

MINUTES

Audit, Risk and Governance Committee Meeting

13 March 2023

Committee Members

Here within are the Minutes of the Audit, Risk and Governance Committee Meeting held Monday 13 March 2023 in the City of South Perth Council Chamber, corner 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

16 March 2023

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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 (Deputy Chair)
Manning Ward
Manning Ward (Chair)
Mill Point Ward
Moresby Ward

Greg Milner
Councillor André Brender-A-Brandis
Councillor Blake D'Souza
Councillor Mary Choy
Councillor Jennifer Nevard

External Members

Mr Aswin Kumar
Ms Shona Zulsdorf

Officers

Chief Executive Officer
Director Corporate Services
Director Development and Community Services
Director Infrastructure Services
Manager Information Systems
Senior Governance Officer
Governance Officer

Mr Mike Bradford
Mr Garry Adams
Ms Vicki Lummer
Ms Anita Amprimo
Ms Amy Currie
Ms Christine Lovett
Mr Morgan Hindle

2.1 APOLOGIES

- Councillor Glenn Cridland
- Councillor Stephen Russell

2.2 APPROVED LEAVE OF ABSENCE

- Councillor Ken Manolas for the period 10 March 2023 to 17 March 2023.

3. DECLARATIONS OF INTEREST

Nil.

4. CONFIRMATION OF MINUTES

4.1 AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING HELD: 28 November 2022

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf

Seconded: Mayor Greg Milner

That the Minutes of the Audit, Risk and Governance Committee Meeting held 28 November 2022 be taken as read and confirmed as a true and correct record.

CARRIED (7/0)

For: Mayor Greg Milner, Councillors André Brender-A-Brandis, Mary Choy, Blake D'Souza, Jennifer Nevard and Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

5. PRESENTATIONS

Nil.

6. BUSINESS ARISING FROM PREVIOUS MEETING

Nil.

7. REPORTS

7.1 2022/23 CORPORATE BUSINESS PLAN - 2ND QUARTER UPDATE

File Ref: D-23-2954
Author(s): Rose Jordan, Organisational Planning and Performance Advisor
Reporting Officer(s): Garry Adams, Director Corporate Services

Summary

This report provides an update on the progress of the Corporate Projects and Measures of Success identified in the Corporate Business Plan 2022/23-2025/26.

It is recommended the Audit, Risk and Governance Committee notes the progress recorded against each Corporate Project/Activity contained within the 2022/23 Corporate Business Plan Quarter 2 Report and notes the results for all Measures of Success (key performance indicators) contained within the Corporate Business Plan Measures of Success Report.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf
Seconded: Mayor Greg Milner

That the Audit, Risk and Governance Committee:

1. Notes the progress recorded against each project/activity within the Corporate Business Plan as described in the report contained within **Attachment (a)**; and,
2. Notes the results recorded against each Measure of Success within the Corporate Business Plan as described in the Key Performance Indicator report contained within **Attachment (b)**.

CARRIED (7/0)

For: Mayor Greg Milner, Councillors André Brender-A-Brandis, Mary Choy, Blake D'Souza, Jennifer Nevard, Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

In 2020, the City completed a major review of the Strategic Community Plan (SCP) to produce the SCP 2021-2031 which was endorsed by Council at its meeting held December 2021.

Following the 2021-2031 SCP endorsement, the Corporate Business Plan (CBP) 2022/23-2025/26 was finalised and endorsed by Council at its meeting held 22 November 2022.

The CBP is an important part of the City's Integrated Planning and Reporting (IPR) Framework. 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 services, projects, actions, operations and performance measures required to ensure delivery of the SCP.

