

NOTICE OF MEETING

AUDIT AND RISK COMMITTEE

Members of the Audit and Risk Committee are advised that a meeting of the Committee will be held in the Council Chambers, 83 Mandurah Terrace Mandurah on

**Wednesday 9 March 2022
at 5.30pm**

MARK R NEWMAN

Chief Executive Officer
3 March 2022

Committee Members:

Councillor P Rogers [Chairperson]	Mayor Williams
Councillor R Burns	Councillor J Green
Councillor A Zilani	Councillor C Knight [Deputy Mayor]
Mr W Ticehurst	

Deputies:

Councillor D Pember	Councillor A Kearns
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AGENDA

1 OPENING OF MEETING

2 APOLOGIES

3 IMPORTANT NOTE

Members of the public are advised that the decisions of this Committee are referred to Council Meetings for consideration and cannot be implemented until approval by Council. Therefore, members of the public should not rely on any decisions of this Committee until Council has formally considered the resolutions agreed at this meeting.

4 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

5 PUBLIC QUESTION TIME

Public Question Time provides an opportunity for members of the public to ask a question of Council. For more information regarding Public Question Time please visit the City's website mandurah.wa.gov.au or telephone 9550 3787.

6 AMENDMENT TO STANDING ORDERS

Modification to *Standing Orders Local Law 2016* - electronic attendance at meeting.

7 PRESENTATIONS

8 DEPUTATIONS

Any person or group wishing to make a Deputation to the Committee meeting regarding a matter listed on this agenda for consideration must complete an application form. For more information regarding making a deputation please visit the City's website mandurah.wa.gov.au or telephone 9550 3787.

9 CONFIRMATION OF MINUTES: MONDAY 6 DECEMBER 2021

Minutes available on the City's website via mandurah.wa.gov.au/council/council-meetings/agendas-and-minutes

10 DECLARATIONS OF INTERESTS**11 QUESTIONS FROM COMMITTEE MEMBERS**

11.1 Questions of Which Due Notice Has Been Given
Councillor P Rogers: Public Interest Disclosures
Councillor P Rogers: Volunteers

11.2 Questions of Which Notice Has Not Been Given

12 BUSINESS LEFT OVER FROM PREVIOUS MEETING**13 REPORTS**

<i>No.</i>	<i>Item</i>	<i>Page No</i>	<i>Note</i>
1	Occupational Safety and Health (OSH) 6 Monthly Review YTD 2021-2022	3 – 13	
2	Office of the Auditor General: Cyber Security in Local Government	14 – 16	
3	Compliance Audit Return 2021	17 - 33	

14 LATE AND URGENT BUSINESS ITEMS**15 CONFIDENTIAL ITEMS**

<i>No.</i>	<i>Item</i>	<i>Page No</i>	<i>Note</i>
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16 CLOSE OF MEETING

ATTACHMENT 11.1

11. QUESTIONS FROM COMMITTEE MEMBERS

11.1 Questions of Which Due Notice Has Been Given

CR P ROGERS: PUBLIC INTEREST DISCLOSURES

1. Has the City of Mandurah received any Public Interest Disclosures over the last three years?
2. What is the process for reporting receiving a Public Interest Disclosures by the City of Mandurah?

City of Mandurah Response

1. *The City has not received any Public Interest Disclosures over the last three years.*
2. *The City takes Public Interest Disclosures very seriously and the internal procedures guide is publicly available for viewing on the City's website.*

CR P ROGERS: VOLUNTEERS

How many volunteers does the City of Mandurah engage, if any?

City of Mandurah Response

The City of Mandurah currently has engaged 138 volunteers. Numbers are allocated across the following city functions:

8	Arts and Culture
23	Festivals and Events
1	Mandurah Library
15	Museum
64	Seniors and Community
2	Youth Development
25	Bush Fire Brigade
138	Total

Other supported volunteers include:

Environment: once a year planting for one day. These will be covered by City of Mandurah insurance and administration in the next round

SES City provides some financial support but administered by SES

1	SUBJECT:	Occupational Safety and Health (OSH) 6 Monthly Review YTD 2021- 2022
	DIRECTOR:	Strategy and Economic Development
	MEETING:	Audit and Risk Committee
	MEETING DATE:	9 March 2022

Summary

The City has been operating under the second 3-year Strategic OSH Plan which was extended into the first 6 months of FY2021-2022 to align the next 3-year Strategic WHS Plan into financial years. The strategic plan was developed utilising the 2018 LGIS Worksafe Plan Audit outcomes and known legislative requirements. Updates were made to the 3-year Strategic Action Plan following the 2020 LGIS Worksafe Plan Audit.

Council is requested to note the progress being made in continuing the 3-year OSH Plan and the imperatives made to ensure our employees are engaged in safe work practices and to address the management of workplace injury. Council is also requested to note the City's current OSH performance.

Disclosure of Interest

N/A

Previous Relevant Documentation

- G.13/9/21 13 September 2021 Council noted the City's OSH performance for the 2020/21 financial year and the progress of implementation of the 3-Year Strategic OSH Plan.
- G.7/3/21 23 March 2021 Council noted the City's OSH performance for the financial YTD 2020/21 & progress of implementation of the 3-year Strategic OSH Plan.
- G.8/9/20 8 September 2020 Council noted progress of 3-year Strategic OSH Plan and current OSH performance for 2020/21 financial year.
- G.8/3/20 24 March 2020 Council noted progress of implementation of 3-year Strategic OSH Plan and current OSH performance for YTD 2019/20 financial year.
- G.8/3/20 24 March 2020 Council noted the progress of the implementation of the 3-year Strategic OSH Plan and the City's current OSH performance for the YTD 2019/20 financial year.
- G.9/09/19 24 September 2019 Council noted the continuation of the 3-year Strategic OSH Plan 2019-2022 and the City's OSH performance for the 2018/19 financial year
- G.11/3/19 26 March 2019 Council endorsed the 3-year Strategic OSH Plan 2019-2022 and noted the OSH Key Performance Indicators
- G.30/3/16 22 March 2016 Council endorsed the City's 3-year OSH Plan

Background

Implementation of the 3-year OSH Strategic Plan began in 2016. Since then, a range of actions have been planned and implemented to improve the City's OSH performance. The City is currently operating under the 2019-2021 OSH Strategic Plan.

