

MINUTES

FINANCIAL MANAGEMENT, AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING

**HELD
6.00PM MONDAY 9 MAY 2022
AT THE MELVILLE CIVIC CENTRE
CONFERENCE ROOM**

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DISTRIBUTED: 13 MAY 2022

**Charter for Financial Management, Audit, Risk and Compliance Committee
(Terms of Reference)
Updated 18 November 2014**

1. Operation

The Committee will operate in accordance with the requirements of the *Local Government Act 1995* (the Act) and Regulations, City of Melville policies, Australian Accounting, Audit and relevant best practice standards.

2. Objectives/Terms of Reference

To provide guidance and assistance to the Council as to matters under Part 7 – Audit - of the *Local Government Act 1995* including:-

- The composition, delegation and decision of an audit committee
- The appointment of auditors
- The conduct of an audit
- The duties of local Government with respect to audits

To also provide guidance and assistance to the Council in relation to a range of other financial and risk management matters including:-

- Engaging and monitoring the performance of internal and external audit firms;
- Agreeing the scope of works of the internal and external audit programmes with the respective auditors;
- Safeguarding the independence of the audit firms;
- Ensuring that Elected Members are provided with financial and non-financial information that is of high quality and relevant to the judgements to be made by them;
- Ensuring that controls are established and maintained in order to safeguard the City of Melville's financial and physical resources;
- Ensuring that systems or procedures are in place so that the City of Melville complies with relevant statutory and regulatory requirements;
- Assessing enterprise risks arising from the City of Melville's operations and considering the adequacy of measures taken to treat or insure against those risks;
- Acting as the principal line of communication between Elected Members, the City of Melville's External and Internal Auditors.

3. Membership

- In accordance with Section 7.1A (2) of the *Local Government Act 1995* members of the Committee will be appointed by absolute majority decision of the Council;
- The Committee will comprise at least four persons of which at least three are to be Elected Members of the City of Melville and one other member who will be an independent person;
- Independent members will have no association with the Council either as a member, an officer or closely associated person;
- Where possible the majority of members shall have experience in business and/or financial and management reporting and risk management;
- The independent member shall be selected on the basis of their skills and experience in the financial and/or risk management environment;
- The CEO and designated City of Melville employees, whilst not permitted to be members of this Committee, will when requested be required to attend meetings of the Committee to provide advice and guidance to the committee;
- Membership of the Committee will be reviewed after every Local Government Election.

4. Meetings

- The Chairperson will call and conduct meetings of the Committee in accordance with the City of Melville's Standing Orders and the *Local Government Act 1995* and Regulations;
- The Committee will meet at least four times per annum, with the timing of each meeting coinciding with the conduct of particular aspects of the City of Melville's audit, risk management and financial reporting cycle;
- An agenda, and written reports on the business to be conducted at the meeting, will be prepared and distributed to Committee members at least 72 hours prior to the meeting;
- Minutes of the Committee meeting proceedings and recommendations will be taken and submitted to Council for decision ;
- The External and Internal auditors will be invited to attend at least one meeting per calendar year, but may be invited at any time to address the Committee on any issues the Committee believes necessary.

5. Reporting

Reports and recommendations of each Committee meeting shall be presented to the next ordinary meeting of the Council. The Committee may make recommendations to the Council on any aspect of the Committee's responsibilities.

6. Responsibilities

The Committee will consider any matters relating to the financial, audit, internal controls, statutory compliance and risk management practices of the City as it considers relevant.

Specific responsibilities will include:-

- **Financial reporting**

- Overseeing compliance with statutory responsibilities relating to financial disclosure;
- Reviewing the adequacy of financial management reporting to the Council;
- Ensuring that Elected Members are provided with financial and non-financial information that is of high quality and relevant to the judgements to be made by them;
- Reviewing the draft annual financial report and all publicly published financial statements, focusing on:
 - significant changes in accounting policies;
 - significant adjustments to the financial report arising from the audit process;
 - compliance with accounting standards and other reporting requirements.

- **Accounting Policies**

- Reviewing any changes to accounting standards and policies and their impact on financial statements.

- **Internal Controls, Risk and Insurance**

- Reviewing the City of Melville's enterprise risk management framework;
- Reviewing and assessing the City of Melville's approach to the management of risks to ensure that risks are appropriately managed and where economical and practicable to do so, residual risks are appropriately insured;
- Ensuring that opportunities to better manage risks are identified and if feasible, implemented;
- Ensuring business continuity and disaster recovery plans are in place and causing such plans to be tested on a periodic basis;
- Ensuring that controls are established and maintained in order to safeguard the City of Melville's financial and physical resources;
- Reviewing and assessing management programs and policies in relation to internal controls over the financial and reporting systems including delegations of authority.

- **Audit**
 - Providing guidance and assistance to the Council in relation to:
 - The process for the selection and appointment of external auditor;
 - Recommending to the Council the person to be appointed as auditor;
 - Develop and recommend to the Council a written agreement for the appointment of the auditor including conditions;
 - Reviewing the annual audit plan with the external and internal auditors to consider its scope and effectiveness;
 - Reviewing the information and recommendations provided by external and internal auditors including the responses of management;
 - Reviewing any unresolved issues between management and the external and internal auditors and actions planned to obtain resolution;
 - Reviewing the performance of external and internal auditors.
- **Compliance**
 - Ensuring that the procedures established to monitor compliance with statutory requirements, regulations and contractual obligations are appropriate;
 - Reviewing the annual Statutory Compliance Audit Return and make recommendations to the Council on acceptance and any actions identified as a result of the Return.

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**MINUTES OF THE FINANCIAL MANAGEMENT, AUDIT, RISK AND COMPLIANCE
COMMITTEE MEETING HELD AT CIVIC CENTRE, 10 ALMONDBURY ROAD,
BOORAGOON COMMENCING AT 6:00PM MONDAY 9 MAY 2022.**

1. PRESENT

Committee Members

Cr N Pazolli (Presiding Member)
Cr T Fitzgerald
Cr M Woodall
Cr J Edinger
Cr M Sandford (Deputy Member)
Mr L Hay

Ward

Applecross-Mount Pleasant (electronic attendance)
Palmyra – Melville - Willagee
Bull Creek – Leeming (electronic attendance)
Bicton-Attadale-Alfred Cove (electronic attendance)
Central (electronic attendance)
External Committee Member

2. IN ATTENDANCE

Mr M Tieleman
Mr A Ferris
Mr M Duncan (*until 6:16pm*)
Ms D Whyte
Mr K Wan
Mr B Taylor
Ms C Newman

Chief Executive Officer
Director Corporate Services (electronic attendance)
Manager Information and Communications Technology
Manager Financial Services
Process Improvement Auditor
Manager Governance and Property
Governance Coordinator

3. APOLOGIES AND APPROVED LEAVE OF ABSENCE

3.1 APOLOGIES

Honourable G Gear Mayor
Cr Katy Mair
Cr Nicole Robins (Deputy Member)

Central
Bateman-Kardinya-Murdoch

3.2 APPROVED LEAVE OF ABSENCE

Cr D Macphail

Bateman-Kardinya-Murdoch

4. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION) AND DECLARATIONS BY MEMBERS.

