



City of Nedlands

AGENDA

Audit Committee Meeting

Wednesday, 18 September 2024

Notice of Meeting

To Mayor & Councillors

A Meeting of the Audit Committee of the City of Nedlands is to be held on Wednesday, 18 September 2024 in the Council chambers at 71 Stirling Highway Nedlands commencing at 5.30pm.

This meeting will be livestreamed - [Livestreaming Council & Committee Meetings » City of Nedlands](#)

Keri Shannon | Chief Executive Officer
17 September 2024



Information

Audit Committee Meetings are run in accordance with the City of Nedlands Standing Orders Local Law. If you have any questions in relation to items on the agenda, procedural matters, public question time, addressing the Committee or attending meetings please contact the Governance Officer on 9273 3500.

Public Question Time

Public question time at an Audit Committee Meeting is available for members of the public to ask a question about items on the agenda. Questions asked by members of the public are not to be accompanied by any statement reflecting adversely upon any Council Member, Committee Member or Employee.

Questions should be submitted as early as possible via the online form available on the City's website: [Public question time | City of Nedlands](#)

Questions may be taken on notice to allow adequate time to prepare a response and all answers will be published in the minutes of the meeting.

Addresses by Members of the Public

Members of the public wishing to address Council in relation to an item on the agenda must complete the online registration form available on the City's website: [Public Address Registration Form | City of Nedlands](#)

The Presiding Member will determine the order of speakers to address the Council and the number of speakers is to be limited to 2 in support and 2 against any item on an Audit Committee Meeting Agenda. The Public address session will be restricted to 15 minutes unless the Council, by resolution decides otherwise.

Disclaimer

Members of the public who attend Audit Committee Meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example, by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to acting on any matter that they may have before Council.

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1. Declaration of Opening

The Presiding Member will declare the meeting open at 5.30 pm and acknowledge the Whadjuk Nyoongar people, Traditional Custodians of the land on which we meet, and pay respect to Elders past, present and emerging. The Presiding Member will draw attention to the disclaimer on page 2 and advise the meeting is being livestreamed.

2. Present and Apologies and Leave of Absence (Previously Approved)

**Leave of Absence
(Previously Approved)**

Councillor B G Hodsdon

Hollywood Ward

Apologies

None as at distribution of this agenda.

3. Public Question Time

Public questions submitted to be read at this point.

4. Address by Members of the Public

Addresses by members of the public who have completed Public Address Registration Forms to be made at this point.

5. Disclosures of Financial Interest

The Presiding Member will remind Council Members and Staff of the requirements of Section 5.65 of the Local Government Act to disclose any interest during the meeting when the matter is discussed.

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration.

However, other members may allow participation of the declarant if the member further discloses the extent of the interest. Any such declarant who wishes to participate in the meeting on the matter, shall leave the meeting, after making their declaration and request to participate, while other members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

6. Disclosures of Interest Affecting Impartiality

The Presiding Member reminded Council Members and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the Local Government Act.



Council Members and staff are required, in addition to declaring any financial interests to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making procedure.

The following pro forma declaration is provided to assist in making the disclosure.

"With regard to the matter in item x I disclose that I have an association with the applicant (or person seeking a decision). This association is (nature of the interest).

Consequently, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly."

The member or employee is encouraged to disclose the nature of the association.

7. Declaration by Members That They Have Not Given Due Consideration to Papers

Members who have not read the business papers to make declarations at this point.

8. Confirmation of Minutes

8.1. Audit Committee Meeting Minutes – 22 July 2024

The Minutes of the Audit Committee Meeting 22 July 2024 are to be accepted as a true and correct record of that meeting.



9. Finance

9.1. ARC33.09.24 External Audit – Key Correspondence and audit preparation

Meeting & Date	Audit Committee Meeting – 18 September 2024
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Employee disclosure required where there is an interest in any matter of which the employee is providing advice or a report.
Report Author	A. Alderson – Director Corporate Services
CEO	K. Shannon
Attachments	1. DLGSC - financial audit and related issues 2. OAG - correspondence 3. DLGSC - IT findings 4. Response letter for IT findings

Purpose

This report is for the Audit Committee to consider the key correspondence and preparation relating to the annual external audit for the year ended 30 June 2024.

Recommendation

That the Audit Committee receives the report

Voting Requirement

Simple majority

Background

1. The resignation of the former Coordinator Accounting Services on 19 July 2024 and the former Manager Financial Services on 26 July 2024 in the middle of the budget preparation process and the commencement of the 30 June 2024 end of year financial reporting process has significantly impacted the City's Financial Services administration processes.

Due to the minimal or no handover period for remaining Financial Services staff and necessary on-boarding period required, the City administration sought Council approval to delay the submission of the draft financial report to the auditor from 30 September 2024 to 9 December 2024.

Following a request to the DLGSC, the extension to submit the draft financial report to the auditor by 9 December 2024 was approved by the DLGSC in a letter on 11 September 2024 (refer to attachment 1). The letter also includes a request on the status of the City's plans to address the issues identified by the OAG in the audit of the financial report for the year ended 30 June 2023, and a response will be provided by the end of September 2024.



2. The new Director Corporate Services commenced on 2 September 2024 and the new Chief Finance and Risk Officer commenced on 9 September 2024.

RSM are currently preparing their audit planning memorandum for the year ended 30 June 2024 and in early October 2024 an introductory planning meeting will be held with RSM and OAG. It is anticipated an interim audit visit to conduct key control process walkthroughs and preparatory work may be undertaken in early October 2024, with final audit phases in March 2025 (refer to attachment 2).

New Financial Services staff appointments include a Systems Accountant and two Finance Officers who commenced on 2 September 2024, Finance Officer (Grants and Assets) commencing on 26 September 2024, and a Coordinator Procurement and Contracts commencing on 30 September 2024.

It is also anticipated at the next Audit Committee meeting there will be RSM/OAG representatives to present the audit planning memorandum for the year ended 30 June 2024.

3. The City received a request from DLGSC on the actions the City has taken or intends to take in respect of significant IT findings identified during the audit of the 30 June 2023 financial report and a response was prepared by the administration (refer to attachments 3 and 4).

Discussion

Nil

Decision Implications

Nil

Conclusion

The discussion will be noted.



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



Our Ref E24132935
Enquiries Leah Horton
Phone (08) 6552 1684
Email leah.horton@dlgsc.wa.gov.au

Ms Fiona Argyle, Mayor
Ms Keri Shannon, Chief Executive Officer
City of Nedlands
71 Stirling Hwy
NEDLANDS WA 6009

via email: mayor.argyle@nedlands.wa.gov.au and kshannon@nedlands.wa.gov.au

Dear Mayor Argyle and Ms Shannon

RE: FOLLOWING UP ON CORRESPONDENCE

Firstly, I would like to congratulate Ms Shannon on her appointment as the City's Chief Executive Officer (CEO) earlier this year.

The purpose of this letter is to reiterate the Department of Local Government, Sport and Cultural Industries (DLGSC) offer of support made in its letters to the City in April 2024.

In that correspondence, the DLGSC sought information on the City's plans to address the issues identified by the Office of the Auditor General (OAG) in the disclaimer of audit opinion from the City's 2022/23 financial year audit.

In its response to DLGSC, the City provided the following information in relation to the clear plan:

1. *"There are currently four people, soon to be five, working to resolve this issue as well as city staff who are focused on the task at hand.*
2. *The appointment of Ms. Lauren Fitzgerald, on the 25 March 2024, who is now the Manager of Financial Services (MFS).*
3. *The appointment of Mr. Craig Ross, the Independent Consultant (IC) who commenced work at the City of Nedlands on 3 April 2024 for a three-month contract.*
4. *A two day a week consultant, who is a CPA qualified accountant.*
5. *A second in charge to the MFS, Coordinator Accounting Services role has been recruited and expected to commence in May 2024.*
6. *As well as in technical services, an Assets Officer, who will assist in addressing the asset data findings."*

The City stated it was confident that it could significantly improve the audit result for the 2023/24 annual financial audit and meet future financial reporting obligations. Part of this assertion was tied to the points listed above.

The DLGSC has been made aware that some changes to the above appointments have occurred since this information was provided in April 2024. Therefore, DLGSC respectfully asks that the City provide a status update on the six points listed above, as well as an update on the status of the City's Improvement Action Plan (IAP). A response by the end of this month would be greatly appreciated.

Earlier this week I received the City's request for an extension to 9 December 2024 to submit its 2023-2024 Annual Financial Report to the Auditor.

I advise that in accordance with the authority delegated to me by the Minister for Local Government, I have approved an extension of time to 9 December 2024 to submit to your Auditor the balanced accounts and Annual Financial Report for 2023/24. You will receive a separate letter confirming that decision.

The DLGSC remains committed to supporting the City to address the matters raised from the disclaimer of opinion audit outcome.

If we can be of any assistance, or if you have any queries relating to the above, please don't hesitate to contact me on (08) 6552 1421 or tom.griffiths@dlgsc.wa.gov.au.

Yours sincerely



Tom Griffiths
A/Executive Director Local Government

11 September 2024

From: Punitha Perumal <Punitha.Perumal@audit.wa.gov.au>
Sent: Thursday, 12 September 2024 11:41 AM
To: Amanda Alderson <aalderson@nedlands.wa.gov.au>
Cc: Melissa Harika <mharika@nedlands.wa.gov.au>; Craig Ross <cross@nedlands.wa.gov.au>; Nicole Robson <nrobson@nedlands.wa.gov.au>; Yee Voon Low <YeeVoon.Low@rsm.com.au>; Matthew Beevers <Matthew.Beevers@rsm.com.au>
Subject: RE: City of Nedlands - draft request for 30 June 2024 financial report extension

Amanda,

Thanks for the update.

That's correct – as you may be well aware we are currently finalising the state sector audits with a few late tabling that will take us to end of September.

So can we organise the meeting first week of October at a date and time that's convenient for everyone.

Thanks

Punitha

Punitha Perumal

Director | Financial Audit
 Office of the Auditor General for Western Australia

T: (08) 6557 7544 | **W:** audit.wa.gov.au  

From: Amanda Alderson <aalderson@nedlands.wa.gov.au>
Sent: Thursday, September 12, 2024 11:33 AM
To: Punitha Perumal <Punitha.Perumal@audit.wa.gov.au>
Cc: Melissa Harika <mharika@nedlands.wa.gov.au>; Craig Ross <cross@nedlands.wa.gov.au>; Nicole Robson <nrobson@nedlands.wa.gov.au>
Subject: FW: City of Nedlands - draft request for 30 June 2024 financial report extension

Good morning Punitha

Thank you for your email and after careful consideration, we would like to confirm that we will proceed with Option 2 below. Additionally, we have received approval from DLGSC for an extension of the 'draft Finance Report as at 30 June 2024' until 9 December 2024. We believe this will give the City sufficient time to be audit ready. We hope this will be in line with your staff scheduling for 2024-2025.

Furthermore, we would like to schedule an introductory meeting with OAG and RSM. Could you please let us know your availability for this meeting? RSM have advised that you are unavailable until October 2024.

Thank you for your assistance, and we look forward to your response.

