

minutes

Audit and Risk Committee

MEETING HELD ON

WEDNESDAY 8 MARCH 2023

Acknowledgement of Traditional Custodians

The City of Joondalup acknowledges the traditional custodians of the land, the Whadjuk people of the Noongar nation, and recognises the culture of the Noongar people and the unique contribution they make to the Joondalup region and Australia. The City of Joondalup pays its respects to their Elders past and present and extends that respect to all Aboriginal and Torres Strait Islander peoples.

This document is available in alternate formats upon request

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Note:

Clause 15.10 of the City's *Meeting Procedures Local Law 2013* states:

This local law applies generally to committee meetings except for clause 7.1 in respect of members seating and clause 7.8 in respect of limitation on members speaking.

CITY OF JOONDALUP

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD IN CONFERENCE ROOM 1, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON WEDNESDAY 8 MARCH 2023.

ATTENDANCE

Committee Members

Cr John Raftis	<i>Presiding Member</i>
Mayor Hon. Albert Jacob, JP	
Cr Tom McLean, JP	
Cr Russell Poliwka	
Cr Russ Fishwick, JP	
Mr Richard Thomas	<i>External Member</i>

Observer:

Cr Suzanne Thompson

Officers:

Mr James Pearson	Chief Executive Officer	<i>absent from 6.05pm to 6.06pm</i>
Mr Jamie Parry	Director Governance and Strategy	
Mr Mat Humfrey	Director Corporate Services	<i>to 6.55pm</i>
Mrs Kylie Bergmann	Manager Governance	<i>to 6.55pm</i>
Mr David Murnain	Manager Information Technology	<i>to 6.11pm</i>
Ms Christine Robinson	Manager Audit, Risk and Executive Services	
Mr Peter McGuckin	Internal Auditor	
Ms Donna Dabala	Principal Legal Officer	
Mrs Deborah Gouges	Governance Officer	<i>to 6.55pm</i>

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.00pm.

DECLARATIONS OF FINANCIAL INTEREST / PROXIMITY INTEREST / INTEREST THAT MAY AFFECT IMPARTIALITY

Nil.

APOLOGIES AND LEAVE OF ABSENCE

Apology

Cr John Logan.

Leave of Absence Previously Approved

Cr John Chester	28 February to 28 March 2023 inclusive.
Cr Nige Jones	7 to 9 March 2023 inclusive.
Cr John Raftis	13 to 14 March and 20 to 24 March 2023 inclusive.
Cr Nige Jones	14 to 16 March 2023 inclusive.
Cr John Logan	18 to 26 March 2023 inclusive.
Cr Christine Hamilton-Prime	1 April to 22 May 2023 inclusive.
Mayor Albert Jacob, JP	4 to 10 April 2023 inclusive.

CONFIRMATION OF MINUTES

MINUTES OF THE AUDIT AND RISK COMMITTEE HELD ON 8 NOVEMBER 2022 AND THE SPECIAL AUDIT AND RISK COMMITTEE HELD ON 31 JANUARY 2023.

MOVED Cr McLean, SECONDED Cr Poliwka that the minutes of the meeting of the Audit and Risk Committee held on 8 November 2022 and the Special Audit and Risk Committee held on 31 January 2023 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

In accordance with Clause 5.2 of the City's *Meeting Procedures Local Law 2013*, this meeting is not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS

ITEM 1 **CONFIDENTIAL – 2021-22 OFFICE OF THE AUDITOR GENERAL INFORMATION SYSTEMS AUDIT**

WARD	All
RESPONSIBLE DIRECTOR	Mr James Pearson Office of the CEO
FILE NUMBER	106169, 101515
ATTACHMENTS	Attachment 1 2021-22 Audit Findings Attachment 2 Updated Management Comments
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

This report is confidential in accordance with Section 5.23(2)(f)(ii) of the *Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

- (f) a matter that if disclosed, could be reasonably expected to –
 - (ii) endanger the security of the local government's property.

A full report was provided to Elected Members under separate cover. The report is not for publication.

The Chief Executive Officer left the meeting at 6.05pm and returned at 6.06pm.

