

**MINUTES OF
AUDIT AND RISK COMMITTEE
MEETING**

Held on

Tuesday 8 September 2020 at 5.30pm

**Held at Council Chamber, 83 Mandurah Terrace Mandurah and via
eMeeting**

PRESENT:

COUNCILLOR	P JACKSON [CHAIRMAN]	NORTH WARD
MAYOR	R WILLIAMS	
COUNCILLOR	J GREEN	COASTAL WARD
COUNCILLOR	A ZILANI	NORTH WARD
COUNCILLOR	P ROGERS	TOWN WARD
MR	W TICEHURST	INDEPENDENT MEMBER

ELECTED MEMBERS OBSERVING:

COUNCILLOR	C KNIGHT
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GUESTS:

MR	M NEWMAN	CHIEF EXECUTIVE OFFICER
MR	G DAVIES	DIRECTOR STRATEGY AND ECONOMIC DEVELOPMENT
MRS	C MIHOVILOVICH	DIRECTOR BUSINESS SERVICES
MR	A CLAYDON	DIRECTOR BUILT AND NATURAL ENVIRONMENT
MR	T HARTLAND	ACTING DIRECTOR PLACE AND COMMUNITY
MS	T JONES	MANAGER GOVERNANCE, PROCUREMENT AND LAND
MS	L CLARK	ACTING MINUTE OFFICER

OPENING OF MEETING [AGENDA ITEM 1]

The Chairman declared the meeting open at 5.34pm.

APOLOGIES [AGENDA ITEM 2]

Nil.

IMPORTANT NOTE [AGENDA ITEM 3]

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the City of Mandurah unless specific delegation of authority has been granted by Council.

No person should rely on or act on the basis of any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. The City of Mandurah expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Committee meeting.

RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE [AGENDA ITEM 4]

Nil.

PUBLIC QUESTION TIME [AGENDA ITEM 5]

Nil.

ANNOUNCEMENTS [AGENDA ITEM 6]

Nil.

PRESENTATIONS [AGENDA ITEM 7]

AR.1/9/20 Strategy & Economic Development: Occupational Safety and Health Annual Review 2019-2020

The presentation provides a summary of the City's 2019-2020 Occupational Safety and Health performance and highlights for the year.

AR.2/9/20 Governance Services: Risk Management Update

A risk management progress update on Risk Management Policy (POL-RKM 01) and Framework (RKM02) implementation: The implementation approach;

development of strategic risk scope and the City's internal & external context; commencement of a refresh of the City's Strategic Risk Register; introduction of the Bow Tie Model for risk reporting; update of the integration of risk management with Governance and Compliance Frameworks; and announcement of next steps in risk management implementation.

Cr Zilani exited the Chamber at 6:15pm and returned at 6:20pm.

Mr Newman exited the Chamber 6:16pm and returned at 6:17pm.

DEPUTATIONS [AGENDA ITEM 8]

Nil.

CONFIRMATION OF MINUTES [AGENDA ITEM 9]

AR.3/9/20 CONFIRMATION OF MINUTES: TUESDAY 16 JUNE 2020

MOTION

Moved: Councillor P Rogers

Seconded: Mr W Ticehurst

That the Minutes of the Audit and Risk Committee meeting of Tuesday 16 June 2020 be confirmed.

CARRIED: 6/0

DECLARATIONS OF INTERESTS [AGENDA ITEM 10]

Nil.

QUESTIONS FROM COMMITTEE MEMBERS [AGENDA ITEM 11]

Questions of Which Due Notice Has Been Given

Nil.

Questions of Which Notice Has Not Been Given

Nil.

BUSINESS LEFT OVER FROM PREVIOUS MEETING [AGENDA ITEM 12]

Nil.

REPORTS FROM OFFICERS [AGENDA ITEM 13]

AR.4/9/20 STRATEGIC INTERNAL AUDIT UPDATE AND PROGRESS UPDATE ON REGULATION 17 REVIEW (REPORT 1)

Summary

The City of Mandurah (the City) Strategic Internal Audit function was adopted by Council on 26 May 2020 and the function was formally implemented on 1 July 2020. In accordance with the Internal Audit Plan, the Audit and Risk Committee is required to receive a Strategic Internal Audit Plan Monitoring Report on a quarterly basis, with the first report due to the Audit and Risk Committee at the meeting of 1 December 2020. This report will set out the internal audit findings for any audits conducted in quarter one and two, including any recommendations, the City's actions and a progress update.