4.1 DECLARATIONS BY MEMBERS WHO HAVE NOT READ AND GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPERS PRESENTED BEFORE THE MEETING.

Nil.

5. CONFIRMATION OF MINUTES – 14 MARCH 2022

COMMITTEE RESOLUTION

At 6:03pm Cr Edinger moved, seconded Cr Woodall –

That the Minutes of the previous meeting of the Financial Management, Audit, Risk and Compliance Committee held on Monday, 14 March 2022 be confirmed as a true and accurate record.

At 6:03pm the Presiding Member declared the motion

CARRIED UNANIMOUSLY (6/0)

6. DISCLOSURE OF INTEREST

Nil.

**DISCLOSURE OF FINANCIAL INTERESTS
LOCAL GOVERNMENT ACT 1995****Members' interests in matters to be discussed at meetings to be disclosed**

S.5.65 (1) A member who has an interest in any matter to be discussed at a Council or Committee meeting that will be attended by the member must disclose the nature of the interest -

- (a) in a written notice given to the Chief Executive Officer before the meeting; or
- (b) at the meeting immediately before the matter is discussed.

Penalty: \$10,000 or imprisonment for 2 years.

Meeting to be informed of disclosures

S.5.66 If a member has disclosed an interest in a written notice given to the Chief Executive Officer before a meeting then before the meeting -

- (a) the Chief Executive Officer is to cause the notice to be given to the person who is to preside at the meeting; and
- (b) the person who is to preside at the meeting is to bring the notice to the attention of the persons who attend the meeting.

Disclosing members not to participate in meetings

S.5.67 A member who makes a disclosure under Section 5.65 must not -

- (a) preside at the part of the meeting relating to the matter; or
- (b) participate in, or be present during, any discussion or decision making procedure relating to the matter,

unless, and to the extent that, the disclosing member is allowed to do so under Section 5.68 or 5.69.

Penalty: \$10,000 or imprisonment for 2 years.

Please refer to your Handbook for definitions of interests and other detail.

7. MATTERS FOR DECISION AND NOTING

At 6:03pm the Presiding Member brought forward Item C22/5912 – Freedom of Information Activities Update for the convenience of Officers

C22/5912 – FREEDOM OF INFORMATION ACTIVITIES UPDATE (REC)

Ward	: All
Category	: Operational
Subject Index	: Freedom of Information
Customer Index	: City of Melville
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: Item C21/5902 – Freedom of Information Activities Update
Works Program	: Not Applicable
Funding	: Not Applicable
Responsible Officer	: Malcolm Duncan Manager ICT Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input checked="" type="checkbox"/>	Information	<i>For the Committee to note.</i>

C22/5912 – FREEDOM OF INFORMATION ACTIVITIES UPDATE (REC)

KEY ISSUES / SUMMARY

- This report provides an update on the freedom of information activities for the first quarter of the 2022 calendar year. Where appropriate data relating to the equivalent previous period is provided for comparative purposes.
- It is recommended that the report be noted.

BACKGROUND

Freedom of Information (FOI) is a legislative requirement of all government agencies. It is based on providing open and transparent access to information held by government agencies whilst also upholding relevant community privacy expectations. In Western Australia, FOI refers to the *Freedom of Information Act (WA) 1992* which also provides for the State based agency privacy requirements.

This report provides an update on the activities and associated ongoing workloads associated with Freedom of Information Requests.

DETAIL

A summary of the FOI activities for the period January to March 2022 is as follows with 2021 equivalent period provided for comparison purposes.

Particulars	Current Period	Previous Period
New FOI Requests received	22	15
FOI Requests Received Online	9	6
Average processing Time (days) for completed FOI Requests Received during the reporting period	23.88	45.47
Applications for Internal Review	0	3
Applications for External Review	1	3
Applications Withdrawn	0	1
Interagency Consultation	0	0
Application Fees Paid (prescribed in Act)	\$420	\$450
Additional Costs Recovered (as allowed in Act)	\$0	\$0
Total Time Spent by FOI staff (for all Apps, Internal and External Reviews Hours)	113	534
Total Time Spent by other staff (local area time spent)	4	31

The reporting period included four applications that were accepted as “Personal Information” and an additional three applications accepted as a “Request for Amendment of Personal Information”. These forms of applications do not incur any mandatory fees and have a 30 day processing period replacing the 45 day period.

C22/5912 – FREEDOM OF INFORMATION ACTIVITIES UPDATE (REC)

The areas of interest relating to the FOI Requests received for the reporting period have been:

City Function	Number	Comments
Urban Planning	13	Various planning or building approval matters including long standing issues
Corporate Services	0	
Management Services	5	Independent review matters
Community Development	2	Melville Bowls Club and incident reporting matter
Technical Services	2	Works and assets related matters

An analysis of applicants identified that 27% of all FOI applications for the reporting period were from one applicant (6). No other applicant commenced more than one request within the reporting period.

The online FOI application process is the preferred lodgement approach. The City's Technology and Information teams are finalising the digital processes which from July, will allow customers access to track their own application in a similar way to that provided for Urban Planning related applications.

Where an application is lodged through a more manual method, the application will be digitised by City staff on receipt to ensure effective tracking, reporting and audit controls are maintained.

Summary information relating to customer responsiveness is shown in the table below for the period January to March 2022. The FOI Act itself is prescriptive regarding the timeframes in which agencies must respond with specified escalation activities stated where those timeframes are not met.

Statistic	Result	Comments
Total FOI Decisions	8	Excludes reviews and inter-agency activities
Total Internal Review Decisions	0	
FOI Average Processing Days	23.88	Previous reporting period (Jan – Dec 2021) 48.36
FOI Median Processing Days	13	
FOI Maximum Days	65	
FOI % Above Statutory Requirements (30 days Personal Information and 45 days for Non-Personal)	1	
FOI Standard Deviation	21.17	Not statistically valid due to small sample size
Review Average Days	N/A	
Review Median Days	N/A	

C22/5912 – FREEDOM OF INFORMATION ACTIVITIES UPDATE (REC)

The quarter-by-quarter statistics are shown in the table below. Whilst significant improvements have been shown, continued monitoring is required to ensure the City can apply the necessary resources to meet demand.

