995 the meeting was not open to the public.*



MIKE BRADFORD  
CHIEF EXECUTIVE OFFICER

10 March 2021

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# Audit, Risk and Governance Committee Meeting - Minutes

## 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 6.03pm and welcomed everyone in attendance.

## 2. ATTENDANCE

### Elected Members

Mayor	Greg Milner
Manning Ward (Chair)	Councillor Blake D'Souza
Mill Point Ward (Deputy Chair)	Councillor Ken Manolas
Como Ward	Councillor Glenn Cridland
Como Ward	Councillor Carl Celedin
Manning Ward	Councillor Andrè Brender-A-Brandis (arrived at 6.05pm)
Mill Point Ward	Councillor Mary Choy

### External Members

Mr Phillip Draber  
Ms Shona Zulsdorf

### Officers

Chief Executive Officer	Mr Mike Bradford
Director Corporate Services	Mr Colin Cameron
Director Development and Community Services	Ms Vicki Lummer
Acting Director Infrastructure Services	Mr Steve Atwell
Manager Finance	Mr Abrie Lacock
Manager Governance	Ms Bernadine Tucker
Governance Coordinator	Ms Toni Fry

### 2.1 APOLOGIES

Nil

### 2.2 APPROVED LEAVE OF ABSENCE

Nil

## 3. DECLARATIONS OF INTEREST

Nil.

## 4. CONFIRMATION OF MINUTES

### 4.1 AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING HELD: 14 December 2020

#### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Mayor Greg Milner

**Seconded:** Ms Shona Zulsdorf

That the Minutes of the Audit, Risk and Governance Committee Meeting held 14 December 2020 be taken as read and confirmed as a true and correct record.

**CARRIED (8/0)**

**For:** Mayor Greg Milner; Councillors Carl Celedin, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

**Against:** Nil.

## 5. PRESENTATIONS

Nil.

## 6. BUSINESS ARISING FROM PREVIOUS MEETING

Nil.

## 7. REPORTS

*Councillor André Brender-A-Brandis arrived at the meeting at 6.05pm during consideration of Item 7.1*

### 7.1 AUDIT REGISTER - PROGRESS REPORT

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-2765
Meeting Date:	09 March 2021
Author(s):	Leah Horton, Business Improvement Coordinator
Reporting Officer(s):	Colin Cameron, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

This report provides an update on the progress of actions included in the Audit Register. The Audit Register includes all open audit findings that have previously been accepted by the Audit, Risk and Governance Committee (ARGC).

#### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Mr Phillip Draber  
**Seconded:** Councillor Blake D'Souza

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Notes the progress recorded against each item within the Audit Register in **Confidential Attachment (a)**; and
2. Approves the seven findings marked as Complete (100%) in the Audit Register, to be registered as closed and no longer reported to the Committee.

**CARRIED (9/0)**

**For:** Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

**Against:** Nil.

#### Background

The confidential Audit Register lists Internal and External audit findings, describes the progress of implementing improvements and percentage completion. This report is prepared for noting the progress and completion of findings since the last meeting.

#### Comment

It is important to note that the Audit Register **Confidential Attachment (a)** counts actions and totals by "Finding #". Each finding may have more than one "Recommendation" and associated "Agreed Management Action", previously counted as **one** action.

This can mean that some Recommendations within an Action will be completed (100%) and some will not. Only when all assigned Recommendations/Agreed Management Actions are marked as 100% complete and approved to be closed by the ARGC.

As requested, following the September 2020 ARGC meeting, the Audit Register has been formatted to ensure clarity with;

1. Each finding that has more than one agreed management action is represented with double lines around that entire finding,
2. Each finding that has been closed (100% for all agreed actions) is represented through a purple “Closed Tally” column on the right and numbered, and
3. All findings that are being recommended to close by the ARGC (100%) are filtered to the end of the register.

Following the December 2020 ARGC meeting, the Audit Register has been further formatted to ensure clarity with;

1. The insertion of a “Count” column on the far left to provide the cumulative number (sum) of all findings within the register. The final count number at the end of the register will therefore represent the total number of findings.

A summary of the Audit Register, included below, illustrates the trend of actions that have been added, progressed and completed. The top (blue) row represents items added by the ARGC. New Audit findings presented to the current meeting are included at the subsequent meeting, following acceptance.