MOVED Mayor Jacob, SECONDED Cr McLean that the Audit and Risk Committee NOTES the findings identified during the Office of the Auditor General Information Systems Audit for the period 1 July 2021 to 30 June 2022, shown as Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

The Manager Information Technology left the meeting at 6.11pm.

Subsequently, the Audit and Risk Committee's Terms of Reference were reviewed by Council at its meeting held on 20 September 2022 (CJ151-09/22 refers) and it was resolved that the revised Terms of Reference for the Audit and Risk Committee, are as follows:

- a) *guide and assist the City in carrying out its functions:*
 - i *under Part 6 – Financial Management, of the Local Government Act 1995;*
 - ii *in relation to audits conducted under Part 7 – Audit, of the Local Government Act 1995;*
 - iii *relating to other audits and other matters related to financial management;*
- b) *review the CEO's report into the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control and legislative compliance, presented to it by the CEO under regulation 17 of the Local Government (Audit) Regulations 1996 and:*
 - i *report to the Council the results of that review;*
 - ii *give the Council a copy of the CEO's report;*
- c) *review the CEO's report into the appropriateness and effectiveness of the City's financial management systems and procedures under regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 and:*
 - i *report to the Council the results of that review;*
 - ii *give the Council a copy of the CEO's report;*
- d) *support the auditor of the City to conduct an audit and carry out the auditor's other duties under the Local Government Act 1995 in respect of the City and to oversee the implementation of any actions in accordance with regulation 16(f) of the Local Government (Audit) Regulations 1996;*
- e) *consider the adequacy and effectiveness of internal controls by reviewing reports from the Internal Auditor, the Administration, Office of the Auditor General, consultants and other external oversight agencies as appropriate;*
- f) *enquiring with the Internal Auditor or the Administration about processes to detect and prevent fraud or corruption and to their awareness of any suspected, alleged or actual fraud or corruption and the City's response to it (subject to confidentiality considerations);*
- g) *assessing the adequacy of the annual internal audit plan and the three-year internal audit plan;*
- h) *identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer, the Internal Auditor and the Council if appropriate and receive any reports detailing the results of those investigations;*
- i) *review the strategic risks to the City and the plans to minimise or respond to those risks. This includes assessing whether risks that may prevent the City from achieving its objectives or maintaining its reputation have been identified.*

At the Council meeting held on 15 November 2022, Council endorsed the following revised schedule of Council meetings with:

- Strategy Sessions to be held in week 1 of the month.
- Briefing Sessions to be held in week 2 of the month.
- Council meetings to be held in week 4 of the month.

In the past the City has generally scheduled committee meetings in the first week of the month to allow committee recommendations to be listed in the Briefing Session agenda and subsequently the Council meeting agenda. However, this has not been possible given other Council/committee meetings and Council activities.

DETAILS

The Audit and Risk Committee is a committee required to be established in accordance with the *Local Government Act 1995* and associated regulations. It is responsible for matters associated with all aspects of financial auditing, legislative compliance, risk management and reviewing the efficiency of the City's use of resources.

Meetings of this Committee are usually associated with statutory reporting requirements, including endorsement of the Annual Compliance Audit Return, appointment of the City's Auditor and adoption of the Audited Financial Statements and Annual Report.

It is therefore suggested that the Audit and Risk Committee meets in 2023 as follows:

- Monday 22 May 2023, commencing at 6:00pm.
- Monday 21 August 2023, commencing at 6:00pm.
- Monday 13 November 2023, commencing at 6:00pm (to be determined once the new committee is established following the 2023 Local Government elections).

Issues and options considered

The Audit and Risk Committee can either:

- adopt the meeting dates as proposed in this Report
or
- amend the meeting dates.

Legislation / Strategic Community Plan / Policy implications

Legislation *Local Government Act 1995.*
 Local Government (Administration) Regulations 1996.
 City of Joondalup Meeting Procedures Local Law 2013.

10-Year Strategic Community Plan

Key theme	Leadership.
Outcome	Capable and effective – you have an informed and capable Council backed by a highly skilled workforce.
Policy	Not applicable.