In April 2020, the Chief Executive Officer (CEO) engaged an external audit service provider to conduct a review of risk management, internal controls and legislative compliance, in accordance with Regulation 17(1) of the *Local Government (Audit) Regulations 1996* (Regulations). This review, required every three years determines the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal controls and legislative compliance. The Audit and Risk Committee received the report at its meeting on 19 May 2020 and noted a number of recommendations for improvement.

Whilst this internal audit was undertaken prior to the implementation of the City's formal internal audit function, the progress on the implementation of the recommendations are to be monitored in accordance with the Internal Audit Plan.

A progress update (**Confidential Attachment 1.1**) is now being presented to the Audit and Risk Committee for review and noting prior to being presented to Council.

Officer Recommendation

That the Audit and Risk Committee note the progress update on the implementation of the improvements from the review of risk management, internal controls and legislative compliance as per Confidential Attachment 1.1.

Committee Recommendation

MOTION

Moved: Councillor P Rogers

Seconded: Mayor R Williams

That the Audit and Risk Committee note the progress update on the implementation of the improvements from the review of risk management, internal controls and legislative compliance as per Confidential Attachment 1.1.

CARRIED: 6/0

AR.5/9/20 OFFICE OF THE AUDITOR GENERAL – LOCAL GOVERNMENT SYSTEMS PERFORMANCE AUDIT (REPORT 2)

Summary

The Auditor General has issued a performance audit report assessing the general information technology (IT) controls at 10 local governments. Each entity was assessed over fourteen

categories. The City of Mandurah was not one of the 10 local governments included in the Auditor General audit.

A comparison between the report's findings and the City's IT structure and organisation has been undertaken.

Council is requested to note the comparison of the status of the City's information systems controls with the findings of the performance audit.

Officer Recommendation

That the Audit and Risk Committee note the comparison of the status of the City's general computer controls with the findings of the Auditor General's report on Local Government as detailed in Confidential Attachment 2.1.

Committee Recommendation

MOTION

Moved: Councillor P Rogers

Seconded: Councillor A Zilani

That the Audit and Risk Committee note the comparison of the status of the City's general computer controls with the findings of the Auditor General's report on Local Government as detailed in Confidential Attachment 2.1.

CARRIED: 6/0

AR.6/9/20 OFFICE OF THE AUDITOR GENERAL: REGULATION OF CONSUMER FOOD SAFETY BY LOCAL GOVERNMENT ENTITIES (REPORT 3)

Summary

The Office of the Auditor General (OAG)¹ has released a report on the Regulation of Consumer Food Safety by Local Government Entities that was tabled on 30 June 2020. The OAG selected a sample of two local government entities to conduct the audit. These two local governments were selected because they have a large number of food businesses such as restaurants, cafes and bars.

The original scope of the performance audit included the Department of Health (DoH) however due to the impact of COVID-19, the DoH will be subject to a separate audit at a later date.

Officer Recommendation

That the Audit and Risk Committee note the City responses in this report from the Office of the Auditor General's Report into Regulation of Consumer Food Safety by Local Government Entities as detailed in Confidential Attachment 3.1.

Committee Recommendation

¹ Due to the size of the Auditor General's report it has not been included as an attachment. The report can be accessed at <https://audit.wa.gov.au/reports-and-publications/reports/regulation-of-consumer-food-safety-by-local-government-entities/>

MOTION

Moved: Mayor R Williams
Seconded: Councillor P Rogers

That the Audit and Risk Committee note the City responses in this report from the Office of the Auditor General's Report into Regulation of Consumer Food Safety by Local Government Entities as detailed in Confidential Attachment 3.1.

CARRIED: 6/0

**AR.7/9/20 OFFICE OF THE AUDITOR GENERAL: WORKING WITH CHILDREN CHECKS -
MANAGING COMPLIANCE (REPORT 4)**

Summary

An audit conducted by the Office of Auditor General (OAG) recently made a number of recommendations that will impact on how the City of Mandurah will manage its requirements on Working with Children Checks. This audit assessed whether the WA health system, the Department of Justice and the Department of Education complied with their Working with Children Check obligations. The Auditor General's report can be viewed via the link <https://audit.wa.gov.au/reports-and-publications/reports/working-with-children-checks-compliance/>

Recommendations coming from the Audit require that all public sector entities who work with children, including those not sampled in this audit, should consider the findings in this report and implement the recommendations where appropriate, by 31 December 2020. The Office of Auditor General (OAG) have identified a number of recommendations.