Status of Actions	ARGC - Meeting Date												Total
	6/6/18	11/9/18	12/11/18	11/3/19	17/6/19	9/9/19	18/11/19	16/3/20	15/6/20	8/9/20	14/12/20	9/3/21	
New actions added by ARGC	10	24	0	24	0	0	0	27	7	24	0	7	123
Not Commenced ≤10%	10	0	0	4	1	0	0	4	2	3	1	0	
Progressed >10% to 95%	0	32	13	18	9	10	3	19	22	21	19	20	
Completed =100%	0	2	19	15	12	0	7	7	6	24	4	7	
<b>Total (0% to 100%)</b>	<b>10</b>	<b>34</b>	<b>32</b>	<b>37</b>	<b>22</b>	<b>10</b>	<b>10</b>	<b>30</b>	<b>30</b>	<b>48</b>	<b>24</b>	<b>27</b>	
Closed by ARGC	0	2	19	15	12	0	7	7	6	24	4	-	96
Total cumulative Closed by ARGC	0	2	21	36	48	48	55	62	68	92	96	96	
Open Actions	10	32	13	22	10	10	3	23	24	24	20	20	

The ARGC is requested to recommend to Council to note the progress and officer comments. In addition, it is recommended all seven findings marked as complete (100%) in the Audit Register be registered as closed. All closed items will not form part of the Audit Register report for future meetings. The closed items are available for the Internal and External Auditors and Committee/Council to review.

Please note, of the seven new actions added by the ARGC, two of these (FIND101 & FIND102) relate to the Office of The Auditor General (OAG) Interim Audit, which was noted at the 8 September 2020 ARGC meeting. These two findings however were missed off the subsequent Audit Register, which was submitted at the 14 December 2020 ARGC meeting. Both findings are Complete as per the audit report.

It is requested to note the Audit Register in **Confidential Attachment (a)**.

### **Consultation**

Nil.

### **Policy and Legislative Implications**

The Internal Audit function is considered a business improvement process that will assist in compliance with Regulation 5 of the Local Government (Financial Management) Regulation 1996 (CEO's duties as to financial management) and Regulation 7 of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures).

### **Financial Implications**

The Internal Audit function (Paxon) has a budget of \$40,000 for the 2020/21 financial year, and it is anticipated that a budget of a similar amount is to be adopted each year. Officers' effort to undertake the improvements and report on progress has not been estimated.

The External Audit function (WA Auditor General) has a budget of \$65,000 for the audit of the 2019/20 Annual Financial Statements, undertaken and incurred during the 2020/21 financial year.

### **Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Foster effective governance through quality decision-making

### **Attachments**

**7.1 (a):** Audit Register March 2021 Report (*Confidential*)

## 7.2 ANNUAL REVIEW OF COUNCIL DELEGATIONS

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-3818
Meeting Date:	09 March 2021
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

### Summary

The City has a statutory obligation under the *Local Government Act 1995* to review its Delegations each financial year. The Terms of Reference of the Audit Risk and Governance Committee include responsibility for reviewing the City's Delegations.

A review of the Council Delegations has been completed and is now presented for consideration of the Committee and Council.

### Officer Recommendation

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Mr Phillip Draber

That the Audit, Risk and Governance Committee recommends to Council that it notes that in accordance with Section 5.46(2) of the *Local Government Act 1995*, the Delegations to the Chief Executive Officer have been reviewed.

### COMMITTEE RECOMMENDATION

**Moved:** Mayor Greg Milner  
**Seconded:** Councillor Blake D'Souza

That the Audit, Risk and Governance Committee recommends to Council that the item relating to Annual Review of Council Delegations be referred to a workshop attended by the Councillors and external panel members with a view to conducting the review there and then the item be considered at the next Ordinary Council Meeting for a decision.

**CARRIED (7/2)**

**For:** Mayor Greg Milner; Councillors André Brender-A-Brandis; Mary Choy, Blake D'Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

**Against:** Councillors Carl Celedin, Glenn Cridland



### Background

Section 5.42 of the *Local Government Act 1995* (the Act) provides that a Council may delegate to the Chief Executive Officer the exercise of any of its powers or the discharge of any of its duties under the Act, other than those referred to in section 5.43.

Section 5.46(2) of the Act requires the local government to review its Delegations at least once every financial year.

The purpose of this review is to consider the operational effectiveness of the current delegations, whether they remain relevant and appropriate and whether legislative amendments or organisational changes necessitate any revisions to the text.

### Comment

There are a range of powers and duties delegated to the CEO in accordance with the powers provided by Sections 5.42(1)(a) and (b) of the Act. The Act also requires that the Council's delegations to the CEO be reviewed each year.

The Delegations were forwarded to the relevant officers from each department who reviewed the appropriateness of the existing Delegations and if there was a need for any additional delegations.

As a result of this review, it was determined that the current Delegations to the CEO are appropriate and no changes or additions are required.

Therefore, it is recommended that Council notes that the Delegation review has been completed.

### Consultation

Consultation has occurred with officers of each of the relevant departments.

### Policy and Legislative Implications

Section 5.46(2) of the Act requires all delegations to be reviewed at least once each financial year.