Risk management considerations

Should forward planning of committee meetings not be identified, then there is a risk for meetings to be held on an ad-hoc basis; lacking coordination with other key meetings and corporate planning processes.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The proposed Audit and Risk Committee meeting dates for 2023 have been based on the expected demand and timeframes associated with audit, financial and compliance matters being reported to the Audit and Risk Committee, as well as the broader monthly meeting cycle of Council, other committee meetings and civic events.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Poliwka, SECONDED Cr McLean that the Audit and Risk Committee ADOPTS the following meeting dates and times for the Audit and Risk Committee of the City of Joondalup, to be held at the Joondalup Civic Centre (Conference Room 1), Boas Avenue, Joondalup:

- 1 Monday 22 May 2023, commencing at 6.00pm;**
- 2 Monday 21 August 2023, commencing at 6.00pm.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

ITEM 3 2022 COMPLIANCE AUDIT RETURN

WARD	All
RESPONSIBLE DIRECTOR	Mr James Pearson Office of the CEO
FILE NUMBER	32481, 09492, 101515
ATTACHMENTS	Attachment 1 2022 Compliance Audit Return Attachment 2 Compliance Audit Return (2019 to 2022)
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to adopt the City's 2022 Compliance Audit Return (the Return) prior to it being submitted to the Department of Local Government, Sport and Cultural Industries (the Department).

EXECUTIVE SUMMARY

The Compliance Audit Return for the period 1 January 2022 to 31 December 2022 has been completed and is required to be adopted by Council before being submitted to the Department by 31 March 2023.

It is therefore recommended that Council:

- 1 ADOPTS the completed 2022 Local Government Compliance Audit Return for the period 1 January 2022 to 31 December 2022 forming Attachment 1 to this Report;*
- 2 in accordance with Regulation 15 of the Local Government (Audit) Regulations 1996, SUBMITS the completed Compliance Audit Return as detailed in Part 1 above, to the Department of Local Government, Sport and Cultural Industries.*

The Return has not identified any areas of non-compliance for 2022.

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.

After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister. The Audit and Risk Committee is to review the Return before it is presented to Council for adoption.

Regulation 15 requires the Return to be certified by the Mayor and the Chief Executive Officer before being submitted to the Department, along with the relevant section of the minutes, by 31 March next following the period to which the Return relates.

The 2022 Return was made available to local government authorities by the Department via its centralised portal for completion online. The 2022 Return is similar to previous years and focuses on high risk areas of compliance and statutory reporting as prescribed in Regulation 13 of the *Local Government (Audit) Regulations 1996*.

DETAILS

The 2022 Return contains the following compliance categories:

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

The relevant Managers were required to complete the responses to the Return's questions which were approved by their Director before being forwarded to the Internal Auditor for review and input via the online portal on the Department website. The Return was also presented to the Executive Leadership Team for review and comment. The Return has been completed and is now required to be adopted by Council before being finalised and submitted to the Department by 31 March 2023.

The 2022 Return reveals a high level of compliance with legislation by the City, with no areas of non-compliance being identified.

Legislation / Strategic Community Plan / Policy implications

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

10-Year Strategic Community Plan

Key theme Leadership.

Outcome Capable and effective – you have an informed and capable Council backed by a highly-skilled workforce.

Policy Not applicable.

Risk management considerations

The risk associated with Council failing to adopt the 2022 Return would result in the Return not being submitted to the Department by 31 March 2023 and be non-compliant with the legislative requirements of the *Local Government (Audit) Regulations 1996*.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The City's responses for Compliance Audit Returns from 2019 to 2022 is attached for comparison (Attachment 2 to this Report refers).

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Fishwick, SECONDED Cr McLean that Council:

- 1 ADOPTS the completed 2022 Local Government Compliance Audit Return for the period 1 January 2022 to 31 December 2022 forming Attachment 1 to this Report;**
- 2 in accordance with Regulation 15 of the *Local Government (Audit) Regulations 1996*, SUBMITS the completed Compliance Audit Return as detailed in Part 1 above, to the Department of Local Government, Sport and Cultural Industries.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1AUDRISK230308.pdf](#)

ITEM 4 REVIEW OUTCOMES – OFFICE OF THE AUDITOR GENERAL REPORT

WARD	All
RESPONSIBLE DIRECTOR	Mr James Pearson Office of the CEO
FILE NUMBER	106169, 101515
ATTACHMENT	Attachment 1 OAG Report 5: 2021-22
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Audit and Risk Committee to NOTE to review outcomes of the Office of the Auditor General's report titled Local Government COVID-19 Financial Hardship Support.