Regards

Amanda Alderson

Director of Corporate Services



Administration Centre
 71 Stirling Highway WA 6009
 PO Box 9 Nedlands WA 6909
 9273 3500
nedlands.wa.gov.au
yourvoice.nedlands.wa.gov.au




From: Punitha Perumal <Punitha.Perumal@audit.wa.gov.au>**Sent:** Thursday, 29 August 2024 5:06 PM**To:** Craig Ross <cross@nedlands.wa.gov.au>; Keri Shannon <kshannon@nedlands.wa.gov.au>**Cc:** Thanushan Sriskantharaja <Thanushan.Sriskantharaja@rsm.com.au>; Matthew Beevers <Matthew.Beevers@rsm.com.au>; Yee Voon Low <YeeVoon.Low@rsm.com.au>**Subject:** RE: City of Nedlands - draft request for 30 June 2024 financial report extension

Craig, Keri

Appreciate your patience in receiving feedback from us.

We have reviewed the attached document and I have included some commentary for your consideration

In regards of this part in the form

Was the Auditor consulted on this application? If 'Yes', did the auditor provide feedback on council's proposed revised timeframe?

Yes ☒ or No ☐Provide auditor feedback: **To be completed**

With the requested extension, what is the auditor's expected date of sign off for the auditor's report?

To be completed

Provide the date of adoption and review for the most recent plans:

- Strategic community plan: July 2020
- Corporate business plan: July 2020
- Long term financial plan: March 2023
- Asset management plan: July 2022

I have consulted with Matthew and his team. If the City is to go ahead with the extension application to provide FR to the auditors to 9 December 2024 - there is no chance the audit can be completed before Christmas 2024.

Assuming the City is in a position to have an interim audit in October 2024 - the team can start the interim audit on the week commencing 7 October.

However for the audit final, in January and February 2025 all team members are already booked to work on listed companies audit. Hence, for a smooth and uninterrupted audit, the week commencing 17 March 2025 is ideal for final audit visit.

Having said that:-

- 1) Please consider one of the options that we already discussed - that we still go ahead with an final audit in October 2024 – and give an opinion based on whatever the state of the financial statements is at this point in time (ie no delays, audit opinion timely and reflect the current state of the financials)
- 2) If the City is going ahead with the extension application and considering the next availability of the auditors are only in March 2025 – would a later date than 9 December 2024 be more suitable ? This will give the City a bit more time to be audit ready and takes into consideration of the staff holidays over Christmas and new year

Keep us posted on the decision the City makes and let us know early so that we can lock in the audit team appropriately.

Thanks

Punitha

Kind regards

Punitha Perumal

Director | Financial Audit

Office of the Auditor General for Western Australia

T: (08) 6557 7544 | **W:** audit.wa.gov.au  

From: Craig Ross <cross@nedlands.wa.gov.au>

Sent: Tuesday, August 6, 2024 7:25 PM

To: Punitha Perumal <Punitha.Perumal@audit.wa.gov.au>; Matthew Beevers <Matthew.Beevers@rsm.com.au>

Cc: Thanushan Sriskantharaja <Thanushan.Sriskantharaja@rsm.com.au>; Keri Shannon <kshannon@nedlands.wa.gov.au>

Subject: City of Nedlands - draft request for 30 June 2024 financial report extension

Hello Punitha and Matthew

Thank you for the meeting yesterday.

Following up the discussion on staff resourcing for the City in preparation for the 30 June 2024 audit I've attached a draft DLGSC extension request for financial report preparation with a proposed date of 9 December 2024.

Would you have feedback on the City's proposed revised timeframe and consequently delayed audit expected sign-off date, and also impact on the overall 30 June 2024 audit plan from your side.

If you would like to discuss further just let me know.

Kind regards

Craig

Craig Ross

Financial Services Consultant



Administration

71 Stirling Highway WA 6009

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9273 3500

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



Our Ref M24002175
Enquiries Tom Griffiths
Phone (08) 6552 1421
Email tom.griffiths@dlgsc.wa.gov.au

Ms Keri Shannon
Chief Executive Officer
City of Nedlands
PO Box 9
Nedlands WA 6909

Dear Ms Shannon

SIGNIFICANT ITEMS IN REPORT TABLED IN PARLIAMENT

On 27 May 2024, the Auditor General tabled a report in Parliament on the *Information Systems Audit Results – Local Government 2022-23* (Report). This Report states:

“In accordance with section 7.12A of the Local Government Act 1995, local government entities should prepare a report on any matters identified as significant in the local government’s audit report⁹. The report should be given to the Minister for Local Government within three months of the local government receiving the audit report and published on the local government’s website.”

The Department of Local Government, Sport and Cultural Industries (DLGSC) has been advised by the Office of the Auditor General that the City of Nedlands (the City) is one of the audited entities.

I understand the basis and contents of the Report tabled in Parliament was gathered through the Auditor General’s financial audit of the City. Specifically, the Auditor General made the following significant findings with respect to the City:

- Privileged access management
- Authentication
- TechOne access management
- Authority access management

In terms of section 7.12A of the Local Government Act 1995, the City must have given a report to the Minister of Local Government regarding the above-mentioned significant findings by 27 August 2024. This report should have detailed the actions the City has taken or intend to take in respect of each of these significant findings. If such report is

still outstanding, please send it to the Minister for Local Government at Minister.Beazley@dpc.wa.gov.au.

Please provide the DLGSC with a copy of the report the City has provided to the Minister for Local Government via the LG.accounting@dlgsc.wa.gov.au inbox.

If you have any questions relating to the reporting requirements, please do not hesitate to contact Anton Prinsloo, A/Senior Project Officer via LG.accounting@dlgsc.wa.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'T. Griffiths'.

Tom Griffiths
A/EXECUTIVE DIRECTOR LOCAL GOVERNMENT

30 August 2024



City of Nedlands

ABN 92 614 728 214

Enquiries: council@nedlands.wa.gov.au

12 September 2024

Minister Beazley
7th Floor, Dumas House
2 Havelock St
WEST PERTH WA 6005

via email: Minister.Beazley@dpc.wa.gov.au

Dear Minister Beazley

SIGNIFICANT ITEMS IN REPORT TABLED IN PARLIAMENT

On 27 May 2024, the Auditor General tabled a report in Parliament on the *Information Systems Audit Results – Local Government 2022-23* (Report).

The Auditor general made the following significant findings with respect to the City:

- Privileged access management
- Authentication
- TechOne access management
- Authority access management

In reference to section 7.12A of the *Local Government Act 1995*, the City must have given a report to the Minister of Local Government regarding the above-mentioned significant findings by 27 August 2024.

Please see Attachment A detailing the actions the City has taken in respect of each of these significant findings.

Please accept my sincere apologies for the delay in providing this report.

If you have any questions, please do not hesitate to contact me on 08 9273 3500 or via email kshannon@nedlands.wa.gov.au.

Yours sincerely

Ms Keri Shannon
Chief Executive Officer
City of Nedlands, Western Australia

cc: L.G.accounting@dlqsc.wa.gov.au

Attachment A – Updates on Significant Items in Report Tabled In Parliament

Attachment A

Updates on Significant Items in Report Tabled In Parliament – City of Nedlands

Finding Title	Recommendation	Risk Rating	Owner	Actions	Updates
Privileged access management	The City should: Ensure users with privileged access have a separate non-privileged account to perform normal work activities. Utilise uniquely identifiable privileged accounts for an accurate audit trail of privileged actions. Develop and configure a new password standard for privileged users that is more complex than the generic password standard for all users. Ensure all privileged accounts belong to authorised users and are removed when no longer required.	High	Manager ICT	Movement of all privileged accounts in Azure to be using 'admin' accounts	COMPLETE 18 July 2024
				Completed in draft, awaiting MT and EMT review	ON HOLD, Completed in draft, awaiting MT and EMT review. 12 Sep 24
				Removal of ICT officers as global admin on primary account	COMPLETE 04 July 2024
Authentication	The City should: Configure an additional authentication method to provide a second layer of defence when accessing a user's virtual desktop. Enable MFA for active Authority user accounts. Prevent the use of shared user accounts and ensure passwords are changed appropriately. Align the current password history configuration to the documented password policy. Set the minimum password age to at least one day or more. Update the documented password policy to reflect the current session logout configuration.	High	Manager ICT	Roll out of entire laptop fleet. Front desk and kiosk counters for libraries to be quoted as current option is not suitable. Generic accounts remaining on these desks will be modified to ensure no further issues	ON HOLD, Reliant on an additional funding for Library and Shared PC deployment - ETA Completion Dec 2024
				OneCouncil project completion	ONGOING TBC Jul - Aug 2025
				Intramaps transition to the cloud should be considered as a strategic project. There are however many underlying components that need addressing to facilitate this and other upgrades.	ON HOLD, Reliant on both "Infrastructure Refresh" requires a new on-prem up to date server as well as external consultant to assist with the migration and FTE or AMS annual subscription for ongoing support of map and component

					integrations. High number of unmanageable vulnerabilities on both aged hardware and software. Migration project alone is 3-6 months effort after the Infrastructure refresh.
				Print services transitioned off premises	ONGOING TBC 12 Sep 2024
TechOne Access Management	The City should: Disable generic accounts that do not serve a business function. Define and endorse a formalised approach to review user access which aims to appropriately restrict user permissions based on job function, prevent segregation of duty conflicts, and disable accounts that no longer have a purpose or function while maintaining a documented and auditable evidence trail of the reviews performed. Regularly perform segregation of duty reviews for the TechOne financial application. Disable accounts of terminated personnel in a timely manner. Disable accounts that do not belong to authorised personnel.	High	Manager ICT	Access Management Policy reviewed and updated however Manager ICT to perform an additional review to ensure alignment to requirements. Knowledge within the organisation of the management of TechOne security profiles may require further training outside of the Finance module. Estimated completion is unknown due to the segregation requirements in OneCouncil modules if IT needs to support this function.	ON HOLD See Actions Column feedback.
				Creation of automated report (script) to identify stale user accounts and trigger deactivation process	COMPLETE 31 July 2024
				Integrate segregation of approval and financial duties within TechOne.	COMPLETE 01 Aug 2024
Authority Access Management	The City should: Review, update, endorse and maintain an effective DRP. Define a frequency of DRP testing within the DRP or another relevant documents. Perform a DRP test that encompasses a full DRP run through and a simulated recovery exercise. Regularly perform full backup restoration tests, this can be performed in conjunction with the simulated recovery exercise of the DRP test.	High	Manager ICT	Create procedure for review of AD accounts and Authority accounts	COMPLETE 31 July 2024



9.2. ARC34.09.24 Annual FY23 grant acquittal audits

Meeting & Date	Audit Committee Meeting – 18 September 2024
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Employee disclosure required where there is an interest in any matter of which the employee is providing advice or a report.
Report Author	A. Alderson – Director Corporate Services
CEO	K. Shannon
Attachments	<ol style="list-style-type: none">1. Macri Partners grant acquittal audit engagement letter2. Roads to Recovery (R2R) FY23 auditor's report3. confirmation4. Local Roads and Community Infrastructure (LCRI) FY23 auditor's report5. Swanbourne Nedlands Surf Life Saving Club (SN SLSC) Upgrade auditor's report6. Project completion letter7. RSM grant acquittal audit engagement letter8. RSM grant acquittal email correspondence

Purpose

This report is for the Audit Committee to consider the key correspondence relating to the certification of the City's three required grant acquittal audits for year ended 30 June 2023, and progress for the year ended 30 June 2024.