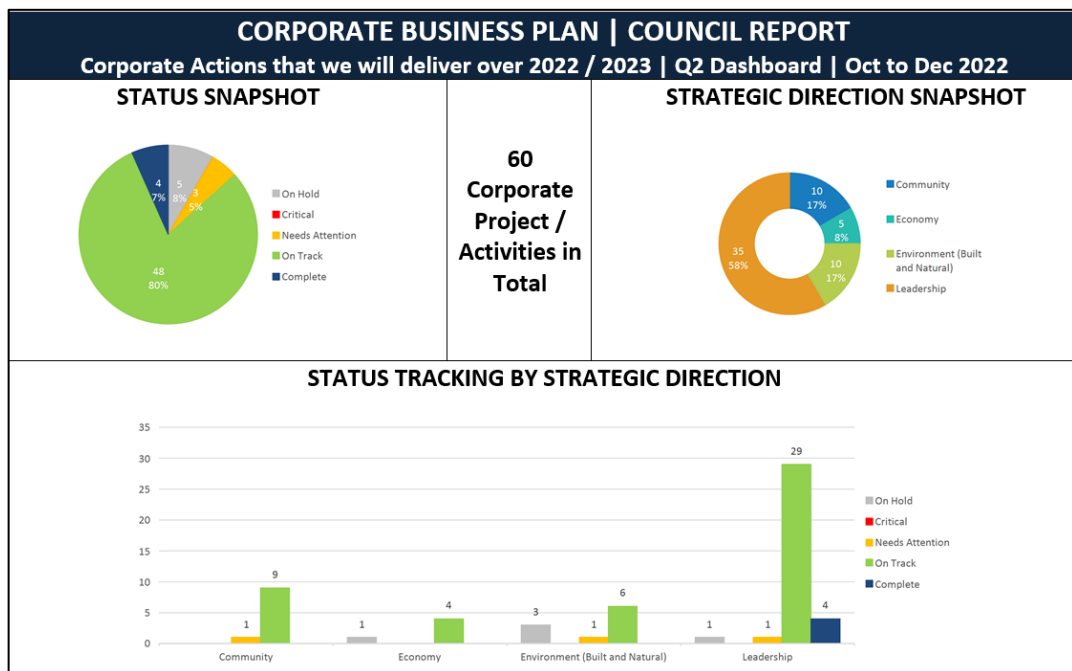
The CBP will be reviewed in 2023/24 and updated for Council endorsement in June 2023.

Comment

This is the first progress report for the 2022/23 planning year with both Quarter 1 and 2 consolidated in this report. With the CBP 2022/23-2025/26 being endorsed at the November 2022 Council Meeting this resulted in the quarterly reporting to commence in Quarter 2 providing a six month update on the progress of outstanding projects and key performance indicators.

The dashboard (shown in the screenshot below) has been designed within the “My Performance Planning” 1System module. This module is used by the City to record and report on all annual planned actions and measures of success within the CBP.

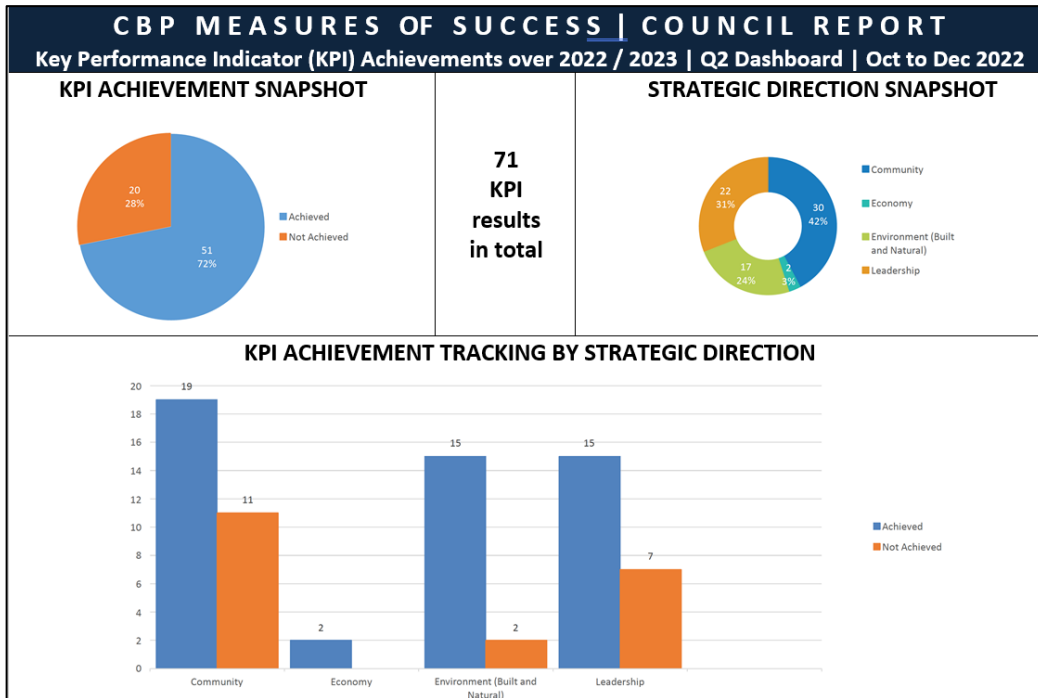
The City of South Perth’s Corporate Business Plan Report - Quarter 2 Dashboard