Statistic	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar
Total FOI Decisions	17	15	12	8
Total Internal Review Decisions	3	1	0	0
FOI Average Processing Days	49.5	46.4	38.2	23.9
FOI Median Processing Days	41	37	38	13
FOI Maximum Processing Days	243	226	87	65

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

No community consultation occurred during the period in question.

II. OTHER AGENCIES / CONSULTANTS

No other agencies or consultants have been engaged over the reporting period in regard to this report content.

STATUTORY AND LEGAL IMPLICATIONS

There are no specific legal implications in this report.

FINANCIAL IMPLICATIONS

The financial implications in this report relate to the cost of staff time and other associated resources used to deliver FOI outcomes for the City.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The risk management implications of non-compliance with processes and legislative requirements may leave the City open to challenge on decisions or processes. There are no Environmental Management Implications in this report.

Risk Statement & Consequence	Level of Risk	Risk Treatment
The City fails to meet its obligations under the FOI Act (1992)	A Possible likelihood with Minor consequences which could result in a Medium level of risk	Ongoing controls and monitoring of workloads and performance. Training and support material is also provided to officers.

C22/5912 – FREEDOM OF INFORMATION ACTIVITIES UPDATE (REC)**POLICY IMPLICATIONS**

There is no specific Council Policy that relates to the delivery of FOI for the City. The City's Code of Conduct Elected Members, Committee Members and Candidates and CP-106 refers to the record keeping requirements for Elected Members. Where records have not been captured in accordance with these policies the City may be incapable of properly responding to an FOI request.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

No alternate options are available for the City to meet its legislative obligations in the delivery of FOI services.

CONCLUSION

This report advises the Financial Management, Audit, Risk and Compliance Committee of the main Freedom of Information activities to date for the current calendar year.

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5912)**NOTING**

At 6:11pm Cr Woodall moved, seconded Cr Sandford –

That the Financial Management, Audit, Risk and Compliance Committee notes the report on Freedom of Information Activities Update for the period of 1 January 2022 to 31 March 2022.

At 6:11pm the Presiding Member declared the motion

CARRIED UNANIMOUSLY (6/0)

At 6:11pm the Presiding Member brought forward Item M22/5908 – Internal Audit Report - Payment Card Industry Data Security Standard Compliance for the convenience of Officers.

**M22/5908 – INTERNAL AUDIT REPORT – PAYMENT CARD INDUSTRY DATA
SECURITY STANDARD COMPLIANCE (REC) (CONFIDENTIAL ATTACHMENT)**

Ward	:	All
Category	:	Operational
Subject Index	:	Internal Audit Report
Customer Index	:	City of Melville
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Not Applicable
Works Programme	:	Not Applicable
Funding	:	Not Applicable
Responsible Officer	:	Ken Wan Process Improvement Auditor

AUTHORITY / DISCRETION

DEFINITION

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<input checked="" type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**M22/5908 – INTERNAL AUDIT REPORT – PAYMENT CARD INDUSTRY DATA
SECURITY STANDARD COMPLIANCE (REC) (CONFIDENTIAL ATTACHMENT)****KEY ISSUES / SUMMARY**

- Compliance with Payment Card Industry Data Security Standard (PCI DSS) will reassure the City's customers that their card details are secure when they pay us. Compliance will also minimise unauthorised access to the City's payment system networks / documentation and stealing cardholder data.
- This audit has reviewed and identified all City locations / services that may collect payment card data and analysed relevant business processes for PCI DSS vulnerabilities.
- Improvement opportunities have been identified as a result of this audit and listed in the confidential attachment.

BACKGROUND

PCI DSS is a set of requirements designed to protect cardholder data. As the City has many touch points that can come into contact with payment card data, the requirements of PCI DSS need to be complied with.

There are significant penalties for PCI DSS non-compliance and they are summarised as follows:

- Substantial fines up to US\$500,000
- Suspension of accepting card payments
- Cost of reissuing affected credit cards
- Cost of post-breach security investigations, providing credit monitoring to affected customers
- Reassessment for PCI compliance before regaining the ability to accept card payments

DETAIL

The key focuses of the audit were as follows:

1	Does the CoM have appropriate policies and systems in place for the management of payment card data?
2	Are controls in place sufficiently robust to monitor compliance with Payment Card Industry Data Security Standard?
3	Any improvement opportunities to enhance the controls over unauthorised access to payment card data?

This audit reviews the current arrangements of payment card data management and makes recommendations for improvements where appropriate. The confidential attachment 5908 Internal Audit Report is to provide details of the findings and recommendations for review.

**M22/5908 – INTERNAL AUDIT REPORT – PAYMENT CARD INDUSTRY DATA
SECURITY STANDARD COMPLIANCE (REC) (CONFIDENTIAL ATTACHMENT)**

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

No community consultation has been carried out.

II. OTHER AGENCIES / CONSULTANTS

No external consultation with other agencies has been carried out.

STATUTORY AND LEGAL IMPLICATIONS

Regulation 5 (1) of the Local Government (Financial Management) Regulations 1996 requires the Chief Executive Officer to maintain efficient systems and procedures for financial management, expenditure and accounting records.

The confidential attachment to this report is confidential in terms of section 5.23(2)(ii) of the *Local Government Act 1995*, which relates to security of the local government's property.

FINANCIAL IMPLICATIONS

No significant financial implications associated with this report.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement & Consequence	Level of Risk	Risk Treatment
Lack of proper monitoring of the access to payment card data could result in substantial financial penalty for breaching PCI DSS requirements.	Initial Risk – High Residual Risk (after risk mitigation strategy) - Medium	This risk could be minimised by implementing improvement actions identified in this audit.

There are no identifiable environmental management implications arising from this report.

POLICY IMPLICATIONS

There are no direct policy implications associated with this report.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

No alternative options are presented as part of this report.

**M22/5908 – INTERNAL AUDIT REPORT – PAYMENT CARD INDUSTRY DATA
SECURITY STANDARD COMPLIANCE (REC) (CONFIDENTIAL ATTACHMENT)****CONCLUSION**

This review has identified improvement opportunities which would enhance controls over unauthorised access to payment card data provided to the City by customers.

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5908)**NOTING**

At 6:15pm Cr Edinger moved, seconded Mr Hay –

That the Financial Management, Audit, Risk and Compliance Committee notes the confidential 5908 Internal Audit Report regarding payment card industry data security standard compliance.

At 6:16pm the Presiding Member declared the motion

CARRIED UNANIMOUSLY (6/0)

At 6:16pm Mr Duncan left the meeting and did not return.