Recommendation

That the Audit Committee receives the report

Voting Requirement

Simple majority

Background

1. The City was required as part of the grant conditions to obtain audit certification for the grant acquittal reports for the year ended 30 June 2023 relating to R2R, LCRI and the Swanbourne Nedlands SLSC by 31 October 2023.

The administration initially discussed with RSM to conduct the three 30 June 2023 grant acquittal audits in conjunction with their audit of the annual financial report during their final audit fieldwork phases. Whilst preliminary audit work commenced on the grant acquittals by RSM in December 2023 the certification work was not finalised pending completion of the City's annual financial report and disclaimer of opinion.



The grant acquittal audit work re-commenced following overdue enquiries from the relevant state and federal authorities, with an audit engagement letter signed solely by the former Manager Financial Services on 24 June 2024. Due to the annual financial report disclaimer of opinion and lack of underlying supporting documentation provided, RSM informed the City on 25 July 2024 the grant acquittal audit reports would also be a disclaimer of opinion. On 26 July 2024 the former Manager Financial Services resigned.

2. The potential implications for the City of not satisfactorily fulfilling conditions of the grant funding includes repayment of grants received by the City and jeopardising future grant funded programs and represents a critical strategic financial risk.

Consequently, considerable proactive efforts were made to summarise supporting documentation by the administration, and other audit service providers were approached to be engaged for the grant acquittal audits resulting in the appointment of Macri Partners for the years ended 30 June 2023 and 30 June 2024 (refer to attachment 1).

To compile supporting documentation additional staff resources over two weeks were recruited within the Financial Services team to summarise the various grant supporting documentation and reconciliations and to resolve audit queries.

The three grant acquittal audits for 30 June 2023 were satisfactorily completed in August 2024 and the audit reports submitted to the granting bodies and albeit late were acknowledged as satisfactory (refer to attachments 2-4).

3. The administration is currently in the process of compiling supporting documentation and reconciliations to facilitate the grant acquittal audit process for the year ended 30 June 2024. A Grants Steering Group has been established between the Financial Services and Technical Services departments including the CEO, and will meet regularly, and a new Finance Officer (Grants and Assets) within Financial Services has been recruited.

4. Due to the significant financial implications and strategic risk of non-compliance of grant recipient conditions it is recommended regular progress updates on the grant acquittal audits be provided to the Audit Committee, and any audit engagement letters must be signed only by the CEO.

Discussion

Nil

Decision Implications

Nil

Conclusion

The discussion will be noted.



PARTNERS
 Anthony Macri CA FCPA
 Domenic Macri CA CPA
 Connie De Felice CA CPA

15 August 2024

Keri Shannon
 Chief Executive Officer
 City of Nedlands
 71 Stirling Highway
 WA 6009

Dear Madam

RE: ENGAGEMENT AS AUDITORS

This letter is to confirm our understanding of the terms of our engagement and the nature and limitations of the following assurance services we have been requested to provide.

1. Road to Recovery (R2R) – Years ended 30 June 2023 and 2024
2. Local Roads and Community Infrastructure (LCRI) - Years ended 30 June 2023 and 2024
3. Swanbourne Nedlands SLSC Upgrade- Year ended 30 June 2024

Scope

You have requested that we audit the acquittal reports prepared in respect of the above engagements in accordance with the Australian Auditing Standards. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

We will conduct our audit in accordance with Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance that the acquittal reports are free from material misstatements.

Because of the test nature and other inherent limitations of engagements of this nature, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the acquittal reports in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We take this opportunity to remind you that the responsibility for the preparation and fair presentation of the acquittal reports is that of the Chief Executive Officer of the City of Nedlands. Our assurance report will explain that the Chief Executive Officer is responsible

for the preparation and the fair presentation of the acquittal reports in accordance with the applicable financial reporting framework.

Independence

We are independent of the City of Nedlands in accordance with the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the acquittal reports. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Fees

Our fees for these engagements would be as follows.

Engagement Name	Amount
Road to Recovery (R2R)	\$1,400 plus GST for each year
Local Roads and Community Infrastructure (LCRI)	\$1,500 plus GST for each year
Swanbourne Nedlands SLSC Upgrade	\$2,400 plus GST

We look forward to full cooperation from your staff and we trust that they will make available to us whatever records, documentation and other information we request in connection with these audits.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the above mentioned engagements.

Yours faithfully,



Name: ANTHONY MACRI
Position: AUDIT PARTNER

Date: 15/8/2024

Acknowledged on behalf of City of Nedlands by



Name: Keri Slamon
Position: CEO

Date: 15/8/24.

INDEPENDENT AUDITOR'S REPORT**2023****CITY OF NEDLANDS**

To the Chief Executive Officer of the City of Nedlands

Part 1 – Chief Executive Officer's Financial Statement for the Roads to Recovery Program under the *National Land Transport Act 2014*

Opinion

We have audited the accompanying special purpose financial statement presented in Part 1 – Chief Executive Officer's Financial Statement for the Roads to Recovery Program (the Program), which comprises a Statement of Receipts and Expenditure (the Statement) for the year ended 30 June 2023.

The Statement has been prepared by the City of Nedlands in accordance with the requirements of section 90 of the *National Land Transport Act 2014* (the Act) and the Roads to Recovery Funding Conditions 2019 (the Conditions) to meet the reporting requirements of the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

In our opinion, in all material respects:

- the Statement is based on, and in agreement with proper accounts and records
- the amount reported in the Statement as expended during the year was used solely for expenditure on the maintenance or construction of roads
- the amount certified by the Chief Executive Officer of the City of Nedlands in the Statement as its own source expenditure on roads during the year is based on, and in agreement with proper accounts and records.

Basis for opinion

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Statement* section of our report.

We are independent of the City of Nedlands in accordance with the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the statement. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of matter – Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to the special purpose framework used to prepare the Statement. The Statement has been prepared for the purpose of fulfilling the City of Nedlands's reporting obligations to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications under the Act and the Conditions. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the City of Nedlands and the Australian Government Department of Infrastructure, Transport, Regional Development and Communications and should not be distributed to or used by parties other than the City of Nedlands or the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

Responsibility of the Chief Executive Officer for the Statement

The Chief Executive Officer is responsible for the preparation of the Statement in accordance with the requirements of the Act and Conditions, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Statement

The objectives of our audit are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the statement is located on the Auditing and Assurance Standards Board website. This description forms part of our auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Other information

Those charged with governance are responsible for the other information. The other information comprises the information accompanying the Statement, such as Parts 2, 3 and 4 for the year ended 30 June 2023, but not the Statement and our auditor's report.

Our opinion does not cover the other information and, accordingly, we do not express any form of assurance conclusion thereon.



Anthony Macri
Partner – Macri Partners

th
30 August 2024

From: Roads to Recovery <Roads.toRecovery@infrastructure.gov.au>
Sent: Tuesday, 3 September 2024 7:53 AM
To: Renier De Beer <rdebeer@nedlands.wa.gov.au>
Cc: Aaron MacNish <amacnish@nedlands.wa.gov.au>
Subject: RE: [EXTERNAL] RE: Roads to Recovery - 2022-23 Audited Annual Report - City of Nedlands [SEC=OFFICIAL]

OFFICIAL

Good morning Reneir

I have reviewed your annual report and marked it in IMS as satisfactory.

Thanks for sending it through and happy to assist if you have any further questions.

Kind regards

Ahna Hogan

Senior Program Officer

Roads to Recovery Program • Targeted Infrastructure Programs Branch • Roads and Vehicle Safety Division

Roads.toRecovery@infrastructure.gov.au

P +61 2 6136 8573

GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development, Communications and the Arts
CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS

infrastructure.gov.au



*I acknowledge the traditional custodians of this land on which we meet, work and live.
I recognise and respect their continuing connection to the land, waters and communities.
I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islander people.*

OFFICIAL

INDEPENDENT AUDITOR'S REPORT
2023
City of Nedlands

To the Chief Executive Officer of the City of Nedlands

Financial Statements for the Local Roads and Community Infrastructure Program

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) prepared for the Australian Government Department of Infrastructure, Transport, Regional Development and Communications and the Arts Local Roads and Community Infrastructure Program (the Program), which comprises the Chief Executive Officer's Financial Statements for Phase 3, for the year ended 30 June 2023.

The financial statements have been prepared by the City of Nedlands (the City) in accordance with the requirements of the Australian Government Department of Infrastructure, Transport, Regional Development and Communications and the Arts Local Roads and Community Infrastructure Program Guidelines (the Guidelines) for Phase 3 of the Program to meet the reporting requirements of the Australian Government Department of Infrastructure, Transport, Regional Development and Communications and the Arts.

In my opinion, in all material respects:

- the financial statements are based on, and in agreement with, proper accounts and records

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

I am independent of the City in accordance with the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Emphasis of matter – Basis of accounting and restriction on distribution and use

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the financial statements. The financial statements have been prepared for the purpose of fulfilling the City's reporting obligations to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications under the Guidelines. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for the City and the Australian Government Department of Infrastructure, Transport, Regional Development and Communications and should not be distributed to or used by parties other than the City or the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

Responsibility of the Chief Executive Officer for the Financial statements

The Chief Executive Officer is responsible for the preparation of the financial statements in accordance with the requirements of the Guidelines, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Financial statements

The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

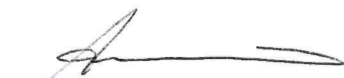
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Other information

Those charged with governance are responsible for the other information. The other information is the information in the Program's annual report for the year ended 30 June 2023, but not the financial statements and my auditor's report.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.



Anthony Macri
Partner – Macri Partners

th
20 August 2024





PARTNERS
 Anthony Macri CA FCPA
 Domenic Macri CA CPA
 Connie De Felice CA CPA

Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
 2023
 CITY OF NEDLANDS**

To the Chief Executive Officer of the City of Nedlands

Chief Executive Officer's Project Completion Certification for the Swanbourne Nedlands Surf Life Saving Club Upgrade under the Department of Infrastructure, Transport, Regional Developments, Communications and the Arts.

Opinion

We have audited the accompanying special purpose financial statement presented in Chief Executive Officer's Financial Statement for the Swanbourne Nedlands Surf Life Saving Club Upgrade which comprises a Statement of Receipts and Expenditure (the Statement) for the year ended 30 June 2023.

The Statement has been prepared by the City of Nedlands to meet the reporting requirements of the Australian Government Department of Infrastructure, Transport, Regional Development and Communications and the Arts.

In our opinion, in all material respects:

- the Statement is based on, and in agreement with proper accounts and records
- the amount reported in the Statement as expended during the year was used solely for expenditure on the maintenance or construction of the Swanbourne Nedlands Surf Life Saving Club Upgrade
- the amount certified by the Chief Executive Officer of the City of Nedlands in the Statement during the year is based on, and in agreement with proper accounts and records.

Basis for opinion

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Statement* section of our report.