This is the first CBP report following its four year major review. It consolidates Quarters 1 and two results which cover the six months to 31 December 2022. The Quarter 1 comment section contains no data as there was no reporting undertaken. The attached CBP report is presented for information, with a comment by the officer in the Quarterly Updates column.

To date four (7%) of the 60 Corporate Actions have been completed, with 48 (80%) actions on track. There are no actions with a critical status. All completed (100%) items in the report will not be reported on in future periods.

The City of South Perth’s CBP Measures of Success Report – Quarter 2 KPI Dashboard



To date 51 (72%) of the 71 KPIs are achieved, and 20 (28%) not achieved.

The attached KPI report is presented for information, with a description by the officer in the Result Comment column when a KPI is not achieved.

Consultation

Nil.

Policy and Legislative Implications

Local Government (Administration) Regulations 1996.

Financial Implications

All projects and activities listed in the CBP Quarter 1 and 2 Update are fully funded within the 2022/23 Annual Budget.

Key Risks and Considerations

Risk Event Outcome	<p>Reputational Damage</p> <p>Deals with adverse impact upon the professional reputation and integrity of the City and its representatives whether those persons be appointed or elected to represent the City. The outcome can range from a letter of complaint through to a sustained and co-ordinated representation against the City and or sustained adverse comment in the media.</p>
Risk rating	Medium
Mitigation and actions	<p>Performance management by:</p> <ol style="list-style-type: none"> 1. Annual business planning with business units to identify new actions for the financial year. (Failing to plan is planning to fail); 2. Monitor progress of the Strategic Community Plan (SCP) through <ol style="list-style-type: none"> a. Quarterly reporting of the Corporate Business Plan (CBP) Corporate Actions; b. Quarterly Key Performance Indicator reporting of CBP measures of success; and 3. Implementation of Audit findings for business improvement in accordance with the Audit Register Progress Report.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2021-2031](#):

Strategic Direction:	Leadership
Aspiration:	A local government that is receptive and proactive in meeting the needs of our community
Outcome:	4.3 Good governance
Strategy:	4.3.4 Maintain a culture of continuous improvement

Attachments

7.1 (a):	2022-2023 CBP - Action Progress Report - Quarters 1 & 2
7.1 (b):	2022-2023 CBP - Measures of Success (KPIs) Results Report - Quarters 1 and 2

7.2 AUDIT REGISTER PROGRESS REPORT Q2

File Ref: D-23-3442
Author(s): Garry Adams, Director Corporate Services
Reporting Officer(s): Garry Adams, Director Corporate Services

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.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf
Seconded: Mayor Greg Milner

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)**;
2. Approves the findings marked as Complete (100%) in the Audit Register, to be registered as closed and no longer reported to the Committee; and
3. Notes the revised Strategic Audit Plan as shown at **Confidential Attachment (b)**.

CARRIED (7/0)

For: Mayor Greg Milner, Councillors André Brender-A-Brandis, Mary Choy, Blake D'Souza, Jennifer Nevard, Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

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

Comment

The Audit Register contained in **Confidential Attachment (a)** presents audit outcomes by 'Finding' numbers. Any given Finding may have more than one 'Recommendation' and associated 'Agreed Management Action'.

Only when all Agreed Management Actions related to a Finding are marked as 100% complete, will the report be presented to the Audit, Risk and Governance Committee, with a recommendation that the Finding be closed.

The Audit Register has been formatted to ensure clarity as detailed below:

1. Each Finding that has more than one Agreed Management Action is represented with double lines around that entire Finding.

Example:

Finding number 65 contains three Agreed Management Actions.