M22/5905 – FINANCIAL MANAGEMENT REVIEW REPORT (REC) (CONFIDENTIAL ATTACHMENT)

Ward : All
 Category : Operational
 Subject Index : Audits - External
 Customer Index : Moore Stephens
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Item M19/5696 – Financial Management Review Report – Ordinary Meeting of Council held 17 September 2019
 Works Programme : Not Applicable
 Funding : 2021/2022 Budget
 Responsible Officer : Ken Wan
 Process Improvement Auditor

AUTHORITY / DISCRETION

DEFINITION

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<input checked="" type="checkbox"/>	Review	<i>When the Council reviews decisions made by Officers.</i>
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<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

M22/5905 – FINANCIAL MANAGEMENT REVIEW REPORT (REC) (CONFIDENTIAL ATTACHMENT)**KEY ISSUES / SUMMARY**

- Chief Executive Officers (CEO's) are required by legislation to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (not less than once in every three financial years) and report to the local government the results of those reviews.
- The review identified 13 matters for improvement. The risk weighting of these 13 matters are as follows:
Minor Risk – Four
Moderate Risk – Eight
High Risk – One
- The eight matters (Number 1 to 8) with moderate risk weighting and one matter (Number 9) with high risk weighting.
- Most recommendations are considered to be refinements of the existing controls and will be implemented over the next three months. The progress of implementation will be tracked by the Process Improvement Auditor until completion.

BACKGROUND

The objective of this three yearly financial management review is to assist the Chief Executive Officer in discharging his responsibility to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the City as required by Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

Moore Australia, being an industry leading audit consultant, was appointed to conduct the financial management review in February 2022 and the report was finalised in April 2022 and is now tabled for review and information for the FMARCC.

DETAIL

The confidential Financial Management Report was distributed to Elected Members on Friday 6 May 2022 under confidential cover.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

No community consultation has been carried out.

II. OTHER AGENCIES / CONSULTANTS

No external consultation with other agencies has been carried out.

External consultant Moore Australia was engaged to conduct this review.

M22/5905 – FINANCIAL MANAGEMENT REVIEW REPORT (REC) (CONFIDENTIAL ATTACHMENT)

STATUTORY AND LEGAL IMPLICATIONS

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* requires the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government Council regularly (and not less than once in every three financial years) and report to the Local Government the results of those reviews.

The confidential attachment to this report is confidential in terms of section 5.23(2)(ii) of the *Local Government Act 1995*, which relates to security of the local government's property.

FINANCIAL IMPLICATIONS

A budget of \$35,000 had been provided for this review and the actual cost was \$32,000.

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

Risk Statement & Consequence	Level of Risk	Risk Treatment
Financial and compliance objectives may not be achieved if core financial systems are not regularly reviewed to ensure they remain relevant and effective.	Initial Risk – Medium Residual Risk (after risk mitigation strategy) - Low	Engage independent professionals to critically evaluate the City's core financial systems once every three years.

There are no identifiable environmental management implications arising from this report.

POLICY IMPLICATIONS

There are no direct policy implications associated with this report.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

No alternative options are presented as part of this report.

CONCLUSION

The review confirms that the City's financial systems and procedures are adequate and further refinements will be made by implementing the recommendations.

M22/5905 – FINANCIAL MANAGEMENT REVIEW REPORT (REC) (CONFIDENTIAL ATTACHMENT)**OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5905) NOTING**

At 6:26pm Cr Woodall moved, seconded Cr Sandford –

That the Financial Management, Audit, Risk and Compliance Committee recommends to the Council that the confidential Financial Management Review Report on the review into the City's financial management systems and procedures by Moore Australia be noted.

At 6:27pm the Presiding Member declared the motion

CARRIED UNANIMOUSLY (6/0)

M22/5906 – ANNUAL REVIEW OF THE FOUR-YEAR INTERNAL AUDIT PLAN AND THE ANNUAL AUDIT COMMITTEE WORK PLAN (REC) (ATTACHMENT)

Ward : All
 Category : Operational
 Subject Index : Internal Audit Report
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : M21/5829 Annual Review of The Four Year Internal Audit Plan and The Annual Audit Committee Work Plan - FRAMCC meeting held 10 May 2021
 Works Programme : Not Applicable
 Funding : Not Applicable
 Responsible Officer : Ken Wan
 Process Improvement Auditor

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input checked="" type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**M22/5906 – ANNUAL REVIEW OF THE FOUR-YEAR INTERNAL AUDIT PLAN AND THE
AUDIT COMMITTEE ANNUAL WORK PLAN (REC) (ATTACHMENT)****KEY ISSUES / SUMMARY**Internal Audit Plan

This report presents the annual review of the Four-Year Internal Audit Plan with input from the Executive Leadership Team for the Financial Management, Audit, Risk and Compliance Committee's (FMARCC) review in line with oversight responsibilities as described in the FMARCC's Charter.

Work Plan for the Audit Committee

An annual work plan for the FMARCC is also attached for review and approval. An annual work plan for audit committees is recommended by the Auditor General (OAG) in one of their latest audit reports.

BACKGROUNDInternal Audit Plan

The objective of the Four-Year Internal Audit Plan is to provide an outline of the areas the City considers to be a priority for review, using a risk based approach. The broad objective and audit requirements for each individual audit to be conducted in the next 12 months are included in the Audit Plan.

A risk based internal audit plan covering areas of high audit significance is prepared and reviewed at least once every 12 months by the Process Improvement Auditor with input from the Executive Leadership Team (ELT).

The Four-Year Internal Audit Plan is flexible in that it may be updated during the financial year to cater for new risks or changing audit priorities as directed by the Chief Executive Officer or FMARCC.

Work Plan for the Audit Committee

The Auditor General issued an audit report on the Western Australian Public Sector Audit Committees in June 2020 and one of the recommendations was "key activities of the audit committee are planned and scheduled in a forward work plan".

DETAILInternal Audit Plan

Auditable areas covering financial, operational, compliance and governance processes are risk weighted, and audit resources are allocated to those areas with higher risk ratings (High, Medium, and Low).

Audit recommendations are developed and agreed with management and follow-ups conducted to ensure that they are implemented as agreed.

**M22/5906 – ANNUAL REVIEW OF THE FOUR-YEAR INTERNAL AUDIT PLAN AND THE
AUDIT COMMITTEE ANNUAL WORK PLAN (REC) (ATTACHMENT)**

Attachment: 5906 Annual Review of Internal Audit Plan which provides details of the auditable areas.