We are independent of the City of Nedlands in accordance with the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the statement. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of matter – Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to the special purpose framework used to prepare the Statement. The Statement has been prepared for the purpose of fulfilling the City of Nedlands's reporting obligations to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications under the Act and the Conditions. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the City of Nedlands and the Australian Government Department of Infrastructure, Transport, Regional Development and Communications and should not be distributed to or used by parties other than the City of Nedlands or the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

Responsibility of the Chief Executive Officer for the Statement

The Chief Executive Officer is responsible for the preparation of the Statement in accordance with the requirements of the Act and Conditions, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Statement

The objectives of our audit are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the statement is located on the Auditing and Assurance Standards Board website. This description forms part of our auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Other information

Those charged with governance are responsible for the other information. The other information comprises the information accompanying the Statement, for the year ended 30 June 2023, but not the Statement and our auditor's report.

Our opinion does not cover the other information and, accordingly, we do not express any form of assurance conclusion thereon.



Anthony Macri
Partner – Macri Partners

 August 2024

CERTIFICATION OF CERTAIN MATTERS BY THE AUDITOR

TO

Department of Infrastructure, Transport, Regional Development, Communications and the Arts
 Community Development Grants
 GPO Box 594
 CANBERRA ACT 2601

I understand that the Commonwealth of Australia and the City of Nedlands have entered into a Funding Agreement under the Community Development Grants Programme for the construction of the Swanbourne Nedlands Surf Life Saving Club Upgrade. A condition of funding under the Agreement is that the funding recipient provides ongoing statements of receipts and expenditure and that the final report is independently audited.

In fulfilment of the condition, I hereby certify that:

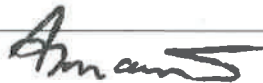
1. I am a member of the Institute of Chartered Accountants in Australia/the Society of Certified Practising Accountants.
2. I have prepared the independent audit report on the City of Nedlands financial report details and grant details dated 30TH June, 2023.
3. I have reviewed the funding Agreement and understand the requirements pertaining to financial reporting and use of funding contained therein.
4. I have complied with the professional independence requirements of the Institute of Chartered Accountants in Australia/the Society of Certified Practising Accountants. I specifically certify that I:

(a) Am not, and have not been, a director, office holder, or employee of the City of Nedlands or related body corporate of the City of Nedlands

(b) have not been previously engaged by the City of Nedlands for the purpose of preparing their funding application or any report (other than an audit report) required under the agreement

(c) have no financial interest in the City of Nedlands.

Signature:



Name: Anthony Macri

Qualifications: Chartered Accountant

Position: Partner, Macri Partners

Date: 30th August 2024.





Australian Government

Department of Infrastructure, Transport,
Regional Development, Communications and the Arts

Ref: CDG1634

Ms Keri Shannon
Chief Executive Officer
City of Nedlands
PO Box 9
NEDLANDS WA 6909

Dear Ms Shannon

**Project Completion - Community Development Grants Programme – CDG1634 –
Swanbourne Nedlands Surf Life Saving Club Upgrade**

Thank you for submitting your Project Completion Report. The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) has completed an assessment of the report and is pleased to advise the Swanbourne Nedlands Surf Life Saving Club Upgrade project has been assessed as complete.

As per the Schedule in the Funding Agreement between the Commonwealth of Australia, as represented by the Department, and the City of Nedlands for the Swanbourne Nedlands Surf Life Saving Club Upgrade project, the Operational Period of this project has commenced as at the date of this letter. The duration of the Operational Period is three years.

The Department would like to take this opportunity to congratulate you on the successful completion of the project and for delivering a valuable asset to your community.

Please contact the CDG team at CDG.Projects@infrastructure.gov.au if you have any questions regarding this letter.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Rob Nicholls'.

Rob Nicholls
Director
Regional Programs Branch
10 September 2024



RSM Australia Pty Ltd

Level 32 Exchange Tower, 2 The Esplanade Perth WA
6000

GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

19 June 2024

PRIVATE & CONFIDENTIAL

City of Nedlands
P O Box 9
Nedlands WA 6909

Attention: Michael Cole, Director Corporate Services

Via email: mcole@nedlands.wa.gov.au

Dear Michael,

The objective and scope of the audit

You have requested that we audit the following:

- a) special purpose financial statement (**the Statement**) presented in Part 1 – Chief Executive Officer's Financial Statement for the Roads to Recovery Program (**the R2R Program**), which comprises a Statement of Receipts and Expenditure (the Statement) for the year ended 30 June 2023;
- b) special purpose annual reports (**Report**) for Phases 2 and 3 and 4, as applicable, prepared for the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts (**the Department**) for the Local Roads and Community Infrastructure Program (**the LRCIP Program**) for the year ended 30 June 2023;
- c) special purpose annual statement (**the Statement**) for Swanbourne Nedlands Surf Life Saving Club Upgrade, prepared for the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) for Community Development Grants Programme for the year ended 30 June 2023; and
- d) pensioner deferred rates claim certificate, prepared for the Office of State Revenue in accordance with the Rates and Charges (Rebates and Deferments) Act 1992 (**the Certificate**) for the year ended 30 June 2023.

Collectively "the services" or the "Respective Statements".

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.
RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM
Liability limited by a scheme approved under Professional Standards Legislation





We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter which should be read in conjunction with the attached 'Standard Terms and Conditions of Engagement'. Our audit will be conducted with the objective of our expressing an opinion on the above reports.

The responsibilities of the auditor

We will conduct our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Respective Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Respective Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Respective Statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Respective Statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the Respective Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the Respective Statements that we have identified during the audit.

The responsibilities of management and identification of the applicable financial reporting framework

Our audit will be conducted on the basis that the City acknowledge and understand that they have responsibility:

- a) To determine that the basis of preparation as described in the Respective Statements is appropriate to meet the needs of the relevant authorities;
- b) For the preparation and fair presentation of the Respective Statements in accordance with the applicable reporting framework;
- c) For such internal control as the City determine is necessary to enable the preparation of the Respective Statements that is free from material misstatement, whether due to fraud or error; and
- d) To provide us with:
 - i Access to all information of which the council and management are aware that is relevant to the preparation of the Respective Statements such as records, documentation and other matters;
 - ii Additional information that we may request from the council and management for the purpose of the audit; and
 - iii Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from the management, written confirmation concerning representations made to us in connection with the audit.

Reporting

We expect to report on the Respective Statements applying the requirements of ASA 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement. Examples of the potential format of our report is included in ASA 805, though the form and content of our report may need to be amended in the light of our audit findings.



Electronic Communication

Unless otherwise agreed with you, we may correspond by means of the Internet or other electronic media or provide information to you in electronic form. We may also deliver our audit report or other key audit documentation in electronic form. Unless agreed otherwise, we may accept any correspondence received containing electronic signatures as having been signed by yourselves. Where you request to receive electronically any report or correspondence containing opinions or advice, we will not be responsible for any unauthorised copying, interception, interference or delivery failure of the transmission. While it is our policy to check our email correspondence and other electronic information with anti-virus software, we similarly cannot guarantee that transmissions or other electronic information will be free from infection. You should not rely upon any opinions or advice transmitted electronically unless confirmed by a letter signed by a director or other authorised signatory of RSM Australia Pty Ltd.

Quality Control

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Our audit files may, however, be subject to review as part of the quality control review program; including reviews by the Chartered Accountants Australia and New Zealand ("CAANZ") which monitors compliance with professional standards by its members, reviews in respect of ISO 9001 certification and our internal quality control reviews. We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under these programs. The same strict confidentiality requirements apply under these programs as apply to us as your auditor.

Fees

Our fees, which will be billed as work progresses, are based on the time spent and level of expertise of those RSM Australia Pty Ltd personnel assigned to the engagement plus direct out-of-pocket expenses. An estimate of our costs for the services under this engagement will be provided and agreed with you prior to our work commencing. Other terms relating to our fees are set out in the attached Standard Terms and Conditions of Engagement.

Other

We look forward to full cooperation from your staff and we trust that they will make available to us whatever records, documentation and other information we request in connection with our audit.

This letter and the attached 'Standard Terms and Conditions of Engagement' will be effective for future years unless we advise you of their amendment or replacement, or the engagement is terminated.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial report including our respective responsibilities.

Yours faithfully

RSM AUSTRALIA PTY LTD

Matthew Beevers
Director



Acknowledged on behalf of City of Nedlands by:



Signature

Lauren Fitzgerald - Manager Financial Services

Name and Title

24/6/24

Date

From: Lauren Fitzgerald
Sent: Thursday, 25 July 2024 1:42 PM
To: Keri Shannon <kshannon@nedlands.wa.gov.au>
Subject: FW: [EXTERNAL] Draft Audit Opinion for R2R Grant Acquittal

Hi Keri,

I have been working with RSM to close out the few grant acquittal audits that should have been completed last year as part of the 2023 audit.

Please see attached and below in regards to the opinion that is being issued. This will be added to the correspondence at the next ARC meeting.

Thanks,

Lauren Fitzgerald

Acting Director Corporate Services



Administration Centre
71 Stirling Highway WA 6009
PO Box 9 Nedlands WA 6909
9273 3500
nedlands.wa.gov.au
yourvoice.nedlands.wa.gov.au

From: Lauren Fitzgerald <lfitzgerald@nedlands.wa.gov.au>
Sent: Thursday, 25 July 2024 1:40 PM
To: Thanushan Sriskantharaja <Thanushan.Sriskantharaja@rsm.com.au>
Cc: Matthew Beevers <Matthew.Beevers@rsm.com.au>
Subject: RE: [EXTERNAL] Draft Audit Opinion for R2R Grant Acquittal

Hi Thanushan,

May I also ask why now this is being issued as a disclaimer of opinion where in previous communications it was advised to a qualified opinion to be received?

Thanks,

Lauren Fitzgerald

Acting Director Corporate Services



Administration Centre
71 Stirling Highway WA 6009
PO Box 9 Nedlands WA 6909
9273 3500
nedlands.wa.gov.au
yourvoice.nedlands.wa.gov.au

From: Thanushan Sriskantharaja <Thanushan.Sriskantharaja@rsm.com.au>
Sent: Thursday, July 25, 2024 9:37 AM
To: Lauren Fitzgerald <lfitzgerald@nedlands.wa.gov.au>
Cc: Matthew Beevers <Matthew.Beevers@rsm.com.au>
Subject: [EXTERNAL] Draft Audit Opinion for R2R Grant Acquittal

Hi Lauren

Please find attached our draft audit opinion with respect to the R2R grant acquittal. Consistent with the audit report on the City's financial report, our audit report contains a disclaimer of opinion due to similar limitations as those impacting the financial report audit.

Please let me know when you are ready to finalise the sign offs and we will issue this in final.

Best regards
Thanushan Sriskantharaja
Assistant Manager

RSM Australia Pty Ltd
Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844
DL: +61 (0) 8 9261 9216 | **F:** +61 (0) 8 9261 9111
E: Thanushan.Sriskantharaja@rsm.com.au | **W:** www.rsm.com.au

From: Lauren Fitzgerald <lfitzgerald@nedlands.wa.gov.au>
Sent: Monday, 24 June 2024 12:05 PM
To: Thanushan Sriskantharaja <Thanushan.Sriskantharaja@rsm.com.au>
Cc: Michael Cole <mcole@nedlands.wa.gov.au>
Subject: Re: [EXTERNAL] RE: City of Nedlands - Grant Acquittal Audits

Hi Thanushan,

Please see attached signed engagement letter for the 2023 grant acquittals.

The City will be needing the following done for the 2024 year. Can you please send through a quote for the fees and corresponding engagement letter?