2. Each Finding that is to be closed (i.e. 100% complete for all Agreed Management Actions) is represented by a purple 'Closed Tally' column on the right and numbered; and
3. All Findings that are being recommended for closure by the ARGC are filtered to the end of the register.

The ARGC is requested to recommend that Council note the progress and officer comments. In addition, it is recommended all 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.

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

Strategic Internal Audit Plan

A meeting was held with the Internal Auditors to review the strategic audit plan in the context of the updated risk register and the timing of audits with regard to available resources. The revised Strategic Audit Plan as shown at **Confidential Attachment (b)** is presented to the Audit, Risk and Governance Committee for noting.

Financial Statement Audit

The Auditor General provided a clear audit opinion for the 2021/22 financial year with one significant audit issue being the valuation of assets. This was discussed in detail at the November ARGC meeting and will be addressed in the current financial year.

Consultation

Relevant City officers have been consulted.

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 17 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 2022/23 financial year, and it is anticipated that a budget of a similar amount is to be adopted for future years. 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 \$70,000 for the audit work undertaken during the 2022/23 financial year.

Key Risks and Considerations

Risk Event Outcome	Legislative Breach Refers to failure to comply with statutory obligations in the manner in which the City, its officers and Elected Members conduct its business and make its decisions and determinations. This embraces the full gamut of legal, ethical and social obligations and responsibilities across all service areas and decision-making bodies within the collective organisation.
Risk rating	Medium
Mitigation and actions	Quarterly reporting of progress on the Audit Register to the ARGC and Council. In the report, Officer comments on action taken and progressive completion of Actions are noted. Actions which are 100% complete are closed out and reported back to the ARGC. There is no future reporting on closed out actions.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2021-2031](#):

Strategic Direction:	Leadership
Aspiration:	A local government that is receptive and proactive in meeting the needs of our community
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance with honesty and integrity and quality decision making to deliver community priorities

Attachments

- 7.2 (a): Audit Register (*Confidential*)
- 7.2 (b): Strategic Audit Plan (*Confidential*)

7.3 RISK MANAGEMENT AND BUSINESS CONTINUITY ACTIVITY REPORT

File Ref: D-23-3445
Author(s): Christine Lovett, Senior Governance Officer
Reporting Officer(s): Garry Adams, Director Corporate Services

Summary

This report outlines the activities undertaken by the City of South Perth's (the City) Risk Management Function for the period of December 2022 to March 2023 and to provide an overview of the activities planned for the fourth quarter of the 2022/23 Financial Year.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf
Seconded: Mayor Greg Milner

The Audit Risk and Governance Committee recommends to Council that it:

1. Notes the Risk Management and Business Continuity Activity Report as contained in the body of the report;
2. Notes the changes to the Corporate Operational Risk Register as contained within the report; and
3. Endorses the Strategic Risk Register as contained in **Confidential Attachment (a)**.

CARRIED (7/0)

For: Mayor Greg Milner, Councillors André Brender-A-Brandis, Mary Choy, Blake D'Souza, Jennifer Nevard, Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

The Council is responsible for the strategic direction of the City. The City's Audit, Risk and Governance Committee (ARGC) is a Committee of Council in accordance with the *Local Government Act 1995* (the Act) and is responsible for providing guidance, assistance and oversight to the Council, in relation to matters which include risk management.

The responsibility of the ARGC in relation to the risk management program includes overseeing the strategic risk management process and ensuring that the administration has a robust and structured process for identifying and managing strategic risks.

This activity report outlines the risk and business continuity management activities undertaken.

Comment

Risk Management and Business Continuity Management activities for the period of December 2022 to March 2023:

1. Fraud and Corruption

Following the development of a Fraud and Corruption Control Plan an updated Fraud and Corruption Policy P694 was endorsed at the 13 December 2022 Ordinary Council Meeting.

2. Business Continuity Framework (BCF)

Work has continued on the business continuity framework and it will be finalised in the coming quarter.

The objectives and priorities of the BCF will be:

- To provide for the safety and protection of employees, customers, community and property;
- To minimise the impact on customers, community and other stakeholders;
- To protect the City's image and reputation;
- To recover and maintain critical business functions within predefined time and service levels;
- To recover and maintain critical IT systems within predefined time and service levels;
- To minimise environmental impacts;
- To minimise potential economic loss from the failure to conduct normal business; and
- To prevent regulatory breaches.