### Financial Implications

Nil.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Foster effective governance through quality decision-making

### Attachments

Nil

### 7.3 ANNUAL POLICY REVIEW

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-3842
Meeting Date:	09 March 2021
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

#### Summary

The City has a statutory obligation under the *Local Government Act 1995* to review its policies each financial year. The Terms of Reference of the Audit, Risk and Governance Committee include responsibility for reviewing the City's policies. The annual review of a number of City policies are now presented for the consideration of the Committee and referral to Council for adoption.

#### Officer Recommendation

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Councillor Blake D'Souza

That the Audit Risk and Governance Committee recommends to Council that it:

1. Notes that the following policies having been reviewed with 'no changes' being proposed:

- P101 Public Art and Art Collections
- P104 Community Awards
- P113 Community Gardens
- P625 Equal Employment Opportunity
- P629 Occupational Safety and Health
- P637 Employee Separation Payments

2. Adopts the following revised policies with minor amendments in **Attachment (a)**:

- P102 Community Funding Program
- P103 Stakeholder Engagement
- P105 Cultural Services and Activities
- P106 Use of City Reserves and Facilities
- P107 Access and Inclusion
- P110 Support of Community and Sporting Groups
- P306 Development of Properties Abutting River Way
- P402 Alfresco Dining
- P603 Investment of Surplus Funds
- P609 Management of City Property
- P610 Collier Park Village – Financial Arrangements
- P613 Capitalisation and Valuation of Fixed Assets

	P692 Sustainability P696 Related Party Transactions
3.	Adopts the following revised policies with major amendments in <b>Attachment (b)</b> :  P603 Investment of Surplus Funds P613 Capitalisation and Valuation of Fixed Assets
4.	Revokes the following policies in <b>Attachment (c)</b> :  P601 Preparation of Long Term Financial Plan & Annual Budget P602 Authority to make payments from the Municipal & Trust Funds P604 Use of Debt as a Funding Option P612 Disposal of Surplus Property
5.	Adopts the following new Policies in <b>Attachment (d)</b> :  P116 Installation, Use and Management of CCTV P117 Library Services and Programs P118 Library Collection Development P119 City of South Perth Local History Collection P697 Council Caretaker Policy
	<b>LOST (0/9)</b>
<b>For:</b>	Nil.
<b>Against:</b>	Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

During debate Mayor Greg Milner foreshadowed the following motion:

#### COMMITTEE RECOMMENDATION

**Moved:** Mayor Greg Milner  
**Seconded:** Councillor Blake D'Souza

That the Audit Risk and Governance Committee recommends to Council that it:

1. Notes that the following policies having been reviewed with 'no changes' being proposed:
  - P101 Public Art and Art Collections
  - P104 Community Awards
  - P113 Community Gardens
  - P625 Equal Employment Opportunity
  - P629 Occupational Safety and Health
  - P637 Employee Separation Payments
2. Adopts the following revised policies with minor amendments in **Attachment (a)**:
  - P102 Community Funding Program
  - P103 Stakeholder Engagement
  - P105 Cultural Services and Activities
  - P106 Use of City Reserves and Facilities
  - P107 Access and Inclusion
  - P110 Support of Community and Sporting Groups

P306 Development of Properties Abutting River Way  
 P402 Alfresco Dining  
 P603 Investment of Surplus Funds  
 P609 Management of City Property  
 P610 Collier Park Village – Financial Arrangements  
 P611 Pre-Qualified Supplier Panels  
 P613 Capitalisation and Valuation of Fixed Assets  
 P696 Related Party Transactions

3. Adopts the following revised policies with major amendments:

P605 Purchasing  
 P607 Tenders and Expressions of Interest

4. That the following policies be deferred to a future workshop with Council, the Executive Team and external Committee members:

P601 Preparation of Long Term Financial Plan & Annual Budget  
 P602 Authority to make payments from the Municipal & Trust Funds  
 P604 Use of Debt as a Funding Option  
 P612 Disposal of Surplus Property  
 P116 Installation, Use and Management of CCTV  
 P117 Library Services and Programs  
 P118 Library Collection Development  
 P119 City of South Perth Local History Collection  
 P692 Sustainability  
 P697 Council Caretaker Policy

**CARRIED (9/0)**

**For:** Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Mary Choy, Glenn Cridland, Blake D’Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

**Against:** Nil.

### Background

In line with contemporary organisational models, the policy framework aligns policies and delegations to the City’s Strategic Directions.

During the review process, policies are considered by the custodian department having the relevant technical expertise in relation to the policy content and subsequently by the Executive Management Team (EMT) representing each of the City’s Directorates.

The policy review centres on the continuing relevance of the policy and the need to update it in light of any change in the legislative or operating environment. The policy review may identify a need to revise the policy or it may determine that no change is needed. The nature of the change, whether minor or major, is noted in the Comment section below. Minor changes usually consist of minor typographical or grammatical corrections or revisions due to minor legislative amendments. Major change will consist of significant revision to the content of the policy due to changes in the operational environment or because of more substantial legislative change.