R2R

LRCI - Phase 2 & 3

Pensioner deferred rates claim certificate

Please note that the R2R grant acquittal needs to be done by 31 October 2024.

Thank you,

Lauren Fitzgerald
Manager Financial Services



Administration Centre
 71 Stirling Highway WA 6009
 PO Box 9 Nedlands WA 6909
 9273 3500
nedlands.wa.gov.au
yourvoice.nedlands.wa.gov.au

From: Thanushan Sriskantharaja
Sent: Wednesday, June 19, 2024 5:12 PM
To: Lauren Fitzgerald <lfitzgerald@nedlands.wa.gov.au>
Cc: Lorenzo Maio <Lorenzo.Maio@rsm.com.au>
Subject: RE: [EXTERNAL] RE: City of Nedlands - Grant Acquittal Audits

Hi Lauren,

Attached herewith is the engagement letter for all the grant acquittal that we are working on. Kindly provide the signed engagement letter for our record purpose.

Find below table for the agreed fees of all the grant acquittals for FY 2024.

Name of the Grant Acquittal	Agreed Fees for FY 2023
R2R	2,500.00
LRCIP - Phase 2	2,500.00
Swanbourne SLSC Fed Grant Fund	2,500.00
Pensioner deferred rates claim certificate	1,000.00

Best regards

Thanushan Sriskantharaja
 Assistant Manager

RSM Australia Pty Ltd
 Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
 GPO Box R1253 Perth WA 6844
DL: +61 (0) 8 9261 9216 | **F:** +61 (0) 8 9261 9111
E: Thanushan.Sriskantharaja@rsm.com.au | **W:** www.rsm.com.au

From: Thanushan Sriskantharaja <Thanushan.Sriskantharaja@rsm.com.au>
Sent: Monday, June 17, 2024 3:53 PM
To: Lauren Fitzgerald <lfitzgerald@nedlands.wa.gov.au>
Cc: Lorenzo Maio <Lorenzo.Maio@rsm.com.au>
Subject: RE: [EXTERNAL] RE: City of Nedlands - Grant Acquittal Audits

Hi Lauren,

Thanks for sharing the document with me.

Note that Lorenzo is on leave for whole this week, hence, I will work on the grant acquittals and will give an update one by one.

I will share the engagement letter with you as a first step. Along with the engagement letter, provide the POs for each grant acquittals.

Best regards

Thanushan Sriskantharaja
Assistant Manager

RSM Australia Pty Ltd

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000

GPO Box R1253 Perth WA 6844

DL: [+61 \(0\) 8 9261 9216](tel:+61892619216) | **F:** +61 (0) 8 9261 9111

E: Thanushan.Sriskantharaja@rsm.com.au | **W:** www.rsm.com.au

From: Lauren Fitzgerald <lfitzgerald@nedlands.wa.gov.au>

Sent: Tuesday, May 28, 2024 12:50 PM

To: Lorenzo Maio <Lorenzo.Maio@rsm.com.au>

Subject: City of Nedlands - Grant Acquittal Audits

Hi Lorenzo,

Hope you are well.

Just wondering if you could please provide me with a status update on all the City's Grant Acquittal Audits?

Thanks,

Lauren Fitzgerald

Manager Financial Services



Administration Centre
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10. Information, Communication & Technology

10.1 ARC36.09.24 Annual External Audit

Meeting & Date	Audit Committee Meeting – 18 September 2024
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Employee disclosure required where there is an interest in any matter of which the employee is providing advice or a report.
Report Author	B Douglas – Manager ICT
Director	A Alderson – Director Corporate Services
Attachments	1. CONFIDENTIAL - Audit Findings Summary - ARC 19 September 2024.xlsx 2. CONFIDENTIAL - City of Nedlands Status Update 20240913.pdf

Purpose

The Manager Information Communication and Technology reviewed the Cyber and ICT governance audit findings from the Office of the Auditor General's engagement with RSM and Moore's consulting.

The remediation actions and ICT Cyber & Governance Runway provided by the Manager ICT were presented in the OCM August 27th and referred to the Audit Committee.

Progress on the current audit items are displayed in the "Audit Findings Summary - ARC 19 September 2024.xlsx"

The City has also commenced financial year 24/25 ITGC auditing with external auditor RSM. The current status is included in "City of Nedlands Status Update 20240913.pdf"

The validation meeting is due to occur on the week of the 16th September with the management letter for FY 24/25 being received before end of month

Recommendation

That Council reviews the notes included in the "Audit Findings Summary - ARC 19 September 2024"

Voting Requirement

Simple majority



Background

Manager ICT provided recommendations for consideration to remediate risks and vulnerabilities highlightd in Moores, RSM, and Internal Manager ICT audits. These are included in the Agenda item “10.2 ICT Cyber Governance”

Discussion

Nil

Decision Implications

Nil

Conclusion

Manager ICT will provide further update at the next Audit and Risk Committee.



10.2 ARC37.09.24 ICT Cyber Governance - Status briefing

Meeting & Date	Audit Committee Meeting – 18 September 2024
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Employee disclosure required where there is an interest in any matter of which the employee is providing advice or a report.
Report Author	B Douglas – Manager ICT
Director	A Alderson – Director Corporate Services
Attachments	CONFIDENTIAL ATTACHMENT 1 - Audit Findings Summary - ARC 19 September 2024.xlsx CONFIDENTIAL ATTACHMENT 2 - Sample of City Cyber vulnerabilities CONFIDENTIAL ATTACHMENT 3 - Sample of Production storage failed drives CONFIDENTIAL ATTACHMENT 4 - ICT Cyber and Governance remediation one pager

Purpose

The Manager Information Communication and Technology has reviewed the Cyber and ICT governance audit findings from the Office of the Auditor General's engagement with RSM and Moore's consulting. The ICT Manager also conducted a review of the current ICT environment, resourcing and capabilities. The results and recommendations of these findings are detailed in this agenda item.

The original ten High audit findings were presented to the new ICT Manager on June 17, 2024, with most originally estimated to be remediated by June 30, 2024. The ICT Manager has reviewed the total number of additional findings, as well as the dependencies and requirements necessary to complete remediation activities by the updated dates listed in the attached schedule.

The agenda for the ICT Cyber Governance plan was presented to Council OCM August 27th August 2024 and referred to the Audit Committee

Recommendation

That Council

1. **Receive the attachment with the findings and schedule information**
2. **Review the progress made on items with no dependency**
3. **Approve the financial and resource commitments outlined in the recommendations**



Voting Requirement

Simple Majority.

Background

Risks have been identified from both the OAG 23 and Moore's 24 audits, as well as items identified by the Manager ICT. These risks vary from High to Low with 31 in total identified. Although the City lacks a formal Risk Framework, the risks additionally identified by the Manager ICT have been assessed using the Risk Framework within Moore's findings.

According to the Australian Signals Directorate (ASD), an organization's Cyber Maturity is measured between levels 0-3. While achieving levels 2 and 3 is resource-intensive, the City should aim to reach Level 1 within two years and progress to Level 2. Based on experience and audit findings, it is fair to assess the City's current maturity at Level 0.

Additionally, RSM has been re engaged by the OAG to commence the IT General Controls audit for FY24/25. The entry meeting occurred on Wednesday, July 10th, with the report due for completion on August 30th, 2024. This is in conjunction with the OAG 23 and Moore's 24 existing audit findings which this finding is based on.

Key factors contributing to the accumulation of these risks include:

- Minimal Financial Investment - Insufficient investment in hardware infrastructure and engagement with external specialist vendors.
- Under-resourced IT Department - The IT department is understaffed, limiting its ability to perform beyond Business as Usual (BAU) tasks.

The current IT support structure manages over 160 staff, systems, and infrastructure across 12 connected City facilities. The current IT structure consist of 3 x staff;

- 0 GIS\Spatial Support
- 0 Network Support
- 0 Security\Cyber Support
- 1 x Systems Support
- 2 x Service Desk\Desktop Support

The lack of Change Management processes has allowed ad-hoc projects and tasks to compete with BAU and general support tasks, straining the limited resources available. Additionally, no lifecycle management of ICT assets has been observed.

This situation has led to a decline in proactive systems and hardware maintenance, reduced awareness of technology and security trends, and underutilization of existing technology investments. Additionally, the below key ICT infrastructure and licensing issues have been noted which the original remediation findings are dependent on the below issues to be resolved prior.



Key Infrastructure issues

- Server hardware in the core Data Centre serving Production workloads is from 2018. The vendor ceased extended hardware warranty in 2022
- Server hardware in DR site is past end of life (EOL) and may not operate in the event of a DR exercise.
- Network hardware in the core Datacentre serving Production workloads is from 2010. The vendor announced end of life (EOL) in 2020, there is no evidence of support contracts during this time.
- Server operating systems from 2012, no longer supported by Microsoft and City is paying for extended support. Once expired no more security patches will be available and these items are already listed as "Critical" in vulnerability scanning.
- No Microsoft licensing "Software Assurance" had been purchased meaning cost of uplifting licences has to start from base level.
- Site communication switching equipment is replaced "Ad-hoc" and with an inconsistent approach to configuration. This impacts on the reporting security events and incidents requirements.

Discussion

Due to the quantity and depth of items requiring addressing, the items should be treated as a programme of works outside of BAU. To address the findings and remediate agreed items from the audit, the following actions are recommended:

- **Staffing:** Recruitment of minimum 2 x FTE (Mid and Senior Level) roles and utilise 0.2 capacity per quarter of existing staff across IT and IM to allow for BAU. This will be ongoing to assist in remediation and manage the environment going forward.
- **External Support:** Implement an "Annual Maintenance Support" agreement for Spatial GIS/Intramaps platforms, which currently receive only 8 hours per month, insufficient for system maintenance. Alternatively, consider sourcing a GIS FTE role, though this is a specialized area of Technology.
- **Consultancy:** Allocate budget for external consultants in specialist areas where current IT team skills are lacking.
- **Operational Budget:** Increase the IT Operational budget to allow for infrastructure refreshes in both network and computing areas, addressing risks and issues raised by audit findings. Quotes for hardware will commence after approval of recommendations.

These steps are critical to enhancing the City's IT security posture, ensuring proactive maintenance, and improving overall technology practices and capabilities.

Consultation

Moore Australia and RSM Consulting.
Manager ICT investigations.



Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision Sustainable and responsible for a bright future

Pillar Outcome **Performance**
11. Effective leadership and governance.

Budget/Financial Implications

Costings for Infrastructure and resources are currently being investigated. It is envisaged that Infrastructure costs would potentially be encompassed in an Operating budget. The below figures are an approximation until costings are received. Some items have the potential to be spread over the lifetime of a lease agreement.