3. Internal Risk Management Committee

The Internal Risk Management Committee (IRMC) met on 2 February 2023 at which time the Operational Risk Register was presented for review.

The following two risks having been identified and/or reviewed as having a high risk rating. In accordance with the requirements of the Risk Management Framework 2021 these risks are presented to the Audit, Risk and Governance Committee for review.

These risks relate to the availability of contractors or staff to carry out required activities to meet the expectations of our community. While the residual rating of the risks are high, it is considered that all available mitigation strategies are in place to reduce the outcome of this risk impacting the City's community.

Where necessary, key communication methods are utilised to inform our community of any delays/interruption to the expected delivery of a project or service.

i. Corp Risk 5.0 Dependency on contractors to deliver key project/services.

Outcome: Service Interruption

The recent contractor/employment environment resulted in the residual likelihood of this risk event occurring being reassessed in October 2022 from Unlikely to Possible.

The City's Risk Assessment and Acceptance Criteria as detailed in Policy P695 Risk Management the Measures of Likelihood are:

Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances (>90% chance)	More than once per year
4	Likely	The event will probably occur in most circumstances (>50% chance)	At least once per year
3	Possible	The event should occur at some time (>10% chance)	At least once in 3 years
2	Unlikely	The event could occur at some time (>5% chance)	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances (<3% chance)	Less than once in 15 years

(Source – Department of Local Government – Risk Management Resources March 2013)

The City incurred some service delays in late 2022, therefore it is considered a likelihood of 'Likely' (could occur at least once per year) would be more accurate assessment of this risk in the current market.

While the likelihood has been increased from Possible to Likely, the overall risk rating remains at a High Level.

Controls

- Robust supplier selection
- Use of WALGA preferred suppliers
- Procurement Management provided by the Finance Services Business Unit
- Relationship management

ii. Corp Risk 5.4 Employee attraction and retention

Outcome: Service Interruption

Due to the employment environment, the residual likelihood of this risk event occurring was reassessed from Unlikely to Possible in October 2022. The residual likelihood of this risk occurring remains as Possible with the risk rating remaining as High.

Controls

Established Corporate policies, management practices, procedures and strategies including:

- Flexible working arrangements and working from home arrangements
- Learning and development opportunities
- Equal Opportunity Employer
- Phased retirement

- Health and Wellbeing Program for employees
- Superannuation benefits
- Annual performance reviews
- Workforce Plan
- Mentorship program and internal training to staff so they are interchangeable, as required.
- Reward and Recognition Program
- Performance Management Framework
- Learning & Development Framework
- Secondment opportunities.
- Advertised positions to be reviewed against the current market, so that position description is aligned with the offered remuneration package, including market supplements.

iii. Reassessment from High to Moderate

Corp Risk 5.8 Reliant on a single resource as IT network administrator which includes cyber security monitoring.

Based on the employment of an ICT Coordinator the residual likelihood of this risk event occurring has been reassessed from Likely to Possible. This has resulted in the risk rating being reduced from High to Moderate.

The name of this risk has been amended to 'Appropriate resources to administer the IT network which includes cyber security monitoring'.

4. Strategic Risk Register

The Strategic Risk Register (register) has been developed in consultation with the City's Elected Members and external members of the Audit Risk and Governance Committee (the Committee). The register was last endorsed by Council at the March 2022 Ordinary Council Meeting.

The Strategic Risk Register, as contained in **Confidential Attachment (a)**, has been updated to reflect the City's current environment with all amendments being highlighted in red text.

This updated register is presented to ARGC for review and recommendation to Council for endorsement.

The following Risk Management and Business Continuity Management activities are planned (subject to the availability of organisational officers) for the period ending June 2023:

Risk Management Activities	Expected Outcome
Operational risks to be reviewed on a quarterly basis	The City's Corporate Operational Risk register to be as current as reasonably practicable.
Development of further fraud and corruption training.	Increased knowledge within the City's business units in order further protect

	resources, information and safeguard the integrity and reputation of the City.
Business Continuity Plans to be reviewed on a quarterly basis	The City's Business Continuity Plans to be as current as reasonably practicable.
Updated Management Practice M695 Risk Management to be rolled out across all Business Units.	Sound risk management practices and procedures to be further integrated into the City's strategic and operational planning process and day to day business practices.
Implement training program for identified staff	Provide support and guidance to staff ensuring they have familiarity with the City's risk management practices.