Comment

The overview of the City's Occupational Safety and Health performance for YTD 2021/22 is shown in Attachment 1.1.

Highlights of the first 6 months include:

- In July 2021, the MARC team participated in the PERfoRm (Participative Ergonomics for Manual tasks) program which was developed by WHS Queensland and the University of Queensland. The program is based on a participative ergonomics approach and employs a simplified manual task risk management program. The program has had considerable engagement from the Coordinator (Adrian Timms) and the site employees. As a direct outcome of the program there has been a number of changes to work process and/or equipment that will help reduce strain/sprain injuries.
- 4 OSH procedures have been reviewed/developed and relevant changes have been made to work practices within the City.
- Finalisation of the WHS transition plan which identifies the existing procedure changes that are required, communication and training needs.

Attachment 1.1 details the City's OSH performance in more detail, however the highlights include:

- All of the City's lost time injuries are the result of musculoskeletal injuries with the majority being caused by a slip/fall from the same height. The medical treated injuries are open wounds/lacerations and musculoskeletal injuries and the first aid injuries are mainly animal/insect bites. Musculoskeletal injuries across all 3 injury classifications are trending to similar numbers as FY2020-2021. The majority of injuries are being reported by our outdoor workers. The Safe Spine/Safe Mind program is due to recommence their program in March 2022.
- The number of workers' compensation claims submitted to date are tracking towards similar numbers of claims as FY2020-2021. Even though the claim numbers are similar the severity of the injuries claimed in FY2021-2022 have reduced.
- Near miss incident reports have increased with almost 50% relating to incidents involving difficult/aggressive members of the public. The City has conducted several assessments of these types of incidents and are currently reviewing appropriate controls.

At the September 2021 Audit and Risk Committee meeting the following questions were raised regarding the LGIS audit/assessment process.

Q1. Could you please ask LGIS to outline the scope for the next LGIS full audit (that is provided as part of our insurance premium) in 22/23 financial year?

Answer - LGIS have advised the City's next scheme funded assessment would be in 2023, and can be assessed against the LGIS Worksafe tool. The 3 steps assessment is available to all scheme members every 3 years as a complimentary benefit.

At this point the City would not qualify for the Worksafe Plan Certificate of Achievement due to the inability to meet the reduction or low rate of lost time injuries and diseases over the last three financial years.

Q2. Explain why LGIS use their own audit assessment tool instead of ensuring the local government meets certain requirements that would result in obtaining a Work Safe Plan Certificate of Achievement?

Answer - LGIS have advised they use the same assessment criteria as the Worksafe Plan (which is permissible) however the LGIS scoring methodology is different to align to LGIS's 3-tiered assessment program. Further, Worksafe Plan Certificates of Achievement assessments also consider injury rates over the previous years which LGIS do not include as LGIS are of the view this can penalise regional Shires.

Q3. How much financial investment would be required in addition to what is already provided to achieve a score of 90% and what would be delivered?

Answer – Audit/assessment scores are a snap shot in time and depending on what the auditor sees and who they talk to this score can change quite considerably from year to year. The 2021 LGIS WorkSafe assessment was completed using LGIS's old scoring methodology. This methodology was requested by the City to allow analysis of the previous 2 LGIS audits/assessments. If the new scoring methodology was used in the 2021 audit/assessment the City would have achieved a score of 93%. To be on track to achieve a score 90% or over in the 2023 audit/assessment the City would need to maintain or improve the existing systems.

The 2021 audit report scored Management Commitment (91%), Planning (81%) and Consultation and Reporting (93%), so in relation to these areas updating the KPIs, some small changes to the City's procedures and continuing embedding our Contract/Contractor Management processes will see an increase in the Planning element score.

The areas where the City has scored lower in both the 2020 and 2021 audits/assessments are Hazard Management and Training/Supervision. These 2 elements are centred around ensuring the procedures and processes that have been identified as part of the Management Commitment, Consultation/Reporting and Planning elements have been successfully implemented and embedded throughout the whole business.

To increase the scores within the Hazard Management and Training/Supervision elements and also assist the City to reduce workers' compensation claims and significant injuries the majority of attention over the next 3 years will be on –

- Improving internal and external communication.
- Improving the OSH engagement with the workforce
- Developing and providing effective planned training
- Improving on Onecouncil OSH reporting and functionality
- Developing our leaders
- Conducting quality inhouse inspections which aligns with OSH procedures
- Providing our workforce with tools to improve/maintain good mental health

To continue to improve the OSH safety systems the investment in developing our leaders must be maintained and additional resources within the OSH Team could be considered to assist with embedding our existing OSH system. The additional resource would cost approximately \$90000 and assist with the delivery of the next stage of further embedding the safety management system.

Statutory Environment

Nil

Policy Implications

Nil

Economic Implications

Each year the City pays an insurance premium to Local Government Insurance Services, out of which claims are paid. When the claim is accepted an amount is also allocated for the expected value of the claim.

While the financial position can be fluid as claims are settled or return to work outcomes change, 2021/22, it is expected to be under the City's deposit claim threshold. COVID19 infections caused by exposures within the workplace may affect the City's claim costs.