Sixteen audits will be conducted between July 2022 and June 2023 and they are as follows:

	Item Number	Audit Topic
		Responsible Officer : Process Improvement Auditor
1	Item 7	Compliance Audit Return
2	Item 37	Citizens Relief Fund
3	Item 39	Status of Council Resolutions Implementation
4	Item 64	Fraud Prevention
5	Item 69	Staff Exit Controls
6	Item 70	Grants Administration
		Responsible Officer : Chief Sustainability Officer
7	Item 81	Environmental Management System
8	Item 82	Climate Change and Environmental Resilience
		Responsible Officer : Senior Business Partner (Health & Safety)
9	Item 131	Pressure Cleaning-RFT192015
10	Item 132	Bushland Weed Control-RFT212214
11	Item 133	Roof Plumbing-RFT212206
12	Item 134	Aquatic Plant Maintenance-RFT202106
13	Item 135	Disposal of bulk verge & commercial general waste-RFT202103
14	Item 136	Tree Maintenance-RFT212216
15	Item 137	Sinking, Developing and Testing of Bores-RFT192021
16	Item 138	Concrete Works for Footpaths-RFT181919

**M22/5906 – ANNUAL REVIEW OF THE FOUR-YEAR INTERNAL AUDIT PLAN AND THE
AUDIT COMMITTEE ANNUAL WORK PLAN (REC) (ATTACHMENT)**

Work Plan for the Audit Committee

FMARCC work plan for July 2022 to June 2023 is as follows:

August 2022 meeting	<p>Standing Items:</p> <ol style="list-style-type: none"> 1) ICT Cyber Security Six Monthly Report (Information Technology) 2) Insurance and Risk Management Report (Corporate Services) 3) Governance and Compliance Activities Report (Governance) 4) Legal Status Report (Legal) 5) Freedom of Information Activities Update (Information Technology) 6) Outstanding actions arising from previous meetings (Governance) <p>Other Items:</p> <p>Status of Council Resolutions Implemented (Audit) Internal Audit Reports (Audit)</p>
November 2022 meeting	<p>Standing Items:</p> <ol style="list-style-type: none"> 1) Insurance and Risk Management Report (Corporate Services) 2) Governance and Compliance Activities Report (Governance) 3) Legal Status Report (Legal) 4) Freedom of Information Activities Update (Information Technology) 5) Outstanding actions arising from previous meetings (Governance) <p>Other Items:</p> <p>Internal Audit Reports (Audit) Internal Audit Activities Report (Audit) External audit report of Safety, Health, Environment and Quality Management System (Organisation Development) OAG report on financial statements (Corporate Services)</p>
March 2023 meeting	<p>Standing Items:</p> <ol style="list-style-type: none"> 1) ICT Cyber Security Quarterly Report (Information Technology) 2) Insurance and Risk Management Report (Corporate Services) 3) Governance and Compliance Activities Report (Governance) 4) Legal Status Report (Legal) 5) Freedom of Information Activities Update (Information Technology) 6) Outstanding actions arising from previous meetings

	<p>(Governance)</p> <p>Other Items:</p> <p>Status of Council Resolutions Implemented (Audit)</p> <p>Internal Audit Reports (Audit)</p> <p>Compliance Audit Return (Governance)</p>
May 2023 meeting	<p>Standing Items:</p> <ol style="list-style-type: none"> 1) Insurance and Risk Management Report (Corporate Services) 2) Governance and Compliance Activities Report (Governance) 3) Legal Status Report (Legal) 4) Freedom of Information Activities Update (Information Technology) 5) Outstanding actions arising from previous meetings (Governance) <p>Other Items:</p> <p>Internal Audit Reports (Audit)</p> <p>Internal Audit Activities Report (Audit)</p> <p>Annual review of internal audit plan (Audit)</p> <p>Annual work plan for FMARCC for July 2023 to June 2024 (Audit)</p>

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

No community engagement has been carried out.

II. OTHER AGENCIES / CONSULTANTS

No external consultation with other agencies has been carried out.

STATUTORY AND LEGAL IMPLICATIONS

There is no specific legal requirement to have an internal audit function for a local government. However, an amendment to the *Local Government Act 1995* in 2005 introduced a requirement that all local governments establish an audit committee. Such committees are to provide an independent oversight of the financial, audit, compliance and governance matters of a local government on behalf of the Council. As such, the Financial Management, Audit, Risk and Compliance Committee operates to assist the Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to the local government's financial reporting and audit responsibilities.

For an audit committee to be effective, it is best practice to have an internal audit function to assist it to discharge its responsibilities in areas such as internal control, risk management, and legislative compliance.

**M22/5906 – ANNUAL REVIEW OF THE FOUR-YEAR INTERNAL AUDIT PLAN AND THE
AUDIT COMMITTEE ANNUAL WORK PLAN (REC) (ATTACHMENT)**

FINANCIAL IMPLICATIONS

The financial implications in this report relate to staff time only.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement & Consequence	Level of Risk	Risk Treatment
Internal audit resources not allocated to areas of the high audit significance to the City.	Initial Risk – Medium Residual Risk (after risk mitigation strategy) - Low	Key auditable areas are reviewed and approved by both the ELT and the FMARCC annually to ensure internal audit resources are appropriately allocated.

There are no environmental management implications in this report.

POLICY IMPLICATIONS

There are no direct policy implications associated with this report.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

No alternate options are presented as part of this report.

CONCLUSION

The Four Year Internal Audit Plan and the annual FMARCC Work Plan have been reviewed and accepted by the Executive Leadership Team.

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5906)

NOTING

At 6:33pm Mr Hay moved, seconded Cr Edinger –

That the Financial Management, Audit, Risk and Compliance Committee notes the 5906 Annual Review of Internal Audit of the Four-Year Internal Audit Plan and the Annual Audit Committee Work Plan.

At 6:33pm the Presiding Member declared the motion

CARRIED UNANIMOUSLY (6/0)

M22/5907 – INTERNAL AUDIT ACTIVITY REPORT (REC) (CONFIDENTIAL ATTACHMENT)

Ward : All
 Category : Operational
 Subject Index : Internal Audit Activity Report
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : M21/5869 Internal Audit Activity Report – FMARCC meeting held 8 Nov 2021
 Works Programme : Not Applicable
 Funding : Not Applicable
 Responsible Officer : Ken Wan
 Process Improvement Auditor

AUTHORITY / DISCRETION

DEFINITION

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<input checked="" type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

M22/5907 – INTERNAL AUDIT ACTIVITY REPORT (REC) (CONFIDENTIAL ATTACHMENT)

KEY ISSUES / SUMMARY

This report presents the activities undertaken by the City's Internal Audit Function over the last six months and provides an overview of the activities planned for the next quarter.

BACKGROUND

The internal audit function has been put in place to assist the Chief Executive Officer (CEO) and Council to discharge their oversight responsibilities and to achieve corporate objectives.

Under its Terms of Reference the Financial Management Audit Risk and Compliance Committee (FMARCC) assists Council in overseeing the City's internal audit function and reviewing the Internal Audit Activity Report is a means of discharging this responsibility.