Consultation

Relevant City officers were consulted in order to identify and review all risks across all City 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.

Key Risks and Considerations

Risk Event Outcome	Legislative Breach Refers to failure to comply with statutory obligations in the manner in which the City, its officers and Elected Members conduct its business and make its decisions and determinations. This embraces the full gamut of legal, ethical and social obligations and responsibilities across all service areas and decision making bodies within the collective organisation
Risk rating	Low
Mitigation and actions	Continuous review and improvement in relation to all Risk Management activities.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2021-2031](#):

Strategic Direction:	Leadership
Aspiration:	A local government that is receptive and proactive in meeting the needs of our community
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance with honesty and integrity and quality decision making to deliver community priorities

Attachments

7.3 (a):	Strategic Risk Register (<i>Confidential</i>)
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7.4 INFORMATION SYSTEMS AUDIT (EXTERNAL) REPORT

*This item is considered **confidential** in accordance with section 5.23(2)(f)(ii) of the Local Government Act 1995 as it contains information relating to "a matter that if disclosed, could be reasonably expected to endanger the security of the local governments property"*

File Ref: D-23-5227
 Author(s): Garry Adams, Director Corporate Services
 Reporting Officer(s): Garry Adams, Director Corporate Services

Summary

This report tables the Information Systems Audit management letter and findings from the Office of Auditor General (OAG). This management letter (audit period 1 July 2021 to 30 June 2022) forms part of the audit of 2021/2022 Annual Financial Report, which included an Information Systems audit.

The findings include risk ratings, recommendations and management comments. It is recommended that the findings be accepted and added to the City's Audit Register, with commentary on progress of the resolution of issues to be report at each Committee Meeting.

Mr Jay Teichert, Director, Office of the Auditor General will be in attendance to discuss the content of the audit.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf
Seconded: Mayor Greg Milner

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

1. Note the letter from the WA Auditor General contained in **Confidential Attachment (a)**; and
2. Accept the findings contained in the Information Systems Audit for the year end 30 June 2022 **Confidential Attachment (b)** and include in the Audit Register.
3. Note the attached Cyber Security Response **Confidential Attachment (c)**.

CARRIED (7/0)

For: Mayor Greg Milner, Councillors André Brender-A-Brandis, Mary Choy, Blake D'Souza, Jennifer Nevard, Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

7.5 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"*

File Ref: D-23-6516
 Author(s): Jeff Jones, 1System Project Manager
 Reporting Officer(s): Garry Adams, Director Corporate Services

Summary

This is the 18th report to the Audit, Risk and Governance Committee (ARGC) providing an update on the 1System Project.

This report describes delivery of the final two phases (3B & 3C), the largest phases due to it being Citywide and the provision of online services to the Community through a Customer Portal.

In December we went live with version 2022B after an eight week testing process, then on the 16 of January 2023 the City went live with the modules planned in the Phase 3B release, Compliance (Planning and Building Applications), Animals, Infringements, Enterprise Cash Receipting (ECR), Sundry Debtors and the Customer Portal.

Phase 3C will deliver the Rating, Health Management and Electronic Records Management (ECM) modules which are all due to Go-Live in July 2023.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf

Seconded: Mayor Greg Milner

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

CARRIED (7/0)

For: Mayor Greg Milner, Councillors André Brender-A-Brandis, Mary Choy, Blake D'Souza, Jennifer Nevard, Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

7.6 COMPLIANCE AUDIT RETURN

File Ref: D-23-6655
Author(s): Bernadine Tucker, Manager Governance
Reporting Officer(s): Garry Adams, Director Corporate Services

Summary

This report provides the City's response to the Department of Local Government, Sport and Cultural Industries 2022 Compliance Audit Return.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf

Seconded: Mayor Greg Milner

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 2022 to 31 December 2022 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 (7/0)

For: Mayor Greg Milner, Councillors André Brender-A-Brandis, Mary Choy, Blake D'Souza, Jennifer Nevard, Mr Aswin Kumar 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 2022 to 31 December 2022 which focused on those areas considered high risk in accordance with the *Local Government Act 1995* and associated regulations.

