

## Recent Internal Audit Activity

### **Ref. 1-1112    Event Risk Management Plans**

Objective:      To review all event risk management plans to ensure risks are identified and that appropriate preventative and response actions and resources are applied.

Status:          Completed.

Comment:      The final event risk management plan for Snap! Underage Concert at Craigie Leisure Centre has been reviewed, internal audit issues raised and comment provided and the risk management plans appropriately updated.

### **Ref. 6-1112    Non-Compliance in Purchasing Practices**

Objective:      To review the non-compliance reports identifying invoices dated before the purchase order date.

Status:          The internal audit review is continuing and has been extended to sample a significant number of invoices across all business units to determine the areas of non-compliance and if other practices are non-compliant with the City's Purchasing Protocols.

An external consultancy organisation has been engaged to undertake an independent review of the City's purchasing practices.

Comment:      The internal audit review has established that there are other areas of non-compliance which are in the process of being addressed. System adjustments have been made in order to address issues related to particular suppliers and business units where high volumes of non-compliance existed.

Non-compliance reports will now be distributed automatically to all Business Unit Managers and Directors and will be listed as a standard item on the Financial Review Taskforce meetings agenda. Directors at the meeting will be required to advise why any further incidences in their Business Units have occurred and what action is being taken to eliminate them.

**Ref: 11-1112 Joondalup Community Arts Association (JCAA) Grant Acquittal**

- Objective: To review the grant acquittal documentation from the JCAA for a grant received from the City and the associated issues related to it.
- Status: This review is ongoing in liaison with the Manager Leisure and Cultural Services and the Coordinator Cultural Services.
- Comment: It has not been possible to satisfactorily acquit the grant that the JCAA received from the City. No further grants will be approved for the JCAA until assurances can be gained on improved governance and accounting processes. It has been recommended that a revised Statement of Understanding between the City and the JCAA is drafted.

**Ref. 12-1112 City's Weed Spraying Operations**

- Objective: Continuing ongoing review of the City's weed spraying operations, including the collection and recording of financial information, contractor purchase order and invoice details, chemicals used, areas sprayed, weeds targeted, developing scope and analysis of responses for external review. Regularly update the Chief Executive Officer on progress and liaison with Acting Director, Manager, Coordinator and other relevant staff on an ongoing basis.
- Status: This review is ongoing and internal audit activity will continue in this area during 2012/2013.
- Comment: External independent review is currently ongoing with the draft report expected mid to late July.

**Ref. 16-1112 Conflict of Interest Allegation**

- Objective: To investigate an allegation of a conflict of interest by a supplier against a City employee.
- Status: This review has been completed and the report is at draft stage.
- Comment: The allegation of a conflict of interest against the City employee has not been substantiated. The employee has the relevant authorities and has made the appropriate declarations for other employment and the receipt of gifts.
- The City has followed due process for the advertising, evaluation and awarding of tenders in this area.

## **Ref. 17-1112 External Review of Purchasing Practices**

- Objective:** To undertake, by way of sample, an analysis of the purchasing practices at the City in order to determine that goods and services are being purchased and delivered in compliance with the relevant legislation, policies, internal protocols and contract arrangements.
- Status:** Consultants have been engaged to undertake the review which has yet to commence.
- Comment:** The scope was developed and requests for quotations were issued to three providers, all of whom responded with their proposals. Following assessment of the proposals by the Director Corporate Services and the Internal Auditor it was determined that William Buck Consulting (WA) Pty Ltd ("William Buck") had submitted the best proposal. They had demonstrated a better understanding of the City's requirements and had more relevant experience in local government. Two references were sought for William Buck, both of which were received and were positive. The Chief Executive Officer approved the recommendation to engage William Buck to undertake the review of the City's purchasing practices.

### **Other ongoing audit activity**

Other internal audit activity includes liaising with other business units to progress previous audit recommendations and non-compliance purchasing issues, ongoing requests for advice and guidance, development of risk registers and participation in taskforces including the Risk Management Taskforce and the Financial Review Taskforce.