DETAIL

INTERNAL AUDIT ACTIVITY REPORT
This report covers the period 1 October 2021 to 31 March 2022
The report is broken down into four sections:
1. Audits and reviews conducted in the last six months
2. Audits and reviews due to commence in the next three months
3. Monitor the implementation of internal and external audit recommendations
4. Outstanding implementation of audit recommendations
1. Audits and reviews conducted in the last six months
Summary of both internal and external audits / reviews conducted in the last six months. Confidential 5907 Internal Audit Activity Report
2. Audits and reviews due to commence in the next three months
Implementation of the Fraud Prevention Control Plan benchmarked against OAG findings and recommendations
Staff Exit Controls – benchmarked against OAG findings and recommendations
Citizens Relief Fund – financial statement audit

M22/5907 – INTERNAL AUDIT ACTIVITY REPORT (REC) (CONFIDENTIAL ATTACHMENT)

3. Monitor the implementation of internal and external audit recommendations
Internal Audits
Monitored the collection of Verge Bond (formerly Kerb Security Deposit) for each building application rather than for each property as different application has different contractor who can only be responsible for his own actions relating to the damages done to the kerb assets
Monitored the development and implementation of contractor induction self-assessment package
Monitored the implementation of the Fraud Control Plan
Monitored billing reconciliation between bin empties and bin charges for commercial waste
Monitored implementation of various procurement processes including spend analysis, on-line tender register and update of procedures and work instruction
Monitored various issues involving the gift register and conflict of interest declaration
Monitored various issues from the contract management audit including specification compliance testing, induction checklist and the use of contract and contractor management software such as "Who's On Location" for visitors sign in and sign out
Monitored various issues from the building approvals audit including combining forms / streamline webpages / reducing red tapes to improve customer experience and the practicality of re-commencing building quality/compliance inspection
Monitored the progress of determining over and under charge of swimming pool inspection fee and the reconciliation between number of licences and number of inspection fee charges
Monitored the preparation of a policy relating to uniform entitlement and a work instruction relating to the recruitment of senior employees
Monitored the redaction and storage of payment card data
Monitored the implementation of software to screen payment card data on emails
External Audits
Monitored the revaluation processes relating to infrastructure including assessment of drainage conditions and their estimated useful life
Monitored the reconciliation between payroll system and the general ledger from annually to monthly
Monitored the depreciation calculation on investment properties
Monitored the development and implementation of capital grant revenue recognition process
Monitored the documentation of supervisory checking of interim valuation changes entered into Pathway and reconciliation between rate system and Valuer General Office
Monitored the progress of various Information Technology issues including vulnerability scan, user access review, testing of backup capability, undocumented IT processes
Monitored the process of obtaining up to date rehabilitation costs for John Connelly Reserve and included such in the financial statement
Monitored the transfer of Work In Progress to completed projects from yearly transfer to quarterly transfer to allow more accurate calculation of depreciation charge
Monitored the process of timely removal of system access for terminated employees
Monitored the process of computer system patching practices and the servers upgrade
Monitored the process tracking and documenting computer system changes via Service Desk management system
Monitored the disabling of system admin account or creating separate ID for each user to allow for accountability of actions
Monitored the process of improving windows and SQL server password security

M22/5907 – INTERNAL AUDIT ACTIVITY REPORT (REC) (CONFIDENTIAL ATTACHMENT)

Others
Invoice and payroll audit (Item 12 in the Audit Plan) - conducted checking to detect and deter false invoices and fictitious employees.
Information Security (Item 31 in the Audit Plan) - monitored that information security was reviewed and the scope covered issues raised by the WA Auditor General. The full external IT security audit involved testing email, payment gateway, library gateway, Geographic Information System (GIS), Global Positioning System (GPS) system and general internet security.
Liaised with external auditors to share audit information and minimise duplication.
Ongoing participation in Improvement Projects such as contract management, fraud control plan, legal obligations register, building maintenance inspection, building approvals, contractor induction, crossover maintenance, swimming pool inspection fee charges.
4. Outstanding implementation of audit recommendations
5907 Internal Audit Activity Report has been distributed under confidential cover with a list of outstanding audit recommendations with latest status.

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

No community consultation has been carried out.

II. OTHER AGENCIES / CONSULTANTS

No external consultation with other agencies has been carried out.

STATUTORY AND LEGAL IMPLICATIONS

There are no direct statutory or legal implications arising from this report.

The confidential attachment to this report is confidential in terms of section 5.23(2)(c) and (e) of the *Local Government Act 1995*, which relates to a contract entered into, by the local government and reveal information that has a commercial value.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

M22/5907 – INTERNAL AUDIT ACTIVITY REPORT (REC) (CONFIDENTIAL ATTACHMENT)**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Risk Statement & Consequence	Level of Risk	Risk Treatment
Internal audit activities and resources are not allocated to areas of high audit significance to the City.	Initial Risk – Medium Residual Risk (after risk mitigation strategy) - Low	Ongoing monitoring by the CEO and six monthly review of internal audit activities by FMARCC to ensure proper allocation of internal audit resources to address key business risks.

There are no environmental management implications in this report.

POLICY IMPLICATIONS

The FMARCC Terms of Reference sets out the objectives, membership, meetings, and responsibilities of the Committee, and this includes monitoring and reviewing the internal audit activities.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

There are no alternate options presented as part of this report.

CONCLUSION

Periodic monitoring of internal audit activity will ensure audit resources are properly allocated to address key business risks.

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5907)**NOTING**

At 6:49pm Cr Woodall moved, seconded Cr Edinger –

That the Financial Management, Audit, Risk and Compliance Committee notes the confidential Internal Audit Activity Report from 1 October 2021 to 31 March 2022.

At 6:49pm the Presiding Member declared the motion

CARRIED UNANIMOUSLY (6/0)

**M22/5908 – INTERNAL AUDIT REPORT – PAYMENT CARD INDUSTRY DATA
SECURITY STANDARD COMPLIANCE (REC) (CONFIDENTIAL ATTACHMENT)**

Item Brought Forward.
See page 9.

**M22/5910 - GOVERNANCE AND COMPLIANCE ACTIVITIES UPDATE (REC)
(ATTACHMENT)**

Ward : All
 Category : Operational
 Subject Index : Audits – Compliance, Policies, Procedures, Agenda and Minutes
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : M22/5897 - Governance and Compliance Activities Update, FMARCC meeting held 14 March 2022.
 Works Program : Not Applicable
 Funding : Not Applicable
 Responsible Officer : Bruce Taylor
 Manager Governance and Property

AUTHORITY / DISCRETION

DEFINITION

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<input checked="" type="checkbox"/>	Information	For the Committee to note.

**M22/5910 - GOVERNANCE AND COMPLIANCE ACTIVITIES UPDATE (REC)
(ATTACHMENT)**

KEY ISSUES / SUMMARY

- This report provides an update since the last FMARCC Meeting held 14 March 2022 on the progress of Governance and Compliance Activities.
- It is recommended that the report be noted.