Risk Analysis

N/A

Strategic Implications

The following strategies from the *City of Mandurah Strategic Community Plan 2020 – 2040* are relevant to this report:

Health:

- Provide quality health and wellbeing programmes and services that target whole of life health from infants to seniors.
- Promote the importance of a healthy, active lifestyle and the role the natural environment plays in preventative health, within our community.

Organisational Excellence:

- Build and retain a skilled, agile, motivated and healthy workforce.
- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices, governance, risk and financial management.
- Ensure that our actions maintain a sustainable balance between economic growth, the environment and social values.

Conclusion

The City has progressively been implementing the actions of the 3-Year OSH Plan and Council is requested to note the progress of the implementation of the plan and also note the OSH performance for the YTD 2021/22 year.

NOTE:

- Refer **Attachment 1.1 City of Mandurah OSH Performance Overview for YTD 2021 – 2022**

RECOMMENDATION

That the Audit and Risk Committee recommends that Council:

- 1. Notes the City's OSH performance for the YTD2021/22 financial year.**
- 2. Notes the progress of implementation of the 3-year Strategic OSH Plan.**

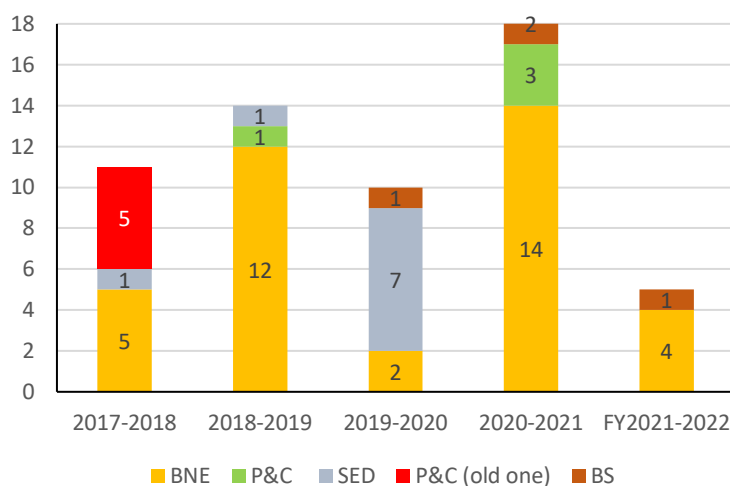
City of Mandurah OSH Performance Overview for YTD 2021-2022

ATTACHMENT 1.1

A summary of the City's OSH performance for YTD FY2021-2022 is -

LTI's (Lost Time Injuries) are on track to be lower than 2020-2021	Figure 1
Strains/sprains still remain the City's highest nature of injury	Figure 2
A decrease in overall injury reports	Figure 3
Reporting of first aid injuries have decreased by 33%	Figure 3
Reported medical treated injuries have slightly increased from the same time last year.	Figure 3
14 workers' compensation claims were submitted for the first 6 months. FY2021-2022 is tracking to have similar claim numbers or slightly lower than 2020-2021.	Figure 5

INCIDENT DATA –

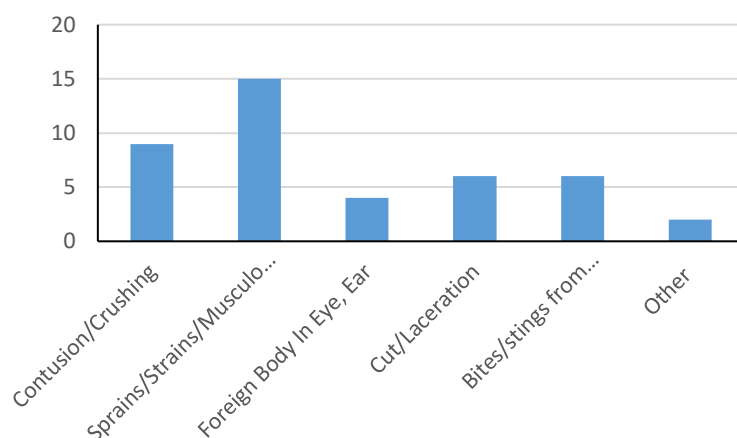


For the first 6 months of the financial year we have reported 5 LTIs, which equates to a LTIFR (Lost Time Injury Frequency Rate) of 9.7.

LTIFR is the number of LTI's x 1,000,000 divided by total person hours worked. The equation allows the City to compare with smaller councils. This statistic does not indicate how serious the LTI was/is, so should not be used in isolation when benchmarking.

All LTIs were strain/sprain injuries and the majority of the injuries were a result of slip/strip/fall on the same level.

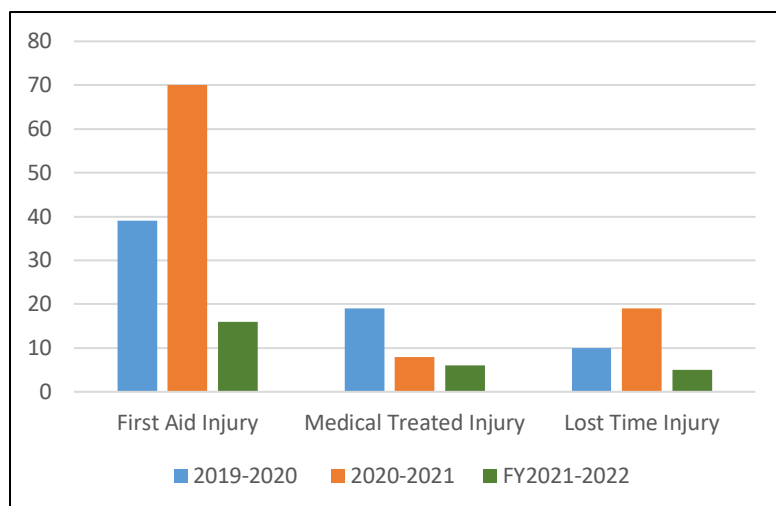
Figure 1: City of Mandurah LTI record per Directorate – 2017 to YTD2021-2022



- 43 injuries were reported.
- 16 of the injuries did not require treatment.
- 26 of the injuries were reported by outdoor workers. 6 were insect/animal bites.