Costs are indications from vendors and will be required to be finalised at the approval of the agenda item. Total investment required including staff salaries is \$1,373,439 with the breakdown as follows,

- **Staffing**, 3 x FTE to facilitate Spatial, Network, and Systems roles, salary inclusive of superannuation up to \$374,346
- **Specialist initial cyber & systems consulting**, \$100,000
- **Completion of Desktop refresh**, \$63,000 (recommend 3 year Opex lease)
- **Compute Infrastructure**, \$110,000 (recommend 5yr Opex lease)
- **Host Licencing amendments**, \$57,000
- **Network & Comms Infrastructure**, \$255,593 (recommend 5yr Opex lease)
- **Network Licensing**, \$27,100 PA (recommend bundle lease with hardware)
- **Network & Comms deployment and reconfiguration**, \$50,000

Financial Year commitments excluding staff resource salaries;

FY25	FY26	FY27	FY28	FY29
\$328,218.6	\$178,218.6	\$178,218.6	\$157,218.6	\$157,218.6

Legislative and Policy Implications

Not Applicable



Decision Implications

Without the recommendations being endorsed, ICT will not be able to adequately perform remediation works. This will leave the organisation with a low level of Cyber maturity and result in the City's Technology platforms being exposed to security risks, increased vulnerabilities from aged platforms and probable hardware failures.

Any failure event could lead to a cyber security breach or platform failure resulting in service outages and substantial operational disruptions.

Whilst some remediation works are in the process of being completed, dates on the finalisation of scheduled works for the remaining will be impacted based on delays to the approval of any requirements noted in this agenda.

Conclusion

The City has various risks associated with in Information Technology that have been identified across multiple audits which need to be addressed. Failure to do so may lead to a cyber security breach, systems failures or data loss or corruption resulting in service outages and substantial operational disruptions.

Further Information

Nil.



11 Council Policies

11.1 Policy Register

Next Update is scheduled for the October Audit Committee Meeting



12 Strategic Projects

12.1 Update from Director of Technical Services

Multi-year projects

- **Norn-Bidi Trail – On Hold**

The Council reviewed the petition during the August 2024 OCM and decided no changes will be made to the route.

Council approved the remaining construction work in FY25 pending budget allocation. The path installation for the snake head is awaiting lease negotiations, which are being led by the CEO to adjust the boundary.

Linemarking works are currently on hold and pending budget confirmation and contractor availability.

Strategic projects in Delivery

- **Underground Power – Stage 1 – Nedlands North:**

The surveyor has completed approximately 80% of the work, including property boundary pegging and pillar installation alignments.

Locating third-party assets (gas, water, power, etc.) began in the second week of September, focusing on Kirwan St, Shann St, and Rosedale, in preparation for drilling and civil crews.

Drilling is scheduled to start on Tuesday/Wednesday of the third week of September.

Boring and conduit installations for consumer mains are underway, with wiring to follow.

A walk-through with the Site Supervisor and Consumer Mains Contractor has been completed to confirm pillar locations.

The Western Power Compliance Specialist visited the site in the second week of September, with no issues reported.

2024/25 Capital Works programme

- The FY25 Procurement Plan (CAPEX and OPEX) is pending finalisation.
- Reconciliation between council-approved projects and budget allocation is needed to ensure sufficient funding for FY25.
- The Monash Avenue Road rehabilitation project requires additional soil samples, which will be taken in the coming week. Previous samples were not favorable for the proposed rehabilitation method and may necessitate significant additional work to correct the issues.
- The Victoria and Waratah rehabilitation project, concrete kerbs will need to be hand-formed due to the presence of significant tree roots within the road reserve and behind the kerb. These conditions prevent the use of kerb-laying machines, and the hand-forming process will be included in the contractors' scope for pricing.



- The Kennedia Lane project requires external design services, as internal resources have been allocated to grant-funded projects. An RFQ has been issued for pricing this week, but the works are expected to carry over into the new year due to procurement and community consultation timelines.
- Jenkins and Waronga drainage projects, design and site investigations are progressing well. Site investigations have identified an existing drainage network that may be repurposed for the new system, potentially allowing for additional water containment.

- **Works Dashboard**

Pending budget upload for adopted figures, commitments and actual year to date figures to allow for extraction and presentation.



12.2 Update Status of Sustainability

• Winter Planting Programme Update

Final planting figures are yet to be confirmed upon review of the season occurring, and final decisions made, however the following list of planting figures is provided:

Botanic Name	Common Name	Number
<i>Agonis flexuosa</i>	WA Peppermint	141
<i>Callistemon "Kings Park Special"</i>	Bottlebrush	43
<i>Corymbia callophylla</i>	Marri	52
<i>Corymbia ficifolia</i>	Red Flowering Gum	80
<i>Corymbia maculata</i>	Spotted Gum	2
<i>Cupaniopsis anacardioides</i>	Tuckeroo	21
<i>Eucalyptus marginata</i> –	Jarra	8
<i>Eucalyptus sideroxylon 'Rosea'</i>	Red Flowering Ironbark	8
<i>Eucalyptus tottiana</i>	Coastal Black	5
<i>Eucalyptus torquata</i>	Coral Gum	33
<i>Eucalyptus victrix</i>	Western Coolabah	11
<i>Fraxinus angustifolia "Raywood"</i>	Claret Ash	29
<i>Jacaranda mimosifolia</i>	Jacaranda	60
<i>Lagerstroemia indica</i>	Crepe Myrtle	29
<i>Melaleuca quinquenervia</i>	Broadleaf Paperbark	7
<i>Macadamia sp</i>	Macadamia	30
<i>Metrosideros excelsa</i>	NZ Christmas Tree	23
<i>Pistachia chinensis</i>	Chinese Pistachio	17

Further, broken into locations and interactions, the following is provided:

Winter Street Tree Planting Program 2024	
WARD	TOTAL
Coastal	183
Dalkeith	179
Melvista	150
Hollywood	42
TOTAL	554

Winter Park Tree Planting 2024	
TOTAL	35

Total Trees Planted - 589

Community Interactions During The 6 Week Program	
Received CRMs	142
Received Emails	48
Telephone Calls	65
Email Responses	128

• Waterwise Initiatives

The City entered into an Memorandum of Understanding with the Water Corporation to partner on a Water Sensitive Cities Index Workshop which will provide the forum for initiatives to elevate the City's standing waterwise status. The workshop has been tentatively booked for Tuesday 29 October 2024, with venue and preparation material to be formalised and circulated in the leadup to the forum.



12.3 Listing of Assets

While further more detailed information is pending a proposed notice of motion going to the September 2024 ordinary council meeting which requests specific information regarding certain assets - a summary list of assets extracted from the system is provided below for inclusion in the agenda as requested.

1. Sumps

Asset Name	Location
Adderley Street	23A Adderley Street, Mt Claremont
Bedbrook Place	5-7 Bedbrook Pl, Shenton Park
Blenheim Lane	38 Blenheim Lane, Mt Claremont Reserve
Bulimba Road 1	17 Bulimba Road, Nedlands
Bulimba Road 2	20 Bulimba Road, Nedlands
Curlew Road	11 Minora Rd, Dalkeith
Dalkeith Road 1	113 Dalkeith Rd, Nedlands
Dalkeith Road 2	56 Dalkeith Road, Nedlands
Birdwood Parade Reserve	The Esplanade, Nedlands Reserve
Jones Park	Jones Park, Swanbourne Reserve
Allen Park	Kirkwood Road, Allen Park, Swanbourne Reserve
Loftus Street	22 Loftus Street, Nedlands
Masons Gardens	Masons Gardens, Dalkeith
Napier street	14 Napier Street, Nedlands
North Street	25 - 27 North Street, Swanbourne
Olearia Lane	63L Strickland St, Mt Claremont
Waroonga Road	3 Waroonga Rd, Nedlands
Works Depot	Broom St Works Depot, Nedlands

2. Building

Asset Name	Location
108 Smyth Road	108 Smyth Road Nedlands



Asset Name	Location
Adam Armstrong Pavilion	84 Beatrice Rd, Dalkeith
Administration and Chambers	71 Stirling Highway Nedlands
Administration Carpark Toilet	71 Stirling Highway Nedlands
Administration Cottage	110 Smyth Road Nedlands
Allen Park Green Keepers Shed	Kirkwood Rd (access via Clare Copse) Swanbourne
Allen Park Lower Pavilion	Kirkwood Rd (access via Clare Copse) Swanbourne
Allen Park Lower Toilets	Kirkwood Rd (access via Clare Copse) Swanbourne
Allen Park Tennis Club	61 Clement St Swanbourne
Allen Park Tennis Club Utility Shed	61 Clement St Swanbourne
Allen Park Upper Pavilion	Kirkwood Rd (access via Clare Copse) Swanbourne
Beaton Park Toilets	78 The Esplanade Dalkeith
Charles Court Reserve Pavilion	Esplanade, Nedlands
Charles Court Reserve Toilets	Esplanade, Nedlands
Claremont Nedlands Lions Club Shed	12 Draper St, Floreat
College Park Family Centre	100 Princess Rd, Nedlands
College Park Green Keepers Shed	100 Princess Rd, Nedlands
College Park Storage shed-1	100 Princess Rd, Nedlands (next to College Park Family Centre)
College Park Storage shed-2	100 Princess Rd, Nedlands (next to College Park Family Centre)
Cottesloe Golf Club	173 Alfred Rd, Mt Claremont
Dalkeith Bowling Club Pavilion	55 Jutland Pde, Dalkeith
Dalkeith Hall	99 Waratah Av, Dalkeith
Dalkeith Preschool	167 Victoria Av, Dalkeith
Dalkeith Preschool Toy Store	167 Victoria Av, Dalkeith
Dalkeith Tennis Club	84 Beatrice Rd, Dalkeith
Dalkeith Tennis Club - Utility Shed	84 Beatrice Rd, Dalkeith



Asset Name	Location
David Cruickshank Change Rooms	84 Beatrice Rd, Dalkeith
David Cruickshank Green Keepers Shed	84 Beatrice Rd, Dalkeith
Drabble House	2 Webster St, Nedlands
Esplanade Storage Bunker	Next to 73 Esplanade, Nedlands
Friends of Allen Park	118 Wood Street Swanbourne
Hackett Hall	8 Draper St Floreat
Hackett Playcentre	2 Draper St Floreat
Haldane House	19 Haldane St Mt Claremont
Hollywood After School Activity Centre	56 Smyth Road Nedlands
Hollywood Bowling Club Pavilion	42 Smyth Road Nedlands
Hollywood Tennis Toilet Block	56 Smyth Road Nedlands
JC Smith Pavilion	Melvista Avenue (Opposite Thomas St) Nedlands
Jo Wheatley All Abilities Play Space Toilets	78 Esplanade, Dalkeith
John Leckie Pavilion	Corner Melvista Avenue and Bostock Road Dalkeith
John XXIII Site Office	John XXIII Ave, Mt Claremont
Lawler Park Scout Hall	12 Draper St, FLOREAT
Lawler Park Tennis Club Toilets	12 Draper St, FLOREAT
Maisonettes Flats	67 Stirling Highway Nedlands
Maisonettes Garage	67 Stirling Highway Nedlands
Mattie Furphy House	Clare Copse, Swanbourne
Max Brown Pavilion (Suburban Lions Hockey Club)	42 Smyth Rd, Nedlands
Mayo Community Garden Shed	91 Wood St, Swanbourne WA 6010
Melvista Oval Green Keepers Shed	Melvista Avenue (Opposite Thomas St) Nedlands
Melvista Preschool	66 Melvista Avenue Dalkeith
Melvista Preschool North Shed	66 Melvista Avenue Dalkeith