EXECUTIVE SUMMARY

The Western Australian Auditor General undertook a review into three local government entities to determine their COVID-19 financial hardship support to assist ratepayers; particularly the adoption of a financial hardship policy and the application of interest charged.

This Report presents the details of a review into how the City assisted ratepayers during the COVID-19 pandemic.

It is therefore recommended that the Audit and Risk Committee NOTES the review outcomes of the Office of the Auditor General's report titled Local Government COVID-19 Financial Hardship Support.

BACKGROUND

Under the *Local Government Act 1995* the Western Australian Auditor General is responsible for undertaking audits into the operation of local governments within Western Australian.

The Auditor General's review focused on three local government entities (Cities of Belmont and Rockingham and the Shire of Northampton) and how they responded to the:

- Ministerial Circular 03-2020 that encouraged local governments to adopt financial hardship policies to assist ratepayers; and
- Ministerial COVID-19 Response Order 2020 to maximize the amount of interest charged to all ratepayers and prevented interest or other charges being applied during the 2020-21 financial period by local governments, especially to those ratepayers who were assessed as experiencing financial hardship due to the COVID-19 pandemic.

The Auditor General concluded that the three local government entities had policies and provided financial support at their own discretion to all ratepayers (not just those experiencing financial hardship), such as waiving interest or allowing additional time to pay rates. 123 of 137 local government entities had a Financial Hardship Policy in 2020-21.

The Auditor General's recommendations stated that all local government entities, including those not sampled in the audit, should review their policies and implement processes to support their approach to providing financial hardship support to ratepayers.

It was also recommended that local government entities should balance application and assessment costs with the value of any support provided, and ensure they:

- 1 Have a current Council approved financial hardship policy that, if they want to charge the higher threshold of instalment interest, covers 2021-22 rates.
- 2 Actively promote the policy to their ratepayers and make the policy and application form publicly available.
- 3 Put in place clear eligibility and assessment criteria and timeframes to process applications.
- 4 Maintain records of applications and outcomes.
- 5 Identify and manage actual, potential and perceived conflicts of interest for staff who assess applications.

Review their application and assessment processes in response to complaint feedback.

DETAILS

The City recognises the responsibility to respond to the needs of ratepayers experiencing financial hardship, with Council adopting its *Rates Hardship Policy* in response to the Ministerial Circular 03-2020.

Financial relief to ratepayers in response to the Ministerial COVID-19 Response Order can be demonstrated as follows:

- Amended penalty rate endorsed by Council on 21 April 2020 that no penalty interest be accrued during March and April 2020 against outstanding rates and services charges balances. This position was extended for outstanding rates and services charges to May and June 2020.
- Suspending debt recovery from March to June 2020.
- City preparing a budget for 2020-21 with a 5.2% rates reduction to assist residents and businesses affected by the COVID-19 pandemic; 95% of the City's ratepayers would receive a reduction or no rates increase in 2020-21 due to the City's prudent financial management.
- City crediting back the cost of the arrangement fee for ratepayers who successfully completed their payment arrangements for 2020-21.
- Provision of extra time to pay 2020-21 rates after the due date.
- One-off COVID-19 discount for properties categorised as commercial and industrial improved as part of the City's commitment to supporting businesses, residents and ratepayers.