Figure 2: City of Mandurah Treated Nature of Injury or Disease YTD2021-2022

City of Mandurah OSH Performance Overview for YTD 2021-2022



The first 6 months of the year the following injury classifications were reported –

- 5 LTIs
- 6 MTIs
- 16 FAIs

24 first aid injuries, 5 medical treatment injuries and 11 LTIs were reported in the same 6 months last year.

Figure 3: City of Mandurah treated injuries classification comparison

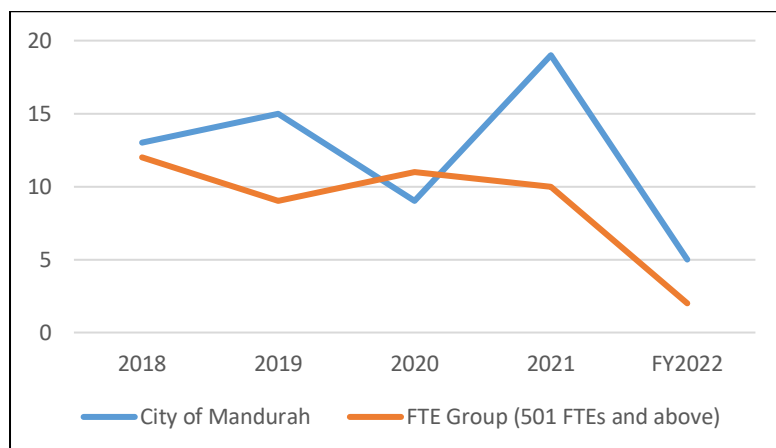
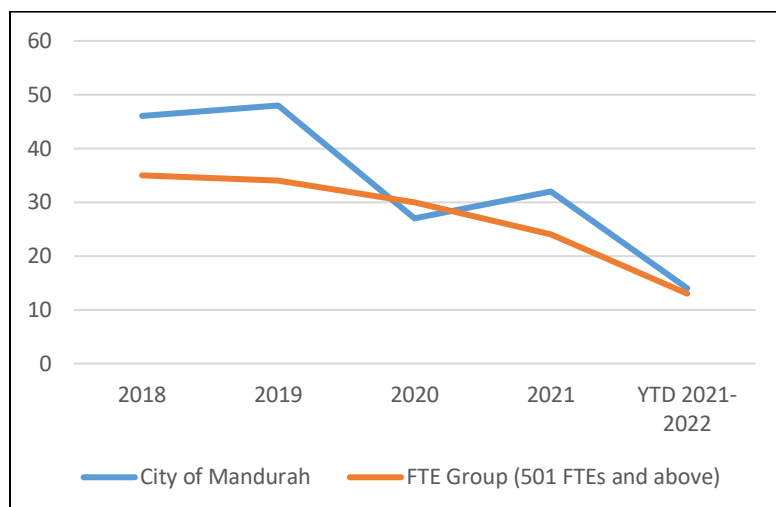


Figure 4: City of Mandurah LTI number benchmark against 501 FTE and above councils 2018 to YTD2021-2022



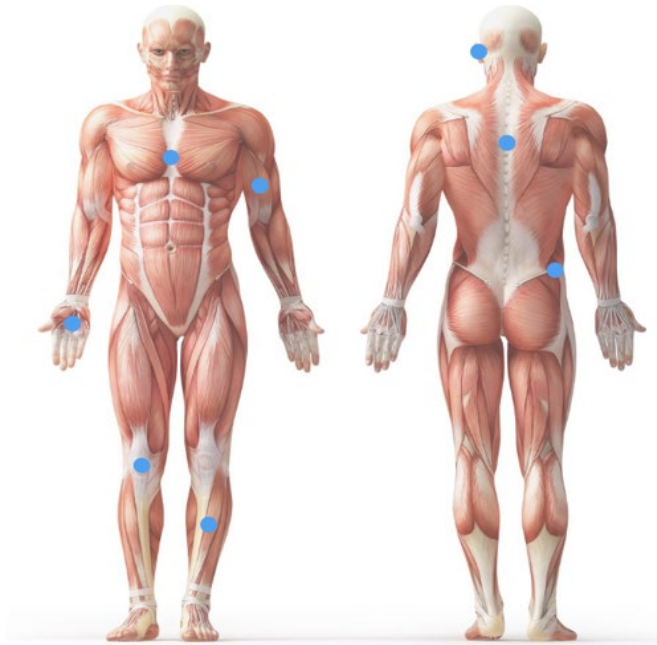
14 workers' compensation claims have been submitted.

- 5 claims are still open and relevant injury management is being applied.
- 2 claims have been pended and are waiting on further medical information.
- 7 claims have been finalised.
- The average age of a person claiming workers' compensation is 42.
- 57% of the claims are from males.
- The majority of claims (11) were submitted by staff at the Operations Centres, with (9) being musculoskeletal injuries.