## Comment

### Minor Changes

The Policies listed below are considered to have only minor administrative changes. These policies are included in **Attachment (a)**.

P102	Community Funding Program
P103	Stakeholder Engagement
P105	Cultural Services and Activities
P106	Use of City Reserves and Facilities
P107	Access and Inclusion
P110	Support of Community and Sporting Groups
P306	Development of Properties Abutting River Way
P402	Alfresco Dining
P609	Management of City Property
P610	Collier Park Village – Financial Arrangements
P611	Pre-Qualified Supplier Panels
P692	Sustainability
P696	Related Party Transactions

### Major Changes

The policies listed below and at **Attachment (a)** are considered to have major changes to content. The content changes have been highlighted. A small summary explaining the changes has been provided.

#### **P603 Investment of Surplus Funds**

This policy has been updated to reflect current legislation.

#### **P605 Purchasing**

The changes in this policy reflect legislative updates and also seeks to improve clarity and direction. The changes also update supplementary City Policy references.

#### **P607 Tenders and Expressions of Interest**

The changes in this policy reflect legislative updates and also seeks to improve clarity and direction. The changes also update supplementary City Policy references.

#### **P613 Capitalisation and Valuation of Fixed Assets**

This policy has been updated to comply with changes in legislation and to simplify some of the clauses.

### Revocation of Policies

The policies listed below and at **Attachment (b)** are to be revoked. A summary explaining the reason has been provided.

#### **P601 Preparation of Long Term Financial Plan & Annual Budget**

It is considered that this policy should be revoked. The Annual Budget and the Long Term Financial Plan are governed by extensive parts of the *Local Government Act 1995* and Regulations. Further the Department has issued detailed guidelines, as well as Moore Stephens, as part of WALGA's subscription, to prepare detailed information packs and training to ensure each year these are prepared in accordance with legislation and the Australian Accounting Standards.

The Long Term Financial Plan is an informing document to the Strategic Community Plan and similar to the Workforce Plan. Strategy direction is provided by the Strategic Community Planning process. Given the highly regulated requirements to prepare a Long Term Financial Plan & Annual Budget a policy direction is not required.

**P602 Authority to make payments from the Municipal & Trust Funds**

Similar to P601, payments from the Municipal & Trust funds is highly regulated, subject to annual external audit by the WA Auditor General as well as independent Internal Audits. Further, it is recommended that this policy be revoked as Council have adopted a delegated authority to the CEO to make payments from both the Municipal and Trust Funds and therefore, this policy is no longer required.

**P604 Use of Debt as a Funding Option**

Similar to P601, borrowings are approved by Council as part of the budget with due regard to the City's overall financial position. Council may borrow at other times, by an Absolute Majority with an additional requirement to publish a local public notice for one month prior to implementation. As the use of debt is highly regulated, it is recommended that this policy be revoked.

**P612 Disposal of Surplus Property**

Similar to P602, this policy should be revoked as Council has delegated to the CEO authority to dispose of surplus property and is highly regulated, with no strategic direction by Council required.

**New Policies**

The policy listed below and at **Attachment (c)** is a new policy, a small summary explaining the policy has been provided.

**P116 Installation, Use and Management of CCTV**

This new policy provides direction on the installation, use and management of Closed Circuit Television (CCTV) systems within the City.

**P117 Library Services and Programs**

The objective of this policy is to provide the City of South Perth (City) and the community with a framework for access to the City's libraries, collections, digital resources, online services and programs.

**P118 Library Collection Development**

The objective of this policy to provide the City of South Perth (City) and the community with a framework for the selection, acquisition, evaluation and de-accession of materials for the library collection.

**P119 City of South Perth Local History Collection**

The objective of this policy to provide the City of South Perth (City) and the community with a framework for the acquisition, preservation and organisation of historical materials that represent the cultural heritage, past and present, of the South Perth community.

**P697 Council Caretaker Policy**

For the 2017 local government elections, the Department of Local Government, Sport and Cultural Industries (Department) issued Bulletin 1 - Local Government Elections. In that Bulletin, the Department gave information on the election process to keep local governments and the community informed of requirements for the upcoming local government elections. Included in this Bulletin was information on caretaker periods and a number of points that should be considered if developing a Caretaker Policy.

In August 2018, the WA Local Government Association (WALGA) developed a Draft Electoral Caretaker Period Policy for local governments to ensure that any perceptions of Council decisions being made that may advantage or disadvantage a candidate would be addressed.

In July 2019, the City presented a draft Caretaker Policy to Council in response to a Notice of Motion by former Mayor Sue Doherty. However, at that meeting Mayor Doherty withdrew her Notice of Motion and the policy was never adopted.