Discount Granted	Discount	2021 Actual
Commercial improved	\$300	\$300,000
Industrial improved	\$150	\$58,650
Vacant land	\$150	\$179,100

- *Rates Hardship Policy* adopted by Council on 18 May 2021 (CJ068-05/21 refers) which applies to individual ratepayers, whether owners or part-owners, regardless of the use of the property (residential, commercial or industrial).
- Ratepayers are invited to contact the City as soon as possible, using the contact details provided on the rates notice or the City's website, and advise that they are experiencing financial hardship. The procedure followed includes:
 - Reviewing the ratepayer's financial position.
 - Offering payment arrangements up to 30 June of the rating year, or extended beyond 30 June, depending on specific circumstances.
 - Suggesting visiting an independent financial counselling service that is a member of the Financial Counsellors' Association of Western Australia. The City will provide a list of such services to allow them to choose the one they consider most appropriate to their requirements. The City will then work with the ratepayer to structure a suitable payment arrangement that considers the financial constraints advised by the financial counsellor.
 - Deferring recovery action.
 - Waiving or write-off of monies.

Following a review by the City of individual circumstances, those affected by financial hardship chose direct debit payment plans as the most favoured option, followed by manual payment plans and outstanding rates put on hold pending settlement of property sale.

The reasons for financial hardship were unemployment, health issues, loss of income and other difficult circumstances.

Issues and options considered

Due to the number of ratepayers who are in genuine financial hardship being quite low, the development of a financial hardship application form would do little to make any difference to those individuals, who would rather appreciate the ability to speak to an officer who can assist them without the need for them to fill out forms.

To provide better oversight, it is recommended that the City institute a flag within the rates system to identify properties where the owner is in genuine financial hardship and is being assisted accordingly.

Legislation / Strategic Community Plan / Policy implications

Legislation *Local Government Act 1995.*

10-Year Strategic Community Plan

Key theme Leadership.

Outcome Capable and effective – you have an informed and capable Council backed by a highly-skilled workforce.

Policy *Rates Hardship Policy.*

Risk management considerations

Reviewing the Western Australian Auditor General's reports into local government and other public sector entities provides the City an opportunity to review its own systems against the reports' findings to identify and implement recommendations as appropriate.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

Not applicable.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr McLean, SECONDED Cr Poliwka that the Audit and Risk Committee NOTES the review outcomes of the Office of the Auditor General's report titled *Local Government COVID-19 Financial Hardship Support*.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2AUDRISK230308.pdf](#)

The purpose of the *Fraud Risk Management – Better Practice Guide* (the Better Practice Guide) is to raise the standard of fraud and corruption control across the Western Australian public sector and to empower entities to do more to discharge their governance responsibilities by better controlling their risks of fraud and corruption. The publication of the Better Practice Guide follows the establishment of the Office of the Auditor General’s Forensic Audit Team. The Office of the Auditor General encourages the use of the Better Practice Guide to manage the risk of fraud; and while fraud risks cannot be eliminated, a robust and well-resourced fraud risk management program can minimise the likelihood and consequences of fraud events.

DETAILS

The table below shows the status update for the actions to be implemented to strengthen integrity and conduct controls within the City.

ACTION	STATUS
1. Assess the fraud control principles as outlined in the <i>Fraud Risk Management – Better Practice Guide</i> along with the requirements of the updated Australian Standard AS 8001:2021 <i>Fraud and Corruption Control</i> to inform the development of a fraud and corruption control system.	In progress.
2. Update the current <i>Risk Management Framework</i> to specifically mention fraud and/or corruption and present to the Audit and Risk Committee before being endorsed by Council.	Due to be presented to the Audit and Risk Committee in May 2023.
3. Update the current <i>Fraud, Corruption and Misconduct Control Council Policy</i> to align with the Australian Standard AS 8001:2021 <i>Fraud and Corruption Control</i> and present to the Audit and Risk Committee before being presented to the Policy Committee and Council for endorsement.	Revised policy attached for feedback from the Audit and Risk Committee.
4. Update the Misconduct Protocol to ensure alignment with policy intent of the <i>Fraud, Corruption and Misconduct Control Council Policy</i> .	Phase 1 review completed; new protocol to be developed outlining process for all misconduct matters.
5. Develop a Fraud, Corruption and Misconduct Control Plan and initiate awareness training amongst Elected Members and employees related to fraud and misconduct.	In progress.
6. Match process activities with risk within the City’s electronic risk management system to easily identify when and where risk events can occur and where risk controls sit.	In progress.
7. Review the current Codes of Conduct and update if required, any references to misconduct to include fraud and corruption.	Not yet commenced.