Asset Name	Location
Melvista Preschool South Shed	66 Melvista Avenue Dalkeith
Melvista Storage shed	Next to Melvista Oval Green Keepers Shed
Mt Claremont Community Centre	19 Haldane St Mt Claremont
Mt Claremont Library	19 Haldane St Mt Claremont
Mt Claremont Oval Changerooms	Alfred Road and Montgomery Avenue Mt Claremont
Mt Claremont Oval Old Toilet Block	Alfred Road and Montgomery Avenue Mt Claremont
Mt Claremont Playgroup	19 Haldane St Mt Claremont
Nedlands Bridge Club	Melvista Avenue, Bruce St, Nedlands
Nedlands Child Health Clinic	152 Melvista Avenue Nedlands
Nedlands Community Care	97 Waratah Av, Dalkeith
Nedlands Croquet Pavilion	Cnr Melvista Avenue, Bruce St, Nedlands
Nedlands Golf Club	Melvista Avenue, Nedlands
Nedlands Library	60 Stirling Highway Nedlands
Nedlands Park Early Learning Centre	150 Melvista Avenue Nedlands
Nedlands Park Early Learning Centre Store	150 Melvista Avenue Nedlands
Nedlands Tennis Club	Corner of Bruce Street and Gallop Road, Nedlands
Nedlands Yacht Club - Clubroom	The Esplanade Dalkeith
Nedlands Yacht Club - Junior Club Rooms	The Esplanade Dalkeith
Nedlands Yacht Club - Shed F	The Esplanade Dalkeith
Peace Memorial Rose Garden Toilets	14 Vincent St Nedlands
Perth Flying Squadron Yacht Club	The Esplanade Dalkeith
Point Resolution Childcare Centre	53 Jutland Pde Dalkeith
Sand Sports Australia Changerooms	42 Smyth Road Nedlands
Sand Sports Australia Large Shed	42 Smyth Road Nedlands
Sand Sports Australia Main Building	42 Smyth Road Nedlands



Asset Name	Location
Sand Sports Australia Medium Shed	42 Smyth Road Nedlands
Sand Sports Australia Small Shed	42 Smyth Road Nedlands
Strickland Street Infant Health Centre	25 Strickland St Mt Claremont
Swanbourne Cafe	278 Marine Pde, Swanbourne
Swanbourne Life Saving Club	282 Marine Parade Swanbourne
Swanbourne Surf Life Saving Tower	282 Marine Parade Swanbourne
Tom Collins House	Wood St, Swanbourne WA 6010
Tom Fricker Cottage	89 Wood St Swanbourne
Tresillian Community Centre	21 Tyrell St, Nedlands
WA Bridge Club	7 Odern Cres Swanbourne
Winthrop Region Guides Hall	121 Monash Avenue Nedlands
Work Depot - Office Demountable - Small	1 Broome Street Nedlands
Works Depot - Building Maintenance Shed	1 Broome Street Nedlands
Works Depot - Equipment Shed - Large	1 Broome Street Nedlands
Works Depot - Equipment Shed - Small	1 Broome Street Nedlands
Works Depot - Large Storage Shed (Green)	1 Broome Street Nedlands
Works Depot - Meeting Room	1 Broome Street Nedlands
Works Depot - Office Block	1 Broome Street Nedlands
Works Depot - Parks Shed	1 Broome Street Nedlands
Works Depot - Tradesman Shed	1 Broome Street Nedlands
Works Depot - Workshop	1 Broome Street Nedlands
Works Depot - Workshop Tyre Shed	1 Broome Street Nedlands

3. Playgrounds

Asset Name	Location
Allen Park (Lower Oval)	Kirkwood Street, Swanbourne



Asset Name	Location
Annie Dorrington Park	St Johns Wood Blvd and Abbey Gardens, Mt Claremont
Beaton Park / JWAAPS	The Esplanade, Dalkeith
Beatrice Reserve	Beatrice Ave and Iris Ave, Dalkeith
Birrigon Park	Birrigon Loop, Swanbourne
Blain Park	Alexander Rd and Viking Rd, Dalkeith
Brockman Reserve	Brockman Ave And Wavell Rd, Dalkeith
Campsie Park	Campsie Street, Nedlands
Carrington Park	Weld St and Carrington St, Nedlands
Charles Court Reserve	The Esplanade, Nedlands
College Park	Princess Road, Nedlands
David Cruickshank Reserve	Jutland Pde and Wattle Ave, Dalkeith
Dawes Park	6 Selby Street, Shenton Park
Grainger Reserve	Grainger Drive, Mt Claremont
Guttman Park	Guttman Approach, Shenton Park
Hamilton Park	Hamilton Gardens, Mt Claremont
Harris Park	Saltspray Crt, Swanbourne
Hollywood Tennis Reserve	Smyth Road, Nedlands
Hollywood Tennis Reserve	Smyth Road, Nedlands
Jones Park	Jamieson St, Swanbourne
Karella Park	Cnr Smyth Rd and Karella St, Nedlands
Lawler Park	Draper St, Floreat
Lesley Graham Reserve	Bromilow Green and Camellia Ave, Mt Claremont
Leura Park	Leura Avenue, Nedlands
Mason Gardens	Melvista Ave and Hackett Rd, Nedlands
Melvista Oval	Melvista Avenue (Opp Archdeacon St), Nedlands



Asset Name	Location
Mt Claremont Oval	Montgomery Drv and Alfred Rd, Mt Claremont
Mt Claremont Reserve	Community Centre, Adderley St, Mt Claremont
New Court Gardens	New Court Green, Mt Claremont
Nidjalla Park	Nidjalla Loop, Swanbourne
Paiera Park	Van Kleef Circuit, Mt Claremont
Peace Memorial Rose Garden	Vincent St and Stirling Hwy, Nedlands
Pine Tree Park	Pine Tree Lane, Mt Claremont
Point Resolution Reserve	Jutland Pde and Victoria Ave, Dalkeith
St Peters Square Gardens	Caladenia Parade, Mt Claremont
Strickland St Reserve	Strickland St, Mt Claremont
Swanbourne Beach Reserve	Marine Pde and Odern Crs, Swanbourne
Zamia Park	Zamia Street, Mt Claremont

4. Carparks

Asset Name	Location
Administration Centre	67 Stirling Highway, Nedlands
Administration Centre	71 Stirling Highway, Nedlands
Allen Park	61 Clement Street, Swanbourne
Allen Park	61 Clement Street, Swanbourne
Allen Park	61 Clement Street, Swanbourne
Asquith Park	35 Asquith Street, Mt Claremont
Asquith Street	30 Asquith Street, Mt Claremont
Birdwood Parade Reserve	78 Esplanade, Dalkeith
Charles Court Reserve	End of Broadway, Nedlands
College Park	100A Princess Road, Nedlands
College Park	100A Princess Road, Nedlands



Asset Name	Location
College Park	100 Princess Road, Nedlands
Cooper Street	17 Cooper Street, Nedlands
Dalkeith Hall	97--99 Waratah Avenue, Dalkeith
David Cruickshank Reserve	84 Beatrice Road, Dalkeith
David Cruickshank Reserve	85 Beatrice Road, Dalkeith
David Cruickshank Reserve	86 Beatrice Road, Dalkeith
Hampden Road	15 Hampden Road, Nedlands
Hollywood Bowling Club	42 Smyth Road, Nedlands
Hollywood Tennis Reserve	119 Monash Ave, Nedlands
Lawler Park	10 Draper Street, Floreat
Melvista Oval	121 Bruce Street, Nedlands
Melvista Oval	Lot 122 Melvista Avenue, Nedlands
Melvista Oval	140 Melvista Ave, Nedlands
Mount Claremont Community Centre	19 Haldane Street, Mt Claremont
Mount Claremont Community Centre	19 Haldane Street, Mt Claremont
Mount Claremont Oval	Alfred Road & Montgomery Avenue, Nedlands
Mount Claremont Oval	Alfred Road & Montgomery Avenue, Nedlands
Nedlands Library	60 Stirling Highway, Nedlands
Point Resolution	167 Victoria Ave, Dalkeith
Swanbourne Reserve	61 Clement Street, Swanbourne
Swanbourne Reserve	61 Clement Street, Swanbourne
Swanbourne Reserve	61 Clement Street, Swanbourne
Swanbourne Reserve	61 Clement Street, Swanbourne



13 Risk Management

13.1 ARC35.09.24 Report to adopt integrity framework

Meeting & Date	Audit Committee Meeting – 18 September 2024
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	No officer involved in the preparation of this report has a declarable interest.
Report Author	Keri Shannon – Chief Executive Officer
Director/CEO	Keri Shannon – Chief Executive Officer
Attachments	1. Integrity Framework

Purpose

For Council to consider endorsement of the City of Nedlands Integrity Framework.

Recommendation

That Council endorses the Integrity Framework as contained in Attachment 1.

Voting Requirement

Simple Majority.

Background

The Public Sector Commission (PSC) is responsible for strengthening the efficiency, effectiveness and capability of the public sector to deliver high quality services.

To meet these objectives, the PSC adopted the Integrity Strategy for WA Public Authorities 2020 – 2023. The Strategy focuses on four key improvement areas with actions and controls to promote integrity and help prevent misconduct and corruption. These include

–

1. Plan and act to improve integrity
2. Model and embody a culture of integrity
3. Learn and develop integrity knowledge and skills
4. Be accountable for integrity

The PSC has encouraged all public authorities to develop and implement an Integrity Framework.



The implementation of the framework will assist the City to identify any areas of concern, prioritise actions and manage processes across the City.

Discussion

A public authority is responsible to act in the interest of the community and to operate with integrity using its power responsibly for the purpose for which it is intended.

The attached Framework guides the City in providing the highest level of integrity for its community, and brings together the instruments, processes and structures within the organisation that foster integrity and help prevent corruption and misconduct from taking place.

The draft Integrity Framework was developed utilising the PSC's framework resources, and will apply to all employees and elected members.

The Framework outlines the City's approach to act with honesty and transparency, to prevent and address misconduct, and to operate with integrity.

The draft Framework, if endorsed by Council, will be reviewed on a regular basis.

Consultation

The draft Integrity Framework was tabled at EMT in May 2023. It has not been subsequently reviewed or amended since that time.

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision **Sustainable and responsible for a bright future**

Pillar **Performance**

Outcome 11. Effective leadership and governance.

Budget/Financial Implications

Nil.

Legislative and Policy Implications

Local Government Act 1995.

Public Sector Management Act 1994.



Corruption, Crime and Misconduct Act 2003.
Public Interest Disclosure Act 2003.
Risk Management Policy.

Decision Implications

The endorsement of the Integrity Framework by Council will ensure the City is compliant with better practices adopted in this area.

Conclusion

The framework provides guidance for the City and aligns the City's practices in this area with the PSC requirements for public sector authorities.

Further Information

Nil.

Integrity Framework

City of Nedlands



Contents

1. Introduction - Commitment to Integrity
2. Plan and Act to Improve Integrity
3. Model and Embody a Culture of Integrity
4. Learn and Develop Integrity, Knowledge and Skills
5. Be Accountable for Integrity
6. Oversight

ANNEXURES

Annexure 1 – Integrity Snapshot Tool

Annexure 2 – Integrity Action Plan

1. Introduction - Commitment to Integrity

It is expected that all elected members, officers, contractors, and volunteers who are involved in the provision of service at the City of Nedlands, will do so acting with the highest level of integrity.