With local governments undergoing elections in October 2021, it is now considered prudent to revisit the adoption of a Caretaker Policy. This is because during an election campaign period, there can be additional public scrutiny and added political considerations when matters are brought before Council. In addition, recent regulatory changes have increased transparency and accountability procedures for local governments.

As such, the community has a right to expect that local government elections are conducted in an ethical, fair and equitable way. As such, the Caretaker Policy attempts to prevent actual or perceived advantage or disadvantage to a candidate that may arise from Council decisions, activities or use of public resources.

Council Caretaker policies are common practice and have been around for a number of years. A review of the local government sector has revealed that most Councils have adopted a Council Caretaker policy.

If adopted, Policy P697 – Caretaker Policy would implement a caretaker period from the close of nominations, 4pm on Thursday 9 September 2021 until 6pm on election day, Saturday 16 October 2021.

**Consultation**

Nil.

**Policy and Legislative Implications**

The reviewed and new Policies are consistent with the *Local Government Act 1995*, relevant legislation and guidelines and other City documents.

**Financial Implications**

Nil

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Leadership  
Aspiration: A visionary and influential local government  
Outcome: Good governance  
Strategy: Foster effective governance through quality decision-making

**Attachments**

7.3 (a): Revised policies with minor amendments  
7.3 (b): Revised policies with major amendments  
7.3 (c): Revoked policies  
7.3 (d): New policies



## 7.4 COMPLIANCE AUDIT RETURN

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-3849
Meeting Date:	09 March 2021
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

### Summary

This report provides the City's response to the Department of Local Government, Sport and Cultural Industries 2020 Compliance Audit Return.

### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Mayor Greg Milner

**Seconded:** Mr Phillip Draber

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Adopts the Department of Local Government, Sport and Cultural Industries Compliance Audit Return for the period 1 January 2020 to 31 December 2020 as contained in **Attachment (a)**; and
2. Authorises the certification to be jointly completed by the Mayor and Chief Executive Officer in accordance with Regulation 15 of the Local Government (Audit) Regulations 1996.

**CARRIED (9/0)**

**For:** Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

**Against:** Nil.

### Background

The City is required to carry out an annual audit of statutory compliance in accordance with Regulation 14 of the Local Government (Audit) Regulations 1996. The Department of Local Government, Sport and Cultural Industries distributed a Compliance Audit Return for the period 1 January 2020 to 31 December 2020 which focused on those areas considered high risk in accordance with the *Local Government Act 1995* and associated regulations.

### Comment

The 2020 Compliance Audit Return contained the following compliance categories:

- Commercial Enterprises by Local Governments;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;
- Elections;
- Finance;
- Integrated Planning and Reporting;
- Local Government Employees;
- Official Conduct;
- Optional Questions; and
- Tenders for Providing Goods and Services.

Each section of the 2020 Compliance Audit Return was completed by the relevant business unit.

No items of non-compliance were identified for the 2020 Compliance Audit Return.

### Consultation

The 2020 Compliance Audit Return was circulated to the relevant Business Unit Managers.

### Policy and Legislative Implications

In accordance with Regulation 14 of the Local Government (Audit) Regulations 1996 the completed 2020 Compliance Audit Return is to be reviewed and the results presented to Council. Following Council's adoption, the 2020 Compliance Audit Return must be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2021.

### Financial Implications

Nil.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Foster effective governance through quality decision-making

### Attachments

7.4 (a): Compliance Audit Return 2020

## 7.5 2020/21 CORPORATE BUSINESS PLAN 2ND QUARTER UPDATE

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-3988
Meeting Date:	09 March 2021
Author(s):	Leah Horton, Business Improvement Coordinator
Reporting Officer(s):	Colin Cameron, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

### Summary

This report provides an update on the progress of the Corporate Business Plan and Integrated Planning and Reporting Framework since the adoption of the Strategic Community Plan 2020-2030 and Corporate Business Plan 2020-2024, as well as the progress of the projects and activities described in the reports.

It is recommended the Audit, Risk and Governance Committee notes the progress recorded against each project/activity contained within the 2020/21 Corporate Business Plan Quarter 2 Report and notes the results for all Measures of Success contained within the CBP Measures of Success Report.

### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Councillor Blake D'Souza

**Seconded:** Mr Phillip Draber

That the Audit, Risk and Governance Committee notes the:

1. Progress recorded against each project/activity within the Corporate Business Plan as described in the report contained within **Attachment (a)**; and,
2. Results recorded against each Measure of Success within the Corporate Business Plan as described in the report contained within **Attachment (b)**.