ACTION	STATUS
<p>8. Progress an awareness raising program across the organisation to ensure employees recognise red flags for fraud, corruption and misconduct.</p>	<p>Integrity Matters Leadership Session to be held on 24 March 2023 – includes address from former Director General of the Department of Communities on the Paul Whyte case.</p> <p>Launch of the City's <i>Integrity Framework</i>.</p> <p>Anti-corruption material published on Intranet and internal digital screens.</p> <p>The City has been liaising with the Public Sector Commission on an accountable and ethical decision making training program, which is to be included in the overall fraud and misconduct training program for employees (scheduled for completion by 30 June 2023).</p>
<p>9. Training to be included as part of the City's Induction Process and refresher training to maintain awareness of:</p> <ul style="list-style-type: none"> • <i>Fraud, Corruption and Misconduct Control Policy</i> • <i>Risk Management Policy</i> • <i>Risk Management Framework</i> • <i>Integrity Framework</i>. 	<p>In progress.</p>

Issues and options considered

The revised *Fraud, Corruption and Misconduct Control Council Policy* has been updated to align with the:

- Updated Australian Standard AS 8001:2021 *Fraud and Corruption Control*.
- Definitions within the *Corruption, Crime and Misconduct Act 2003*.
- Definitions within the *Criminal Code Act Compilation Act 1913*.
- City's two Codes of Conduct (4.1.2 Policies and procedures).
- City's *Integrity Framework* (4.1.3 Prevention and detection).
- City's misconduct investigation practices (4.1.4 Response strategies) (4.5 Disciplinary and recovery action).

Legislation / Strategic Community Plan / Policy Implications

Legislation	Not applicable.
Key theme	Leadership.
Outcome	Capable and effective – you have an informed and capable Council backed by a highly-skilled workforce.
Policy	<i>Fraud, Corruption and Misconduct Control Council Policy. Risk Management Policy.</i>

Risk Management Considerations

The activity of analysing reports from external oversight agencies, as well as updated Australian Standards, allows the City to review its systems to identify risks and implement recommendations as appropriate; this provides evidence of the appropriateness and effectiveness of systems and procedures in regard to risk management, internal control and legislative compliance, as required by the *Local Government (Audit) Regulations 1996*.

Financial / Budget Implications

Not applicable.

Regional Significance

Not applicable.

Sustainability Implications

Not applicable.

Consultation

Not applicable.

COMMENT

As a large local government providing a wide variety of services to the community, appropriate systems of control are required to be developed and implemented to ensure that objectives are achieved. Vigilance should be constant, and systems of control should be subject to regular review and updated as appropriate to prevent, deter and detect opportunities for fraudulent and corrupt activity.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Poliwka, SECONDED Cr Fishwick that the Audit and Risk Committee:

- 1 NOTES the status of the fraud risk management action plan;**
- 2 PROVIDES feedback on the revised *Fraud, Corruption and Misconduct Control Council Policy* prior to the Policy Committee meeting in May 2023.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3AUDRISK230308.pdf](#)

Issues and Options Considered

Not applicable.

Legislation / Strategic Community Plan / Policy Implications

Legislation Section 6.12(1)(c) of the *Local Government Act 1995*.
Section 5.42 of the *Local Government Act 1995*.
Section 5.44 of the *Local Government Act 1995*.

10-Year Strategic Community Plan

Key theme Leadership.

Outcome Responsible and financially sustainable - you are provided with a range of City services which are delivered in a financially responsible manner.

Policy Not applicable.

Risk Management Considerations

The amounts written off are either unrecoverable or uneconomical to recover, none of which represent a material financial risk to the City.

Financial / Budget Implications

Account No:	3256.
Budget Item	Bad Debts written off.
Annual Budget	\$ 13,500.00
Year to Date Budget	\$ 8,749.00
Year to Date Actual	\$ 7,403.68
Year to Date variance	\$ 1,345.32

All amounts quoted in this Report are exclusive of GST.