Comment

The 2022 Compliance Audit Return contained the following compliance categories:

- Commercial Enterprises by Local Governments;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;
- Elections;

7.6 Compliance Audit Return

- Finance;
- Integrated Planning and Reporting;
- Local Government Employees;
- Official Conduct;
- Optional Questions; and
- Tenders for Providing Goods and Services.

Each section of the 2022 Compliance Audit Return was completed by the relevant business unit.

Consultation

The 2022 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 2022 Compliance Audit Return is to be reviewed and the results presented to Council. Following Council's adoption, the 2022 Compliance Audit Return must be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2023.

Financial Implications

Nil.

Key Risks and Considerations

Risk Event Outcome	Reputational Damage Deals with adverse impact upon the professional reputation and integrity of the City and its representatives whether those persons be appointed or elected to represent the City. The outcome can range from a letter of complaint through to a sustained and co-ordinated representation against the City and or sustained adverse comment in the media.
Risk rating	Low
Mitigation and actions	The City has strong controls in place for the Compliance Audit Return

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2021-2031](#):

Strategic Direction:	Leadership
Aspiration:	A local government that is receptive and proactive in meeting the needs of our community
Outcome:	4.3 Good governance
Strategy:	4.3.4 Maintain a culture of continuous improvement

Attachments

7.6 (a):	Compliance Audit Return 2022
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7.7 ANNUAL REVIEW OF COUNCIL DELEGATIONS

File Ref: D-23-8259
Author(s): Christine Lovett, Senior Governance Officer
Reporting Officer(s): Garry Adams, Director Corporate Services

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 to the Audit, Risk and Governance Committee for consideration and referral to Council for adoption.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf
Seconded: Mayor Greg Milner

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 following Delegations to the Chief Executive Officer and/or City Officers as shown at **Attachment (a)** have been reviewed with 'no changes' being proposed:

DC102	Community Funding Program
DC115	Granting Fee Waiver – City Reserves and Facilities
DC374	Appoint Authorised Officers for the purposes of the <i>Building Act 2011</i>
DC376	Infringement Notices under the Building Regulations 2012
DC401	Graffiti Vandalism Act – Local Government Functions
DC511	Partial Closure of a Thoroughfare for Repair or Maintenance
DC601	Preparation of Long Term Financial Plan, Annual Budget & Annual Financial Report
DC602	Authority to Make Payments from the Municipal and Trust Funds
DC603	Investment of Surplus Funds
DC607	Acceptance of Tenders/E-Quotes/Common Use Agreements
DC607B	Non Acceptance of Tenders
DC608	Acceptance of Contract Variations Relating to Tenders Approved by Council
DC612	Disposal of Surplus Property
DC616	Write-off Debts
DC642	Appointment of Acting CEO
DC664	Dogs – Local Government Functions
DC665	Cats – Local Government Functions
DC677	<i>Bush Fires Act 1954</i> – Local Government Functions

DC678	Appointment of Authorised Officers
DC679	Administer the City's Local Law
DC684	Sealed Documents
DC685	Inviting Tenders or Expressions of Interest
DC686	Granting Fee Concessions – Development Applications
DC690	Town Planning Scheme 6
DC702	Granting Fee Waiver – Collier Park Golf Course
DC703	Minor Amendments to Delegations Register and Policies

2. Notes that in accordance with Section 5.46(2) of the *Local Government Act 1995*, the following Delegation to the Chief Executive Officer as shown at **Attachment (b)** has been reviewed with 'major changes' being proposed:

DC370	Approve or Refuse Granting of a Building Permit
DC371	Approve or Refuse Granting of a Demolition Permit
DC372	Grant, or Refuse to Grant Occupancy Permits or Building Approval Certificates
DC373	Approve or refuse an Extension of the Duration for Occupancy Permits or Building Approval Certificates
DC375	Issue or Revoke Building Orders
DC609	Leases

Absolute Majority Required

CARRIED (7/0)

For: Mayor Greg Milner, Councillors André Brender-A-Brandis, Mary Choy, Blake D'Souza, Jennifer Nevard, Mr Aswin Kumar and Ms Shona Zulsdorf.