Figure 5: City of Mandurah number of claims against 501 FTE and above councils – 2018 to YTD2021-2022

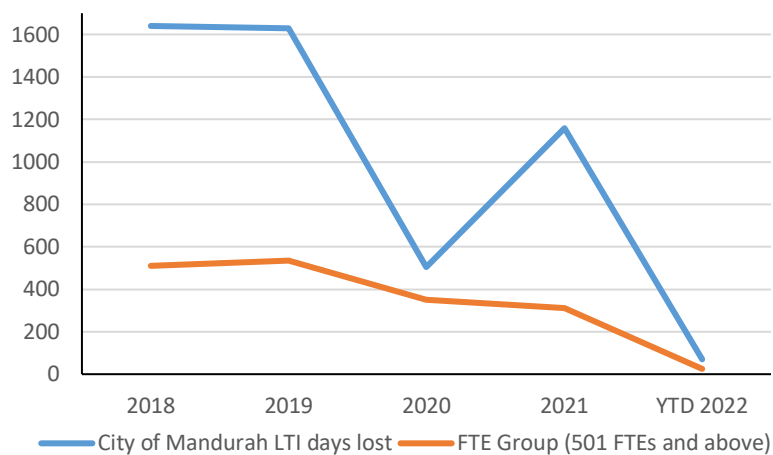
City of Mandurah OSH Performance Overview for YTD 2021-2022

WORKERS' COMPENSATION -



The majority of claims are the result of a strain/sprain injury (8) in the location of back (3), knee (1), hip (1), arm (1) and leg (2).

Figure 6: City of Mandurah summary of workers' compensation claim injury body locations YTD 2021-2022



- Mandurah has recorded 70 days lost due to a workplace injury.
- FTE group has reported 25.
- Days lost in relation to claims will increase due to 2 active claims.

Figure 7: City of Mandurah number of LTI days lost in comparison with 501 FTE and above councils – 2018 to YTD 2021-2022

City of Mandurah OSH Performance Overview for YTD 2021-2022

LEAD INDICATORS –

OSH Audits/Inspections	OSH Training Activity	Health and Wellbeing Activities	Drug & Alcohol testing
- Ongoing Activity Observations are being conducted on employee and contractor work activities by line managers and the OSH Team. - Scheduled OSH Workplace inspections are being carried out as per schedule. COVID19 checks are included.	- Respiratory Protection - Safety Use of Ladders - OSH Roles and Responsibilities - Handling Sharps 3-day City of Mandurah Leadership Training includes a component of OSH. - OSH Incident Investigation - Ongoing Safe Spine training (Ops) - Short Term Stops - Fitness for Work - Silica Awareness - OSH Contractor Management - Manual Handling - At the Coalface - PERFORM at the MARC	175 Annual skin checks conducted - Ergonomic assessment conducted for work from home arrangements as well as working in the office. - Promoted – - RUOK Day - Breast Cancer Awareness - Sun Safety - Holiday Health	220 drug and alcohol tests have been completed. The majority of locations have been tested. 6 tests were causal testing. Causal testing is carried out when a CoM vehicle contacts equipment/plant.

TRENDS –

Measure	2019-2020	2020-2021	YTD2021-2022
Vehicle and property damage reports	35	55	47
Near Misses (includes incidents involving difficult/aggressive members of the public)	75	91(30)	105 (46)
Injuries reported (includes injuries that didn't require treatment)	76	144 (28)	43 (16)
LTIs	10	19	5
Number of workers' compensation claims submitted	27	30	14
Total days lost from injury	414	721	70
Workplace hazards reported	Data not recorded	From 30/9/20 295	966
Random Drug and alcohol testing conducted	420	406	220

City of Mandurah OSH Performance Overview for YTD 2021-2022

2019 – 2021 3 YEAR STRATEGIC PLAN UPDATE –

Priority	Objective	Expected Outcomes	Due (does not represent financial year)	Status	Comment
Enhance OSH leadership and safety culture through advancing active participation	The City will improve on the existing positive safety culture and leaders are demonstrating expected OSH behaviours	Relevant training has been provided to employees and accurate up-to-date training records are maintained.	Q4 2021	Commenced	One Council will be used to store training records and provide the ability for staff to book themselves into relevant courses. The 2022 OSH Training Schedule has been developed and communicated.
		Completion of an across the organisation OSH Risk Register which identifies hazards and necessary controls associated with all work activities.	Q4 2021	Ongoing	Departments to finalise OSH Risk Registers.
		Volunteers, visitors, suppliers, contractors and customers relevant OSH risks are considered within the City's OSH planning.	Q4 2021	Ongoing	The Volunteer Management Policy has been completed. A separate Visitor Procedure is in draft and is expected to be finalised by March and sent to Central OSH Committee in April for approval.
Actively manage OSH risks and outcomes	Risk reduction strategies are in place that result in the identification; control and elimination or reduction of risks to as low a reasonably practicable	Review completed of the Occupational Health and Safety Procedural Manual resulting in compliance with relevant legislative requirements; the amendment of relevant documents; implementation of necessary communications; and the provision of related training. Improved access by the workforce to all relevant OSH documentation.	Q4 2021	Ongoing	The procedure schedule has been reviewed and due dates for development/ review have been amended as the OSH team have been focussing on conducting activity observations on high risk work activities. 31 procedures have been reviewed or developed during the 3-year period. 8 procedures are in review/development stage. New OSH regulations which are expected to be finalised in March 2022 will require all procedures to be reviewed.
		An effective system is implemented across the City to identify hazards, assess and control risks associated with any work activities.	Q3 2021	Ongoing	The Hazard and Risk Management Procedure has been updated with the OneCouncil hazard reporting process but will delay completing the procedure until OSH regulations are finalised. Draft procedure has been developed. OneCouncil has provided employees with access to track hazard reports through to the