Regional Significance

Not applicable.

Sustainability Implications

Not applicable.

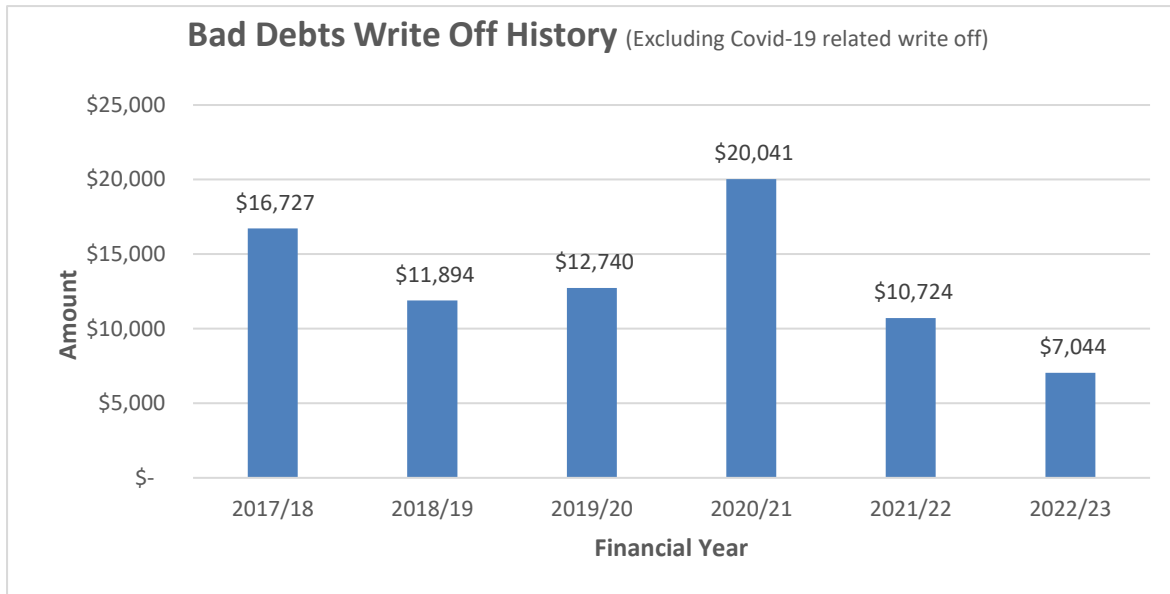
Consultation

Not applicable.

COMMENT

Monies written off under delegation comprised 9,712 small items, of small unpaid rates totalling \$7,043.68 as described in this Report, that were written off as either unrecoverable or uneconomical to continue debt recovery action.

History of bad debts written off over the past five financial years is shown below:



VOTING REQUIREMENTS

Simple Majority.

MOVED Cr McLean, SECONDED Cr Fishwick that the Audit and Risk Committee RECEIVES the report of monies written off under delegated authority for the period 1 July to 31 December 2022.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

ITEM 7 HALF YEARLY REPORT - CONTRACT EXTENSIONS – 1 JULY 2022 TO 31 DECEMBER 2022

WARD	All
RESPONSIBLE DIRECTOR	Mr Mat Humfrey Corporate Services
FILE NUMBER	07032, 101515
ATTACHMENT	Attachment 1 Contract Expenditure Report
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Audit and Risk Committee to note the details of contracts extended by the Chief Executive Officer between 1 July 2022 to 31 December 2022.

EXECUTIVE SUMMARY

The schedule of contracts extended by the Chief Executive Officer during the period 1 July 2022 to 31 December 2022 is provided in Attachment 1 to this Report.

It is therefore recommended that the Audit and Risk Committee NOTES the contracts extended by the Chief Executive Officer during the period 1 July 2022 to 31 December 2022, forming Attachment 1 to this Report.

BACKGROUND

At its meeting held on 1 November 2005 (CJ231-11/05 refers), Council resolved that a half-yearly report be prepared for the Audit and Risk Committee detailing contracts that were originally approved by Council and have subsequently been extended by the Chief Executive Officer.