**CARRIED (9/0)**

**For:** Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

**Against:** Nil.

### Background

In late 2017, Council adopted a revised Strategic Community Plan 2017-2027 (SCP), however the City continued to report progress on the existing Corporate Business Plan 2015-2019 (CBP) which was aligned to the previous SCP.

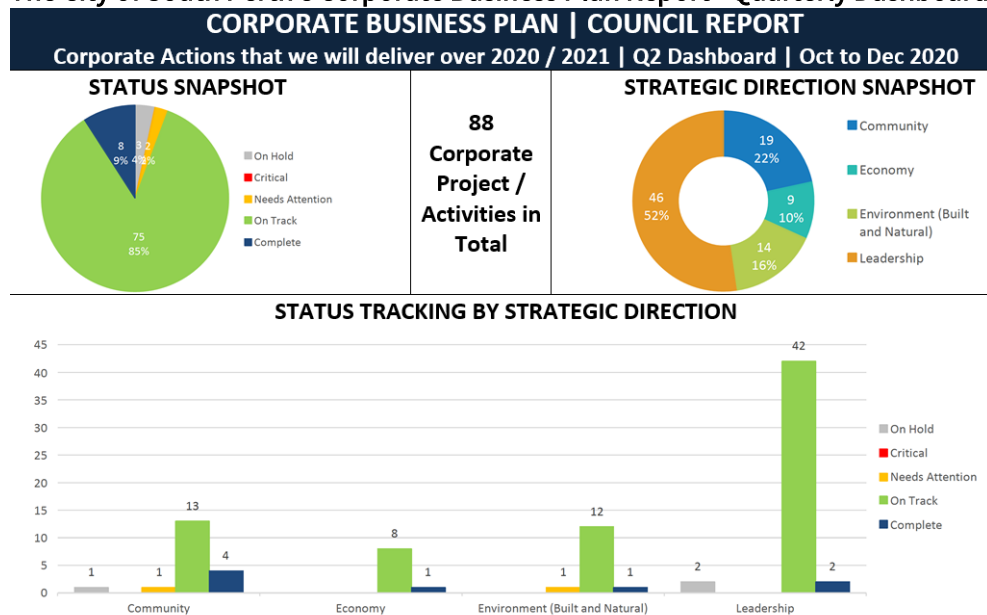
The CBP is an important part of the City's Integrated Planning and Reporting (IPR) Framework, and is the document that guides the implementation of the City's SCP.

The CBP translates the aspirations and strategies of the SCP into operational priorities and indicates how they will be resourced over a four-year period, outlining in detail the projects, services, actions, operations and performance measures required to ensure delivery of the SCP.

In 2019/20, the City completed a minor (desktop) review of the SCP 2017-2027 to produce the SCP 2020-2030, endorsed at the May 2020 Ordinary Council Meeting along with approval to start the next major review in early 2020/21.

Following the 2020-2030 SCP endorsement, the Corporate Business Plan 2020-2024 was finalised and endorsed by Council at its meeting held 23 June 2020. Some minor updates to the plan were recommended to Council from the 8 September 2020 ARGC meeting and were subsequently endorsed by Council at its meeting held 22 September 2020.

**The City of South Perth's Corporate Business Plan Report - Quarterly Dashboard**



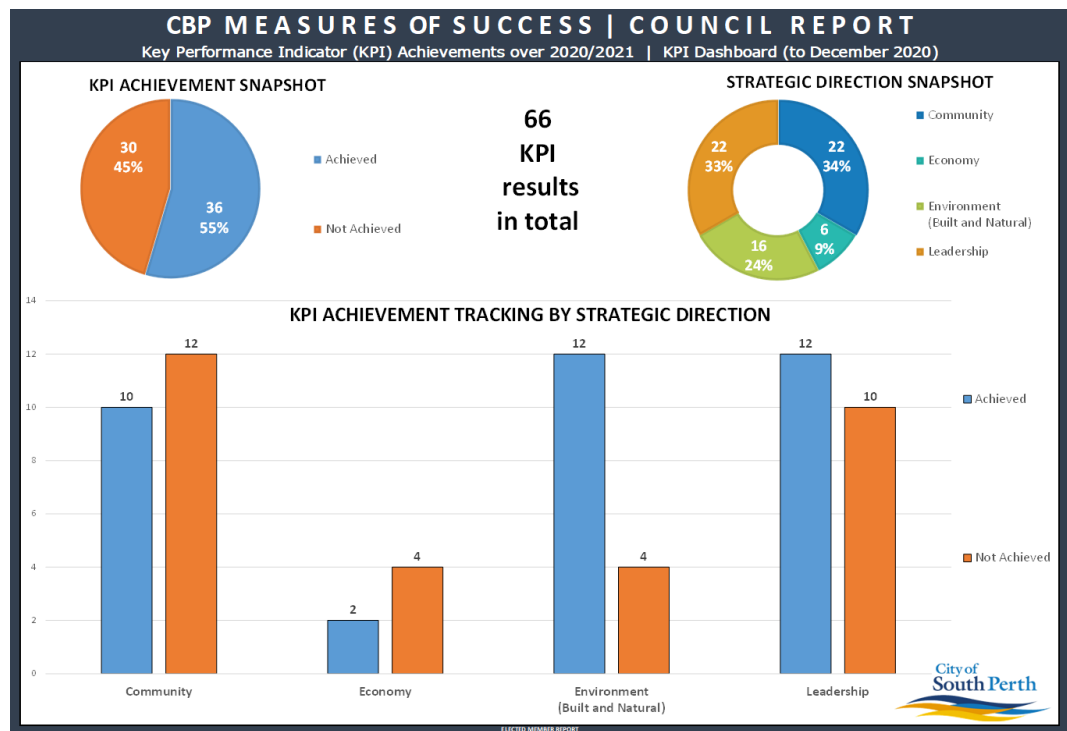
The above dashboard has been designed within the “My Performance Planning” 1System module, which went live into production during Quarter 1 2020/21. This module is now used by the City to record and report on all annual planned actions within the Corporate Business Plan 2020-2024.