City of Mandurah OSH Performance Overview for YTD 2021-2022

Priority	Objective	Expected Outcomes	Due (does not represent financial year)	Status	Comment
					works completion. OSH Risk Registers to be finalised by departments.
		Increased hazard reporting and response.	Q3 2021	Closed	Reporting of hazards have increased but further work is required to ensure employees are logging correct data into OneCouncil.
		Safe work procedures are available for all work activities which include operational and OSH requirements.	Q3 2021	Ongoing	Areas with completed risk registers will be updating/developing JIGs/SWPs. This action will be moved into the FY2022-2025 OSH 3 Year Strategic Action Plan.
		Development and promotion of an annual Health and Wellbeing event calendar.	Q1 2019 Q1 2020 Q1 2021	Completed Completed Ongoing	H&W committee has been created. The committee will assist with the development with the 2022 H&W calendar which will be due to commence in April 2022.
		H&W events are promoted and participation is reviewed.	Q3 2019 Q3 2020 Q3 2021	Completed Completed Completed	Events are promoted within the monthly OSH committees and monthly Team Brief communications
Promote health and wellbeing	Employee lifestyle choices and general health has improved as a result of participation in the City's health and wellbeing program.	Reduction in sick leave.	Q4 2021	Commenced	2019-2020 unplanned leave equated to 5%. Previous years data is not available for trend analysis.
		Staff retention is at or better than industry benchmarks.	Q4 2021	Not commenced	Waiting on WALGA survey results which is due in February 2022. The survey results will enable the City to compare ourselves against other local governments.
		Contractors are inducted and audits/inspections are carried out on a scheduled basis.	Q3 2019	Completed	OSH Contractor inductions are being completed by contractors online. Contractor Activity Observations have commenced.
		An Audit/Inspection procedure is developed.	Q4 2021	Completed	The procedure was approved in October 2021 Central OSH Committee meeting.

City of Mandurah OSH Performance Overview for YTD 2021-2022

Priority	Objective	Expected Outcomes	Due (does not represent financial year)	Status	Comment
Measure, evaluate and review OSH systems	OSH performance and outcomes are closely monitored; measured; and reviewed to ensure continuous improvement of OSH systems.	Develop and implement a process for the review of the effectiveness of hazard identification, risk assessment and risk control process.	Q2 2020	Ongoing	Safety Observations are completed to assess the effectiveness of controls.
		Reduced workers' compensation costs and claims.	Q1 2020	Completed	The FY2021-2022 trend show the City is tracking to have similar or slighter smaller claim numbers for the whole financial year. The number of claims over the last 3 years have slightly fluctuated up and down but are still lower than the claims numbers going back to 2014-2015. FY2021-2022 is tracking to have a reduction in workers' compensation spend.
		Reduced LTIs and significant injuries.	Q1 2020	Completed	FY2021-2022 is trending to have lower LTIs than the previous year. Medical treated incidents are showing a slight increase from FY2020-2021.
		Reduced manual handling incidents.	Q1 2020	Ongoing	Strain/sprain/musculoskeletal injuries remain the City's highest injury type throughout the 3-year reporting period. YTD2021-2022 (15) is trending to be similar to FY2020-2021 (27).
		Process for identifying incident trends and patterns is developed	Q4 2020	Ongoing	Benchmarking has commenced with other local governments of similar size. Process for trend analysis will be included in updated in the Hazard and Risk Management Procedure. Currently incidents trends are identified every 3 months, 6 months and yearly.

2	SUBJECT:	Office of the Auditor General: Cyber Security in Local Government
	DIRECTOR:	Business Services
	MEETING:	Audit and Risk Committee
	MEETING DATE:	9 March 2022

Summary

The Office of the Auditor General (OAG) has conducted an audit of cyber security in a sample of 15 local governments¹. The City was selected as part of the sample. The audit commenced in November 2020 and the report was issued by the OAG in November 2021.

Although the report is critical of the state of cyber security in local governments in general, the management letter issued to the City contains only moderate and minor findings. It is important to note that there was a significant time delay from the time of the audit to the time the report was released, and majority of the recommendations were completed before the report was received by the City.

Council is requested to receive the report and management letter from the OAG, and note the actions taken to address the findings.

Previous Relevant Documentation

Nil.

Background

The OAG commenced an audit to examine the state of cyber security in local government in November 2020. The City was part of a sample of 15 entities selected. Although it is known that the sample contains a mix of large and smaller local governments from both the Metropolitan Area and Regional Western Australia, the details of the participants are confidential and are not released by the OAG.

Little is known about the activities undertaken during the audit. It is known that the City detected a brute force attack on its network in December 2020, and a phishing attack was also conducted. The OAG also reviewed a range of the City's documentation such as the security plan, operational risk register and presentations on cyber security provided to staff.

The Management Letter issued to the City in October 2021 contained three minor and four moderate findings. A copy of the Management Letter is appended at *Confidential Attachment 2.1*.

The formal OAG report was issued in November 2021. The report makes seven recommendations. A copy of the report can be found on the OAG website and an electronic link has been included in the footnote on this page.

Comment

As the report's recommendations are very generic it is hard to disagree with their sentiment although there are many practical issues involved in their implementation. The City's comments on the recommendations are shown at *Confidential Attachment 2.2*.

The way in which the report is structured makes it difficult to interpret. Although, as has been said, local governments are not identified, each illustrative table has been further randomised. Each table has a unique number allocation and there is no consistency between tables. It is not possible to assess how individual local governments have performed. The OAG has also declined to provide information to those

¹ https://audit.wa.gov.au/wp-content/uploads/2021/11/Report-9_Cyber-Security-in-Local-Government.pdf

local governments which were audited to understand how they can identify themselves in the report. Further comment on this issue is provided in *Confidential Attachment 2.2*.

The Management Letter, which addresses the specific City-related issues identified by the OAG, indicates that the City is making reasonable progress in improving its security profile. During the course of the audit, which had an extraordinary duration, the City was working through its internal auditing findings which included cyber security exercises such as penetration testing. As a result of this most of the findings which the OAG identified during their audit had been resolved by the time the management letter was issued. It is noted that the report's recommendations cover a far wider area than the findings in the Management Letter. It is evident that the OAG will, in future, push for local governments to achieve the same level of cyber security maturity as State Government agencies are expected to achieve.

Consultation

N/A

Statutory Environment

Local Government Act 1995 Part 7 Division 3C Performance Audit

The OAG may conduct performance audits on local governments.