DETAILS

Council has delegated to the Chief Executive Officer the authority to approve all contract extensions on tenders approved by Council subject to a report to the Audit and Risk Committee being prepared on a half-yearly basis providing details of those contracts extended.

Six contracts were extended during the period 1 July 2022 to 31 December 2022.

Issues and options considered

The option to extend the contracts by the Chief Executive Officer is required to maintain continuity of the applicable services to the City.

Legislation / Strategic Community Plan / policy implications

Legislation The City's legal advice is that under section 5.41(d) of the *Local Government Act 1995* the Chief Executive Officer may be delegated the power to extend a contract – provided the Chief Executive Officer does not extend the contract beyond the “total term of the Contract” specified by the Council in the resolution.

10-Year Strategic Community Plan

Key theme Leadership.

Objective Capable and effective - you have an informed and capable Council backed by a highly-skilled workforce.

Policy Not applicable.

Risk management considerations

The delegated authority to extend contracts is limited to the original terms and conditions approved by resolution of Council when the tender was first awarded.

Financial/budget implications

In accordance with each individual Contract and approved budget limits.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

This report provides the Audit and Risk Committee with details of contracts originally approved by Council or by the Chief Executive Officer under delegated authority, which have subsequently been extended by the Chief Executive Officer during the period from 1 July 2022 to 31 December 2022.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr McLean, SECONDED Cr Fishwick that the Audit and Risk Committee NOTES the contracts extended by the Chief Executive Officer during the period 1 July 2022 to 31 December 2022 forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

Appendix 4 refers

To access this attachment on electronic document, click here: [Attach4AUDRISK230308.pdf](#)

**ITEM 9 CONFIDENTIAL - CHIEF EXECUTIVE OFFICER'S
CREDIT CARD EXPENDITURE (OCTOBER -
DECEMBER 2022)**

WARD	All
RESPONSIBLE DIRECTOR	Mr Mat Humfrey Corporate Services
FILE NUMBER	09882
ATTACHMENT	Attachment 1 Chief Executive Officer's Credit Card Expenditure – Quarter Ended 31 December 2022 (Please Note: <i>The Report and Attachment is confidential and will appear in the official Minute Book only</i>)
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

This report is confidential in accordance with Section 5.23(2)(a) of *the Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

(a) *a matter affecting an employee or employees;*

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Cr Fishwick, SECONDED Cr McLean that the Audit and Risk Committee NOTES the report on the corporate credit card usage of the Chief Executive Officer for the quarter ended 31 December 2022.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

ITEM 11 **CONFIDENTIAL – ALLEGATIONS OF MISCONDUCT**

WARD	All
RESPONSIBLE DIRECTOR	Mr James Pearson Office of the CEO
FILE NUMBER	105279, 101515
ATTACHMENT	Attachment 1 Previous reporting to Committee
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

This report is confidential in accordance with Section 5.23(2)(a) and (f)(i) of *the Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

- (a) *a matter affecting an employee or employees;*
- (f) *a matter that if disclosed, could be reasonably expected to –*
 - (i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law.*

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Cr Fishwick, SECONDED Cr Poliwka that the Audit and Risk Committee NOTES the allegations of misconduct since the last report on this issue to the Audit and Risk Committee on 1 March 2022.

The Motion was Put and **CARRIED (6/0)**

In favour of the Motion: Cr Raftis, Mayor Jacob, Crs Fishwick, McLean, Poliwka and Mr Thomas.

URGENT BUSINESS

Nil.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Cr Raftis requested the Chief Executive Officer prepare a report for the Audit and Risk Committee detailing all the fringe benefits provided to staff and the applicable fringe benefits tax paid for the 3 FBT years (1 April – 31 March) 2021,2022 and 2023.

Cr Poliwka requested the Chief Executive Officer prepare a report for the Audit and Risk Committee (and for future Council meetings) for the monthly list of payments to include the cumulative expenditure to date for each contractor.

CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 7.55pm the following Committee Members being present at that time:

Cr John Raftis
Mayor Hon. Albert Jacob, JP
Cr Tom McLean, JP
Cr Russell Poliwka
Cr Russ Fishwick, JP
Mr Richard Thomas