BACKGROUND

This report provides an update on the activities of the Governance Team in progressing key governance activities and processes.

DETAIL

Governance Activities:

Status of Council Resolutions

The summary of the full implementation of Council Resolutions including resolutions for meeting up to the end of April 2022 is below. 94.79% of resolutions have been implemented and 47 or 5.21% of resolutions are in progress.

The attached 5910 Status Report of Council Resolutions April 2022 on the 47 resolutions in progress is available on the Elected Member Portal.

Summary

Number of Council Resolutions since	1/01/2017
Progress as at	19/04/2022

	Total Resolutions	In Progress	Completed	% In Progress	% Completion
Community Development	75	4	71	5.33%	94.67%
Corporate Services	266	5	261	1.88%	98.12%
Management Services	280	16	264	5.71%	94.29%
Technical Services	102	8	94	7.84%	92.16%
Urban Planning	179	14	165	7.82%	92.18%
	902	47	855	5.21%	94.79%

**M22/5910 - GOVERNANCE AND COMPLIANCE ACTIVITIES UPDATE (REC)
(ATTACHMENT)**Future reports requested by Council resolution

The following items have been deferred to future Council meetings or future reports requested by resolution of the Council.

- Item M21/5845 Review of Dog Exercise Area - Report of Public Submission. Undertake comprehensive review of all other existing dog exercise areas and report back to Council.
- Item P22/3963 Petition Fence at 44 Ardross Street Applecross. Deferred until Elected Members have reviewed LPP 3.1 Residential Development Policy relating to Part 4, Fences and Walls.
- Item P22/3964 Request for Scheme Amendment - Rezoning 45 - 47 Canning Beach Road. Further report at conclusion of advertising process (Amendment 14).
- Item M22/5895 Motion from AGM (Motion 3) Report in conjunction with advertising CBACP on concepts of town square/ urban park in the vicinity of the Kishorn Road/Moreau Mews land. Details of mechanisms to achieve the acquisition of additional open space in Canning Bridge including enhancement of community benefit provisions and Developer Contribution Schemes.
- Item 16.2 Weir Report April 2022 Council meeting. Report on list of actions to be taken, to be presented to an Elected Member Engagement Session for discussion prior to presentation to Council meeting for a decision.
- Item 16.1 Proposal to Establish City of Melville Significant Tree Register. Initiate community consultation process for seeking feedback on proposal to establish register and present a report to an Elected Member Engagement Session.
- Item 16.1 Council Chamber Seating Arrangements (November 2021 Council Meeting). Within 6 months report to Council on options and costs for Chamber set-up and seating arrangements
- Item P22/3981 Review LPP 3.1 Residential Development. Item deferred to 17 May 2022 Council meeting.
- Item T22/3978 John Connell Oval Extension. Item deferred to 21 June 2022 Council meeting.
- Item CD/8142 Review Dog Exercise Area - Prepare a report within 4 months of 19 July 2022 Council Meeting, on options and costs of an education campaign alerting dog owners to the threats presented to fauna (birds and wildlife) and flora by dogs off leash in sensitive areas.
- Item 16.1 Mt Pleasant Senior Citizens Site, 13 The Esplanade. Present report to 19 July 2022 Meeting on options for site (Sell, Public Open Space, Commercial etc)

Organisational Compliance Calendar

The Legislation Compliance Calendar assists with monitoring and measuring compliance where legislation requires a specific action or target be met by the City of Melville. Some of these tasks may have commenced and are not required to be concluded within this period. Tasks that are not completed within the relevant month are monitored to ensure they are completed.

**M22/5910 - GOVERNANCE AND COMPLIANCE ACTIVITIES UPDATE (REC)
(ATTACHMENT)**

For the 3 month period January 2022 to March 2022, 41 legislative compliance tasks were listed in the Legislation Compliance Calendar to be commenced or completed. As at the end of March, 32 (78%) of the tasks have either been completed with action on the remaining 13 tasks continuing.

Local Law Update

Through various report to the Ordinary Meetings of Council, the Council has been informed and updated on the review of Local Laws. The current status of the reviews is:

- At the 19 April 2022 Ordinary Meeting, the Council adopted the *City of Melville Local Government (Meeting Procedures) Local Law 2022*. The new local law is scheduled for gazettal on Friday 6 May 2022 and will come into effect 14 days after that date, with the June 2022 round of Council meetings being the first meetings under the new Meeting Procedures.

The Governance Team will be working to implement the changes over the next few weeks and Elected Members will be kept informed of the changes through the EMB and the Elected Members Portal.

- At the 15 March 2022 Ordinary Meeting of Council, the Council endorsed the 2022 – 2026 Cat Management Plan for the City of Melville, which included the future drafting of a Cat Local Law. Work on the Cat Local Law has not yet commenced.

Elected Member Portal

Demonstrations have been carried out with stakeholders and the CEO, with consultation with interested Elected Members being carried out this week with a purchase order raised for the preferred supplier for the Elected Members Portal.

There has been a slight setback with dates due to some procurement processes that has brought the new rollout date for the Elected Member Portal to be early June 2022.

Formal training with supplier will commence shortly and training rollout plan will then be developed.

Training and Information Software

As an initiative to the new Elected Member Portal project, use of the program Articulate 360 is currently being looked into as a software solution to present training and project information for future to the Elected Member group as an alternative to zoom recorded presentations and extra elected member engagement sessions. A number of processes have been identified as examples in which this software can offer training and information to the Elected Member Group. This will be looked into once the Elected Member Portal has been rolled out.

**M22/5910 - GOVERNANCE AND COMPLIANCE ACTIVITIES UPDATE (REC)
(ATTACHMENT)**Automation of Agenda and Minutes

The Request for Quote was issued for the automation of the Agenda and Minutes process, with this project is being run parallel to the Elected Members Portal Project to achieve a more streamlined and efficient process associated with the production of Council meeting business papers.

The contract for the new software was in the process of being awarded at the time of preparation of this report and it is anticipated that staff training for the implementation of the new software will commence in the very near future. This project will involve the redesign of the look and content of Council Meeting Agenda items and business papers, in conjunction with the requirements of the new Meeting Procedures Local Law. Input from Elected Members will be sought as part of this process.

This is a significant project for the Governance Team and will take some six to nine months to implement.

Council Decision Making Pathway/ Committee Structure

Further to the Garry Hunt Report, the Governance Team have under taken a review of the City's committee structure and the information flow to the Council for decision making in line with its Strategic Vision, Aspirations and Values.

It is intended to bring the revised structure and draft supporting structures to an Elected Member Engagement Session in May for discussion.