Policy Implications

Nil.

Financial Implications

Full compliance with the OAG recommendations will require significant investment and will take several years to achieve. An assessment of requirements is currently being undertaken to help inform the Long Term Financial Plan.

Risk Analysis

The threat of a cyber attack is one of the City's biggest risks. The inability to maintain systems which are as robust as possible presents risks both in terms of impairment of operating capability and, to a lesser extent, data loss. This has the capacity not only to damage the City's reputation but also affect stakeholders such as suppliers and the community.

Mitigation of risks in this area presents challenges in two areas; the resources required to attempt to lower the risks profile as much as possible and the recognition that cyber attackers are highly skilled, well-resourced and relentless. The City will, within the resources available, do everything it can to provide the best possible defences but, as evidenced by far better-resourced organisations, the successful prevention of all incidents cannot be guaranteed.

Strategic Implications

The following strategy from the City of Mandurah Strategic Community Plan 2020 – 2040 is relevant to this report:

Organisational Excellence:

- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices, governance, risk and financial management.

Conclusion

The OAG's findings for the City outlined in the Management Letter had largely been addressed by the time the Management Letter and subsequent report were published. Despite this, the report, although difficult to follow in its presentation, provides a useful pointer to the direction of future audits.

NOTE:

- Refer ***Confidential Attachment 2.1*** ***Management Letter to the City – Office of the Auditor General***
Confidential Attachment 2.2 ***Office of the Auditor General report recommendations – City comments***

RECOMMENDATION

That the Audit and Risk Committee recommends that Council notes the Management Letter, the Office of the Auditor General recommendations and the City officer responses.

3	SUBJECT:	Compliance Audit Return 2021
	DIRECTOR:	Business Services
	MEETING:	Audit and Risk Committee
	MEETING DATE:	9 March 2022
	attachemnt	

Summary

The Department of Local Government, Sport and Cultural Industries (DLGSC) has circulated to all Western Australian local governments, the annual 2021 Compliance Audit Return for completion.

The return is a requirement of the *Local Government Act 1995* and its Regulations and is prepared for the Minister for Local Government in an approved form. The return covers the period 1 January 2021 to 31 December 2021.

There is a statutory requirement to have the compliance audit reviewed by the Audit and Risk Committee and then adopted by Council. Once adopted, it will be certified by the Mayor and Chief Executive Officer and forwarded to the DLGSC prior to the 31 March 2022 deadline.

The compliance audit has been conducted (refer *Attachment 3.1*) for 2021 which resulted in the City achieving 95% (94/98) compliance.

Disclosure of Interest

N/A

Previous Relevant Documentation

- | | | |
|-------------|---------------|------------------------------|
| • G.6/3/21 | 23 March 2021 | Compliance Audit Return 2020 |
| • G.7/3/20 | 24 March 2020 | Compliance Audit Return 2019 |
| • G.10/3/19 | 26 March 2019 | Compliance Audit Return 2018 |

Background

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires a local government to carry out a compliance audit for the period 1 January to 31 December in each year. The compliance audit forms part of the DLGSC's monitoring program which includes all statutory requirements as outlined in the audit regulations.

It is also a method of bringing to Council's attention cases of non-compliance, or where full compliance has not been achieved. It is noted that Council is required to endorse any remedial action taken or proposed to be taken in regard to instances of non-compliance. In some instances, non-compliance can result in further inquiries by the DLGSC.

Comment

When preparing the return, responses are validated through a series of newly developed testing mechanisms to assure that responses are correct and sufficient for third party review.

The 2021 Compliance Audit Return comprises of the following components:

1. Commercial Enterprises by Local Governments
2. Delegation of Power/Duty
3. Disclosure of Interest
4. Disposal of Property

5. Elections
6. Finance
7. Integrated Planning and Reporting
8. Local Government Employees
9. Official Conduct
10. Optional Questions
11. Tenders for Providing Goods and Services.

Relevant managers were required to complete responses to the questions before being forwarded to Governance Services for review and input via the Smart Hub on the DLGSC website.

Areas where full compliance was not achieved for 2021 are:

Category	Question	Comment	Action and Follow Up
Finance	Q6. Within 14 days after the local government gave a report to the Minister under s.7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	The Auditor's Report was adopted by Council on 21 December 2021 and was forwarded to the Minister on the following day. The Act requires the Auditors Reports to be published on the City's website within 14 days following submission to the Minister. The Auditors Report was published on the City's website on 18 January 2022. The Office being closed over the Christmas break and public holidays delayed the publication of the report on the City's website.	Financial Team have developed procedures to ensure compliance requirements will be met in future years.
Optional Questions	Q5. Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3) and (4)	Following recent amendments to legislation a copy of the City's Budget must remain on the City's website for 5 years. When the City's Budget for 2021/22 was published, the 2020/21 Budget was removed. This matter has since been rectified and the 2020/21 Budget is available on the City's website.	Following amendments to the Act in 2020 a schedule of statutory documents which must be published on the City's website was developed to assist City Officers in undertaking communication activities. It is recommended that further controls within the communication team be developed to ensure that the schedule is embedded into their processes.

Tendering	Question 7. Tendering. Did the information recorded in the local government's tender register comply with the requirements of the <i>Local Government (Functions and General) Regulations 1996</i> reg. 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Tender 17-2021 was accepted by Council in December 2021. At the time the audit was conducted reg 17(2)(f) (name of the successful business) and reg 17(3) (the consideration of the value of the tender) was not on the Tender Register. All other entries in the register were compliant.	Procurement Team have now reviewed their processes to ensure that the tenders awarded prior to the 31 December are updated on the register prior to the Christmas closure period.
Tendering	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	Through the City's Internal Audit Function some instances of non-compliance with the Council Procurement Policy (under \$50,000) were identified. A mandatory City-wide training program on procurement under \$50,000 has been implemented.	The City will continue to monitor procurement practises to improve compliance with the Policy.