Against: Nil.

Background

Section 5.42 of the *Local Government Act 1995* (the Act) provides that a Council may delegate to the Chief Executive Officer (the CEO) 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 Delegations were forwarded to the relevant officers from each business unit who reviewed the appropriateness of the existing Delegations and if there was a need for any additional delegations.

No Changes

As a result of this review, the delegations listed below and at **Attachment (a)** have no changes, therefore no explanatory notes have been provided.

DC102	Community Funding Program
DC115	Granting Fee Waiver – City Reserves and Facilities
DC374	Appoint Authorised Officers for the purposes of the <i>Building Act 2011</i>
DC376	Infringement Notices under the Building Regulations 2012
DC401	Graffiti Vandalism Act – Local Government Functions
DC511	Partial Closure of a Thoroughfare for Repair or Maintenance
DC601	Preparation of Long Term Financial Plan, Annual Budget & Annual Financial Report
DC602	Authority to Make Payments from the Municipal and Trust Funds
DC603	Investment of Surplus Funds
DC607	Acceptance of Tenders/E-Quotes/Common Use Agreements
DC607B	Non Acceptance of Tenders
DC608	Acceptance of Contract Variations Relating to Tenders Approved by Council
DC612	Disposal of Surplus Property
DC616	Write-off Debts
DC642	Appointment of Acting CEO
DC664	Dogs – Local Government Functions
DC665	Cats – Local Government Functions
DC677	Bush Fires Act 1954 – Local Government Functions
DC678	Appointment of Authorised Officers
DC679	Administer the City's Local Law
DC684	Sealed Documents
DC685	Inviting Tenders or Expressions of Interest
DC686	Granting Fee Concessions – Development Applications
DC690	Town Planning Scheme 6
DC702	Granting Fee Waiver – Collier Park Golf Course
DC703	Minor Amendments to Delegations Register and Policies

Major Changes

As a result of this review, the delegations listed below and at **Attachment (b)** have major changes to the content, therefore explanatory notes have been provided:

DC370	Approve or refuse Granting of a Building Permit
DC371	Approve or Refuse Granting of a Demolition Permit
DC372	Grant, or Refuse to Grant Occupancy Permits or Building Approval Certificates
DC373	Approve or refuse an Extension of the Duration for Occupancy Permits or Building Approval Certificates
DC375	Issue or Revoke Building Orders

The abovementioned Council Delegations have been amended to extend the delegation to the position of Assistant Building Surveyor.

DC609 Leases

The name of this delegation has been amended from Leases and Licences to Leases. All reference to issuing a licence has been removed from the delegation.

7.7 Annual Review of Council Delegations

Granting a lease is considered to be disposal of property to which Section 3.58 of the *Local Government Act 1995* (the Act) applies. Granting a licence is not a disposal of property, therefore Section 3.58 of the Act does not apply. The CEO has the power to issue a licence in accordance with Section 5.41 – Functions of the CEO – ‘manage the day to day operations of a local government’ of the Act and section 1.7 Overriding power to hire and agree, of the City of South Perth Public Places and Local Government Property Local Law 2011.

Consultation

Consultation has occurred with officers of the relevant business units.

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.

Key Risks and Considerations

Risk Event Outcome	Legislative Breach Refers to failure to comply with statutory obligations in the manner in which the City, its officers and Elected Members conduct its business and make its decisions and determinations. This embraces the full gamut of legal, ethical and social obligations and responsibilities across all service areas and decision making bodies within the collective organisation
Risk rating	Low
Mitigation and actions	Annual reviews in place

Strategic Implications

This matter relates to the following Strategic Direction identified within Council’s [Strategic Community Plan 2021-2031](#):

Strategic Direction:	Leadership
Aspiration:	A local government that is receptive and proactive in meeting the needs of our community
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance with honesty and integrity and quality decision making to deliver community priorities

Attachments

7.7 (a):	No Changes
7.7 (b):	Major Changes

8. OTHER RELATED BUSINES

Nil.

9. CLOSURE

The Presiding Member declared the meeting closed at 7.18pm.

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.