CoVID-19 Restrictions and Guidelines and Council Meetings

The City is complying with Government restrictions and guidelines in managing the impact of the CoVID-19 pandemic whilst maintaining business continuity wherever possible. Despite the recent easing of restrictions, all efforts are being made to ensure the safety of everyone attending meetings and the Governance Team will continue to offer alternatives to in-person attendance at Council meetings for the foreseeable future.

Complaints of Minor Breach

There have been 15 allegations of minor breach submitted this financial year, however, no allegations of minor breach have been submitted since 1 January 2022.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

No community consultation occurred during the period in question.

II. OTHER AGENCIES / CONSULTANTS

No external consultations have occurred relating to the preparation of this report.

**M22/5910 - GOVERNANCE AND COMPLIANCE ACTIVITIES UPDATE (REC)
(ATTACHMENT)**

STATUTORY AND LEGAL IMPLICATIONS

There are no legal implications in this report.

FINANCIAL IMPLICATIONS

There are no financial implications in this report.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The risk management implications of non-compliance with processes and legislative requirements may leave the City open to challenge on decisions or processes. There are no Environmental Management Implications in this report.

Risk Statement & Consequence	Level of Risk	Risk Treatment
Risk of non-compliance with legislation and management processes	A possible Major consequence which could result in a High level of risk	Ongoing development of officer knowledge of legislation and management processes combined with ongoing internal audit mitigates the potential for a major non-compliance event occurring.
Risk of challenge on decisions or processes by external parties.	Minor consequences which are unlikely, resulting in a Low level of risk	Continual review of Governance processes and training of relevant officers.
Risk of Council Resolutions not being completed	A Moderate consequence which is possible resulting in a Medium level of risk	Council resolutions are reported to Elected Members each month until the resolution has been fully completed.
Risk of recoup of consumption not being received from lessees and licensees of the City's facilities.	A Minor consequence which is possible resulting in a Medium level of risk	Ongoing review of utility expenditure and recoup process will maintain a focus on recovery of expense.

POLICY IMPLICATIONS

There is no Council Policy that relates to all aspects of Governance and Compliance. However, the processes that have been developed as a consequence of Council Policies are important to the overall Governance role.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

This report provides the opportunity for the Governance Team to advise and update the Committee of its activities. No alternative options are proposed.

**M22/5910 - GOVERNANCE AND COMPLIANCE ACTIVITIES UPDATE (REC)
(ATTACHMENT)****CONCLUSION**

This report advises the Financial Management, Audit, Risk and Compliance Committee of the main Governance and Compliance activities up to 29 April 2022 and provides information on the current matters being addressed.

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5910) NOTING

At 6:53pm Cr Edinger moved, seconded Cr Sandford –

That the Financial Management, Audit, Risk and Compliance Committee note the report on Governance and Compliance Activities from 28 February 2022 to 29 April 2022.

At 6:54pm the Presiding Member declared the motion

CARRIED UNANIMOUSLY (6/0)

M22/5913 - LEGAL STATUS REPORT UPDATE (REC)

Ward : All
 Category : Operational
 Subject Index : Legal – Cases and pending/potential cases
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Item M22/5904 – Legal Status Report Update - FMARCC meeting held 14 March 2022
 Works Programme : Not Applicable
 Funding : Not Applicable
 Responsible Officer : Bruce Taylor
 Manager Governance and Property

AUTHORITY / DISCRETION

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<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input checked="" type="checkbox"/>	Information	<i>For the Committee to note.</i>

M22/5913 – LEGAL STATUS REPORT UPDATE (REC)**KEY ISSUES / SUMMARY**

This report provides an update on progress of Legal cases and activities since 1 March 2022 for noting by the Committee.

BACKGROUND

This report is to provide an update on the status and progression of legal cases and legal matters generally to 29 April 2022.

DETAIL

There are no active or new State Administrative Tribunal matters to report for the period 1 March 2022 to 29 April 2022. This report provides details of the income and expenditure on obtaining legal advice/opinions and prosecutions/fines.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

External engagement has been carried out as detailed in the attached confidential report.

II. OTHER AGENCIES / CONSULTANTS

Solicitors are briefed when representation is required, or opinions on complex issues become necessary.

STATUTORY AND LEGAL IMPLICATIONS

Not applicable.

M22/5913 – LEGAL STATUS REPORT UPDATE (REC)
FINANCIAL IMPLICATIONS

2021-22 Financial Year			
Annual Budget	Year to Date Budget at End of April 2022	Year to Date Expenditure at End of April 2022	Prosecution Fines and Costs Awarded
Legal Advice /Opinions \$141,948	\$118,290	\$50,112	
Prosecutions/Appeal \$83,050	\$69,200	\$42,139	(\$52,210)

The breakdown of Income received during the 2021-2022 year for fines and prosecutions is;

Fines/Prosecution	Amount
Animal Prosecutions	\$9,155
Parking Prosecutions	\$5,111
Environmental/Health (Asbestos)	\$10,699
Building and Planning	\$27,245

Previous year expenditures

2020-21 Financial Year		2019-20 Financial Year	
Total Annual Revised Budget	Total Expenditure	Total Annual Revised Budget	Total Expenditure
\$455,355	\$492,363	\$282,405	\$239,275

STRATEGIC AND RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Not applicable.

POLICY IMPLICATIONS

There is no Council Policy that relates to this report.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable

M22/5913 – LEGAL STATUS REPORT UPDATE (REC)**CONCLUSION**

This report normally advises the Committee of active SAT matters. There are no active or new matters to report on for the period covered by this report. The report also provides details of the income and expenditure on obtaining legal advice/opinions and prosecutions/fines, which is provided for Elected Member information and noting.

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION (5913)**NOTING**

At 7:02pm Cr Woodall moved, seconded Cr Sandford –

That the Financial Management, Audit, Risk and Compliance Committee notes the Legal Status Report update from 1 March 2022 to 29 April 2022.

At 7:02pm the Presiding Member declared the motion

CARRIED UNANIMOUSLY (6/0)

This item of business and the attachments are confidential in terms of section 5.23(2)(f) (ii) and (iii) of the *Local Government Act 1995*, which relates to security of the local government's property or the maintenance or enforcement of a lawful measure of protecting public safety and Section 5.23(c) relating to a contract entered into that has commercial value.

**CONFIDENTIAL ITEM C22/5909 - INSURANCE AND RISK MANAGEMENT REPORT
(REC) (CONFIDENTIAL ATTACHMENT)**

Confidential Information Extracted 8 pages

C22/5912 – FREEDOM OF INFORMATION ACTIVITIES UPDATE (REC)

Item Brought Forward.
See page 4.

9. NEXT MEETING

Monday, 8 August 2022.

10. CLOSURE

There being no further business to discuss, the Presiding Member confirmed that Cr Edinger, Cr Sandford and Cr Woodall were still in attendance electronically, and declared the meeting closed at 7:12pm.