The 2021 Compliance Audit Return has now been completed and is required to be considered by the Audit and Risk Committee and adopted by Council before being finalised and submitted to the DLGSC by 31 March 2022.

Consultation

Department of Local Government Sport and Cultural Industries.

Statutory Environment

Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*

Local Government Act 1995

Policy Implications

Reference to relevant policies has been made where appropriate.

Financial Implications

N/A

Risk Analysis

The risk associated with Council failing to adopt the 2021 Return would result in non-compliance with the legislative requirements of the *Local Government (Audit) Regulations 1996*.

Strategic Implications

The following strategy from the City of Mandurah Strategic Community Plan 2020 – 2040 is relevant to this report:

Organisational Excellence:

- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices, governance, risk and financial management.

Conclusion

The City's 2021 Compliance Audit Return is now to be reviewed by the Audit and Risk Committee and presented to Council for adoption.

NOTE:

- Refer ***Attachment 3.1 2021 Compliance Audit Return***

RECOMMENDATION

That the Audit and Risk Committee recommend that Council:

1. **Adopts the 2021 Local Government Compliance Audit Return for the period 1 January 2021 to 31 December 2021 as per *Attachment 3.1* of the report.**
2. **Authorise the Mayor and the Chief Executive Officer to certify, in accordance with Regulation 15 of the *Local Government (Audit) Regulations 1996*, the completed 2021 Compliance Audit Return and submit to the Department of Local Government, Sport and Cultural Industries.**



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

Mandurah - 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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich



Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A		Casey Mihovilovich
2	s5.16	Were all delegations to committees in writing?	N/A		Casey Mihovilovich
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		Casey Mihovilovich
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Casey Mihovilovich
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	N/A		Casey Mihovilovich
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		Casey Mihovilovich
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Casey Mihovilovich
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Casey Mihovilovich
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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	Council meeting 25 May 2021. Minute G.6/5/21 Memo signed by the CEO 26/5/21	Casey Mihovilovich
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	To the best of officer knowledge	Casey Mihovilovich

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		Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
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?	N/A		Casey Mihovilovich
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		Casey Mihovilovich
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?	N/A		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
		*Question not applicable after 2 Feb 2021			
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
		*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		Casey Mihovilovich
		*Question not applicable after 2 Feb 2021			



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No	Reference	Question	Response	Comments	Respondent
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	Council meeting 23 February 2021, minute No. G.11/2/21	Casey Mihovilovich
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)?	N/A		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes		Casey Mihovilovich
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?	Yes		Casey Mihovilovich



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Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes		Casey Mihovilovich
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	Yes		Casey Mihovilovich
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Yes		Casey Mihovilovich



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	Council meeting 26 October 2021. Minute No G.5/10/21	Casey Mihovilovich
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		Casey Mihovilovich
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	Special Council meeting 21 December 2021. Minute No SP.10/12/21	Casey Mihovilovich
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	Special Council meeting 21 December 2021. Minute No SP.10/12/12	Casey Mihovilovich
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		Casey Mihovilovich
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?	No	Auditor's Report: - adopted by Council: 21.12.21 - forwarded to Minister: 22.12.21 - published on City's website: 10.1.22 Office closure over Christmas break and public holidays delayed publication of the Auditors Report by 5 days. Improved controls have been implemented.	Casey Mihovilovich
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		Casey Mihovilovich



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?	N/A		Casey Mihovilovich
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	Adopted: Council meeting 22 June 2021. Minute No G.18/6/21	Casey Mihovilovich
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Casey Mihovilovich

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		Casey Mihovilovich
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes		Casey Mihovilovich
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		Casey Mihovilovich
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		Casey Mihovilovich
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	Special Council Meeting 7 December 2021. Minute No SP.7/12/21	Casey Mihovilovich
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		Casey Mihovilovich



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Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	N/A		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich

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 & Risk Committee Meeting 8/3/21. Minute No AR.2/3/21 Council Meeting 23/03/21. Minute No G.5/3/21	Casey Mihovilovich
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 & Risk Committee 19/5/20, minute No AR.9/5/20 Council Meeting 26/5/20, minute No G.13/5/20	Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
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)?	No	The current 2021-22 Budget is published however the Local Government (Administration) Regulations 1996 r.29D requires the annual budget to be kept on the City's website for not less than 5 years after it was first published. The City's Budget was 2021-22 was published in replacement of, rather than in addition to, the 2020-21 Budget in error. This matter has since been rectified and improved controls are in development.	Casey Mihovilovich
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?	N/A		Casey Mihovilovich
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		Casey Mihovilovich
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?	Yes		Casey Mihovilovich
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes		Casey Mihovilovich

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?	No	Through the City's Internal Audit Function some instances of non-compliance with the Council Procurement Policy (under \$50,000) were identified. A mandatory City-wide training program on procurement under \$50,000 has been implemented. The City will continue to monitor procurement practices to improve compliance with the Policy.	Casey Mihovilovich



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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	To the best of officer knowledge	Casey Mihovilovich
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		Casey Mihovilovich
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?	Yes	To the best of officer knowledge	Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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?	No	Tender 17-2021 was accepted by Council in December 2021. At the time the audit was conducted, r17(2)(f) and r17(3) were not complete in the register. The remainder of the requirements were met. Noting that every other entry in the register was compliant. The register is now updated.	Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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?	N/A		Casey Mihovilovich



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No	Reference	Question	Response	Comments	Respondent
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
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		Casey Mihovilovich
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Casey Mihovilovich
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		Casey Mihovilovich



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

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

Signed Mayor/President, Mandurah

Signed CEO, Mandurah