The City of Mandurah have identified a number of areas that will require some modifications to our existing practices. These actions are identified in the body of the report. Council is requested to note the report and that a further report on progress will be provided to the Audit and Risk Committee in 2021.

Officer Recommendation

That the Audit and Risk Committee note the City officer's responses and proposed actions to the Auditor General's report and Recommendations on Working with Children Cards as detailed in Confidential Attachment 4.1.

Committee Recommendation

MOTION

Moved: Mayor R Williams
Seconded: Councillor P Rogers

That the Audit and Risk Committee note the City officer's responses and proposed actions to the Auditor General's report and Recommendations on Working with Children Cards as detailed in Confidential Attachment 4.1.

CARRIED: 6/0

**AR.8/9/20 OCCUPATIONAL SAFETY AND HEALTH (OSH) 2019-2020 ANNUAL REVIEW
(REPORT 5)**

Summary

The City is now operating under our second 3-Year Strategic OSH Plan which was developed alongside the 2018 LGIS Worksafe Plan Audit outcomes and known legislative requirements. The 2019-2020 OSH performance is reflective of the considerable work completed in all business units within the City.

The Audit and Risk Committee and Council is requested to note the City's performance and progress being made in continuing the 3-Year Strategic OSH Plan and the initiatives being implemented to address the management of workplace injury.

Officer Recommendation

That the Audit and Risk Committee

1. Notes the City's OSH performance for the 2019/20 financial year as detailed in Confidential Attachment 5.1.
2. Notes the progress of implementation of the 3-Year Strategic OSH Plan.

Committee Recommendation

MOTION

Moved: Councillor P Rogers
Seconded: Mayor R Williams

That the Audit and Risk Committee

1. **Notes the City's OSH performance for the 2019/20 financial year as detailed in Confidential Attachment 5.1.**
2. **Notes the progress of implementation of the 3-Year Strategic OSH Plan.**

CARRIED: 6/0

**AR.9/9/20 2020 LOCAL GOVERNMENT INSURANCE SERVICES 3 STEPS TO SAFETY
PROGRAM (REPORT 6)**

Summary

In June 2020, Local Government Insurance Services (LGIS) were engaged to conduct an assessment into the City's Occupational Safety and Health (OSH) management systems.

This report provides a summary of the assessment outcomes and the Audit and Risk Committee and Council are requested to acknowledge the audit result and the proposed actions as a result of the audit findings.

Officer Recommendation

That the Audit and Risk Committee

1. Acknowledges the success of the City's OSH LGIS 3 Steps to Safety Program assessment report score of 82%
2. Notes the proposed actions as a result of the assessment
3. Notes the current 3-year OSH plan will be updated based on the identified actions from the assessment.

Committee Recommendation

MOTION

Moved: Mayor R Williams
Seconded: Councillor P Rogers

That the Audit and Risk Committee

1. **Acknowledges the success of the City's OSH LGIS 3 Steps to Safety Program assessment report score of 82%**
2. **Notes the proposed actions as a result of the assessment**
3. **Notes the current 3-year OSH plan will be updated based on the identified actions from the assessment.**

CARRIED: 6/0

LATE AND URGENT BUSINESS ITEMS [AGENDA ITEM 14]

Nil.

CLOSE OF MEETING [AGENDA ITEM 15]

There being no further business, the Chairman declared the meeting closed at 6.58pm.

CONFIRMED:[CHAIRMAN]

Confidential Attachments

Minute	Item	Page
AR.4/9/20	Strategic Internal Audit Update and Progress Update on Regulation 17 Review Attachment 1.1	1 - 4
AR.5/9/20	Office of the Auditor General – Local Government Systems Performance Audit Attachment 2.1	5 - 10

AR.6/9/20	Office of the Auditor General: Regulation of Consumer Food Safety by Local Government Entities Attachment 3.1	11 - 14
AR.7/9/20	Office of the Auditor General: Working with Children Checks - Managing Compliance Attachment 4.1	15 - 16
AR.8/9/20	Occupational Safety and Health (OSH) 2019-2020 Annual Review Attachment 5.1	17 - 27
AR.9/9/20	2020 Local Government Insurance Services 3 Steps to Safety Program Attachment 6.1	28 - 46

UNCONFIRMED