Colour coding is used to improve readability. The colours used under the Strategic Direction header are aligned to that of the SCP and CBP being: **blue** = Community; **teal** = Economy; **green** = Environment; and **orange** = Leadership.

In terms of the Status and % Complete headers, the colours used are traditional traffic lights, being: On Track = **green**, On Hold = **grey**, Critical = **red**, Complete = **blue**, and Needs Attention = **orange**.

It is likely that through further 1System module implementation, the information shown in the dashboard and represented in the detailed line by line report may be altered to improve readability and to ensure a focus on continuous improvement.

### The City of South Perth's CBP Measures of Success Report – KPI Dashboard



The above dashboard has been designed with Excel and shows the results of reportable Measures of Success (Key Performance Indicators) from the Corporate Business Plan 2024-2024 for the 2020/21 Financial Year. It is expected that through continuous improvement and further “My Performance Planning” 1System module implementation, recording and reporting of KPI’s will be possible and therefore the information shown in the dashboard and represented in the detailed line by line result outcome report may be altered over time to improve its readability.

It is important to note that the majority of the measures of success represent annual key performance indicators and therefore the reports from quarter 1, 2 and 3 will likely provide unfavourable results. The results shown are cumulative and build on the previous quarter/s results until the entire annual result is shown in quarter 4. Every measure from the Corporate Business Plan has been included in the report, however when a KPI cannot yet be measured, the result is shown as 0 and “not achieved” with the comment providing an indication of why it is immeasurable and when reporting will be possible.

The Corporate Business Plan report and Measures of Success report is reported quarterly to the ARGC, reviewed annually by officers and reported yearly to the Community through the Annual Report.

#### Comment

The attached reports are presented for information, with a description of the progress as well as officer comments.

All completed (100%) items in the Q2 CBP report recorded against each project/activity is registered as closed for the 2020/21 financial year and will not be reported on in future periods. All outstanding projects/activities for 2019/20 have been considered in the development of the annual review for 2020/21.

**Consultation**

Nil.

**Policy and Legislative Implications**

Local Government (Administration) Regulations 1996.

**Financial Implications**

All projects and activities listed in the Corporate Business Plan 2<sup>nd</sup> Quarter Update are fully funded within the 2020/21 Annual Budget.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Leadership  
Aspiration: A visionary and influential local government  
Outcome: Good governance  
Strategy: Foster effective governance through quality decision-making

**Attachments**

**7.5 (a):** Corporate Business Plan 2020/21 - Progress Report to Q2

**7.5 (b):** Corporate Business Plan 2020/21 - Measures of Success Report to Q2

## 7.6 1SYSTEM PROJECT UPDATE

*This item is considered **confidential** in accordance with section 5.23(2)(c) of the Local Government Act 1995 as it contains information relating to "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting"*

Location: Not Applicable  
Ward: Not Applicable  
Applicant: Not Applicable  
File Ref: D-21-3989  
Meeting Date: 09 March 2021  
Author(s): Jeff Jones, Manager Information Systems  
Reporting Officer(s): Colin Cameron, Director Corporate Services  
Strategic Direction: Leadership: A visionary and influential local government  
Council Strategy: 4.3 Good Governance

### Summary

This is the tenth report to the Audit, Risk and Governance Committee (ARGC) providing an update on the 1System Project. Phase I and II were delivered on time, on scope, on quality and on (under) budget. This report describes delivery of Phase III, the largest phase due to it being Citywide. As described at the last ARGC meeting, TechnologyOne Ltd (TechOne) have delayed the release of modules that has impacted the City's ability to deliver the 1System project on time. A modified version of Phase III has commenced, now that the second version upgrade (2020B) is complete.

### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Mayor Greg Milner  
**Seconded:** Councillor Carl Celedin

That the Audit, Risk and Governance Committee notes the progress of the 1System Project and the adjustment to timelines.

**CARRIED (9/0)**

**For:** Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

**Against:** Nil.

## 7.7 RISK MANAGEMENT STRATEGY 2021

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-11966
Meeting Date:	09 March 2021
Author(s):	Christine Lovett, Senior Governance Officer
Reporting Officer(s):	Bernadine Tucker, Manager Governance
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

### Summary

The City has a statutory obligation under the Regulation 17 of the Local Government (Audit) Regulations 1996 to review the appropriateness and effectiveness of a local government's systems and procedures in relation to Risk Management.

This report presents to the Audit, Risk and Governance Committee the outcome of a review of the City's Risk Management Strategy, for noting and referral to Council.

### Officer Recommendation

**Moved:** Councillor Blake D'Souza  
**Seconded:** Mr Phillip Draber

That That Audit Risk and Governance Committee recommends to Council, the adoption of the 2021 Risk Management Strategy as set out in **Attachment (a)**.

### COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Mr André Brender-A-Brandis

That the item relating to Risk Management Strategy 2021 be deferred to a future workshop.

**CARRIED (9/0)**

**For:** Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Mary Choy, Glenn Cridland, Blake D'Souza, Ken Manolas; Mr Phillip Draber and Ms Shona Zulsdorf.

**Against:** Nil.



### Background

The City's Risk Management Strategy 2018 was endorsed by Council on 30 October 2018. Since endorsement of the Strategy, City Policy Risk Management P695 and AS/NZS ISO 31000:2018 Risk Management guidelines (AS/NZS guidelines) related to Risk Management guidelines have been updated.

### Comment

For the City, good governance is about how well we provide goods, services and programs while also meeting our legislative and non-legislative community expectations. The Risk Management Strategy 2021 (the Strategy) is one component of the City's Governance Framework which supports effective governance through quality decision making procedures.

Risk Management assists the City in identifying, mitigating and controlling risks while also identifying and capitalising on opportunities available. The Strategy has been updated to ensure alignment with AS/NZS ISO 31000:2018 Risk Management guidelines (AS/NZS guidelines), City Policy P695 Risk management and to incorporate the introduction of 'Three Lines of Defence' operating model.

The amendments to the Strategy include:

- Reduction of principles from eleven to eight;
- Revised diagrams to align with AS/NZS guidelines which reflect a more streamlined approach across the Principles, Framework and Process;
- Updated terminology to align with AS/NZS guidelines;
- Risk Process - detailed description of each step of the process has been included which follows the identified steps in the AS/NZS guidelines. These descriptions includes assessing the risk prior to any mitigation and determining the residual risk rating. (Note: If accepted, the risk register will be amended to allow for rating prior to mitigation strategies);
- Treatment plan incorporated into the Operational Risk register in order to record and report on all identified extreme risks;
- Removal of all schedules of assessment which have been replaced with reference to Risk Management Policy P695;
- Increased focus on leadership by 'top management' who should ensure that risk management is integrated into all activities, starting with the Governance of the organisation; and
- Introduction of 'Three Lines of Defence' operating model:
  - Currently used by some local governments and often used in audit processes;
  - Clarifies the involvement and alignment of multiple levels of responsibilities;

- Assists in minimising overlap and avoiding gaps in risk management;
  - **1<sup>st</sup> Line of defence -** Operational/Business Unit Managers;
  - **2<sup>nd</sup> Line of defence -** Governance and Compliance functions - Internal Risk Management Committee;
  - **3<sup>rd</sup> Line of defence -** Internal and External audit programs, third level of assurance that processes are in place to capture risks;

### Consultation

The Risk Management Strategy 2021 has been presented to and endorsed by the City's internal Risk Management Committee which includes representation of Managers and Officers from across the City's operations.

### Policy and Legislative Implications

Reg 17 (1) (a) Local Government (Audit) regulations 1996

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
  - (a) risk management

### Financial Implications

Nil.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Leadership  
 Aspiration: A visionary and influential local government  
 Outcome: Good governance  
 Strategy: Foster effective governance through quality decision-making

### Attachments

7.7 (a): 2021 Risk Management Strategy

**8. OTHER RELATED BUSINESS**

Nil.

**9. CLOSURE**

The Presiding Member closed the meeting at 7.32pm and thanked everyone for their attendance.

These Minutes were confirmed at the next Audit, Risk and Governance Committee Meeting yet to be determined.

Signed: \_\_\_\_\_

Presiding Member at the meeting at which the Minutes were confirmed.