The City of Nedlands offers a wide range of services to its community. The community expects that the City act transparently and with integrity, ensuring that service provision is efficient and effective.

The City's elected members must comply with the *Code of Conduct for Elected Members, Committee Members and Candidates*. Officers are required to act in accordance with the *Employee Code of Conduct*.

This Integrity Framework describes the instruments, structures and cultural factors that guide how the City practices, manages and accounts for integrity.

This framework is based on an assessment of the City's responsibilities and integrity risks. Key positions within the organisation have been identified with particular roles, although it is acknowledged that all individuals are responsible for integrity.

It is expected that all elected members, officers, and those who work at the City, are familiar with this framework and participate in supporting and promoting integrity at the City of Nedlands.

Keri Shannon
CHIEF EXECUTIVE OFFICER



2. Plan and act to improve integrity

2.1 What is Integrity

Integrity is defined as *“the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritizing the public interest over private interests in the public sector.”*

Organisation for Economic Co-operation and Development, OECD Public Integrity Handbook 2020.

Integrity is a non-negotiable value for public authorities. Local governments must act in the interest of the community through the decisions that they make and the actions that they undertake. Local governments must discharge their roles responsibly acting only within the context of the legislative framework in which they operate. Local government decision-making must be honest, transparent and free from bias.

Integrity also means preventing and addressing improper conduct, and not allowing decisions or actions to be influenced by the personal interests of the decision-maker. The City is committed to ensuring that integrity is embedded in all its systems and provide a common value across all business units.

The City has contained within its Strategic Community Plan 2018 – 2028 the value of great governance and civic leadership. This states that *“the City values our Council’s quality decision-making, effective and innovative leadership, transparency, accountability, equity, integrity and wise stewardship of the community’s assets and resources. We have an involved community and collaborate with others, valuing respectful debate and deliberation.”*

This strategic priority is complemented by the City’s organisational values:

Accountability: We conduct our business and all our services in an open, transparent and financially responsible manner.

Partnership: We work together for the benefit of the community.

Fairness: We provide consistent, fair and unbiased treatment for the whole community.

This commitment to integrity will minimise the incidence of misconduct and increase community engagement.



2.2 Roles and Responsibilities

The City's Integrity Framework outlines the roles and responsibilities for integrity within the organization.

Position	Responsibility
Chief Executive Officer	<ul style="list-style-type: none"> Adheres to the <i>Local Government Act 1995</i> and the legislative framework, including that relating to integrity and governance. Reflects the values of the City. Promotes a culture of integrity within the organisation. Models leadership in preventing, detecting and responding to misconduct. Implements the officer Code of Conduct for Employees. Provides Councillors, Committee Members and Candidates with advice on the Code of Conduct. Provides reports to and advice on matters before the Audit and Risk Committee. Reports to the Corruption and Crime Commission on incidents of serious misconduct. Reports to the Public Sector Commission on incidents of employee minor misconduct. Acts as the Complaints Officer for breaches of the Code of Conduct. Acts as a disclosure officer under the Public Interest Disclosure Framework. Provides induction to Council members on matters of governance. Promotes effective risk management and governance across the organisation. Manages and records gifts and conflicts of interest.
Executive Management Team	<ul style="list-style-type: none"> Communicates to their officers the importance of sound integrity standards. Adheres to the <i>Local Government Act 1995</i> and the legislative framework, including that relating to integrity and governance. Reflects the values of the City. Promotes a culture of integrity. Models leadership in preventing, detecting and responding to misconduct. Acts impartially and in an unbiased manner when making decisions. Manages, declares and records gifts and conflicts of interest.



Position	Responsibility
	<ul style="list-style-type: none"> Provides advice and support to officers in their business units on integrity matters. Report incidents of misconduct to the CEO or to the relevant authorities.
Managers/Supervisors	<ul style="list-style-type: none"> Communicates to their officers the importance of sound integrity standards. Adheres to the <i>Local Government Act 1995</i> and the legislative framework, including that relating to integrity and governance. Reflects the values of the City. Promotes a culture of integrity. Models leadership in preventing, detecting and responding to misconduct. Acts impartially and in an unbiased manner when making decisions. Manages, declares and records gifts and conflicts of interest. Provides advice and support to officers in their business units on integrity matters. Report incidents of misconduct to the CEO or to the relevant authorities. When participating in recruitment, adhere to an unbiased and impartial thorough recruitment practice. Provide inductions for employees in accordance with the Code of Conduct.
Coordinator Governance and Risk	<ul style="list-style-type: none"> Monitors and evaluates the effectiveness of the Integrity Framework. Monitors legislative amendment and communicates these to relevant staff. Provides support for elected members and officers on Code of Conduct, governance and integrity matters. Assists with the Council election process, including disclosures and support. Ensures compliance with legislation and takes action on incidents of non-compliance.
Council	<ul style="list-style-type: none"> Works in accordance with the responsibilities and framework established under the <i>Local Government Act 1995</i>. Sets integrity expectations and reflects these principles through the City's: <ul style="list-style-type: none"> Code of Conduct for Council Members, Committee Members and Candidates Risk Management Framework Governance Framework Endorses delegations



Position	Responsibility
	<ul style="list-style-type: none"> ○ Endorses the Compliance Audit Return ○ Endorses the Terms of Reference of the Audit and Risk Committee ○ Endorses policy documents ▪ Adopt and review the City's Integrity Framework. ▪ Appoint a Complaints Officer and Complaints Committee to receive and manage Behaviour Complaints under the Code of Conduct. ▪ Receive reports from the Audit and Risk Committee regarding misconduct, audit activities and integrity controls.
Elected Members	<ul style="list-style-type: none"> ▪ Declare gifts and conflicts of interest. ▪ Participate in the Council's decision-making processes in an unbiased manner. ▪ Demonstrate the highest level of commitment and conduct for integrity. ▪ Model integrity through a demonstrated commitment to the Elected Member Code of Conduct and values. ▪ Participate in, and complete, elected member training.
Complaints Committee	<ul style="list-style-type: none"> ▪ Manage complaints under Division 3 of the City's Code of Conduct for Council Members, Committee Members and Candidates.
Audit and Risk Committee	<ul style="list-style-type: none"> ▪ Functions in accordance with the Terms of Reference of the Committee. ▪ Reports to Council on integrity risks, audit activities and integrity controls. ▪ Considers the Office of Auditor General reports. ▪ Monitors the effectiveness of the City's Strategic Risk Register and framework. ▪ Reviews the effectiveness of the City's adopted Fraud control measures (to be adopted 2024).
Manager Human Resources	<ul style="list-style-type: none"> ▪ Adhere to an unbiased and impartial thorough recruitment practice. ▪ Ensure thorough pre-employment screening is conducted: <ul style="list-style-type: none"> ○ Police clearances ○ Qualification checks ○ Reference checks ○ Working with Children Check, if required ▪ Report to the CEO incidents of misconduct. ▪ Monitor expiry of licences, qualifications, certificates and Working with Children Check. ▪ Provide inductions for employees in accordance with the Code of Conduct.



Position	Responsibility
	<ul style="list-style-type: none"> Review Human Resource Procedures.
All Employees	<ul style="list-style-type: none"> Adhere to the relevant legislation. Adhere to and demonstrate commitment to integrity. Reflect the City's values. Make decisions in an unbiased and impartial manner. Comply with the City's policies, procedures, and guidelines concerning integrity. Adhere to the City's Code of Conduct for Employees. Report misconduct, corruption and fraud through the appropriate reporting mechanisms. Participate in training opportunities to enhance knowledge of integrity. Manage, declare and record gifts and conflicts of interest.
Contractors and Suppliers	<ul style="list-style-type: none"> Act with integrity. Adhere to the relevant legislation. Compliance with policies, procedures and guidelines developed for organisational integrity. Contractors to comply with the City's Code of Conduct for Employees. Contractors to manage, declare and record gifts and conflicts of interest.
Volunteers	<ul style="list-style-type: none"> Adhere to the City's Code of Conduct for Employees. Adhere to the relevant legislation. Compliance with policies, procedures and guidelines developed for organisational integrity. Manage, declare and record any gifts and conflicts of interest.

2.3 Legislation and Regulation

The City is required to work within the legislative framework established under the *Local Government Act 1995* and its associated subsidiary legislation. The City has also developed a comprehensive list of Federal and State legislation applicable to each business unit. These guide the actions of City officers in the provision of service delivery to the community. The City's local laws, policies, and guidance notes are available on the City's website, and these impact on the manner in which the City operates.

The City also has obligations under State legislation that impacts directly on matters of integrity for a public authority. These include inter alia:

- *Corruption, Crime and Misconduct Act 2003*



- *State Records Act 2000*
- *Freedom of Information Act 1992*
- *Public Interest Disclosure Act 2003*

Officers are required to understand the obligations specific to their roles, and managers and supervisors have a role to support and oversee compliance within their business units.

2.4 Risk Analysis and Planning for Integrity

The City is in the process of drafting a new Council adopted Risk Management Policy. The draft policy and framework will outline the City's approach to understanding and managing risk. The framework will set out the City's approach to the identification, assessment, management, reporting and monitoring of risks.

The policy and framework have been drafted in accordance with *AS ISO 31000:2018 Risk Management - Guidelines*.

The City uses its Risk Profiles to identify operational risks across specific areas. One of these deals with misconduct. These risk profiles require the City to identify the risk event, the causal factors, the key controls, an evaluation of the adequacy of the control, the risk rating, and the actions and responsibilities associated with it.

The City has assessed its integrity practices using the PSC Integrity Snapshot Tool (Annexure 1) to identify measures in place to support integrity and to identify areas for improvement. As a consequence, the City has developed an Integrity Action Plan (Annexure 2) to ensure accountability of action items. This will be reviewed on a regular basis by the Executive Management Team.

2.5 Internal Controls, Audit and Governance

The City undertakes its activities and implements internal controls to minimize integrity risks in accordance with the following documents:

2.5.1 Governance Framework

In 2021, the City adopted a Governance Framework Policy to provide a transparent, efficient, participatory and statutorily compliant meeting framework in which:

- Council Members are engaged in the development of strategy and policy from initiation to adoption.
- Council Members are provided with accurate, relevant and timely information by the Chief Executive Officer (CEO) to inform quality decision-making.



- Community members can participate in the decision-making process and have access to information used to inform Council decisions.

2.5.2 Policies, protocols, procedures and processes

To ensure policies and procedures are current, the City has an internal policy register that assigns responsible officers and the review dates for each policy.

The City's policy register is located on the City's website for access by the community. Business processes and procedures critical to the City are located in the City's document management system.

A requirement of the *Local Government Act 1995* is the adoption by Council of a Code of Conduct for Council Members, Committee Members and Candidates that sets out the integrity principles, behaviour requirements and rules of conduct for Councillors. The Code is available for inspection on the City's website.

The Local Government Act 1995 also requires that the City adopt a Code of Conduct for employees that promotes the City's values and expected standards of behaviour to be adhered to by all employees. The Code is reviewed regularly and is available for inspection on the City's website.

2.5.3 Supervision

Supervisors are expected to ensure that their business units adhere to governance policy frameworks, undertake training and model the behaviours required by the *Code of Conduct for Employees*.

2.5.4 Financial Management Controls

The City has a suite of financial management documents and processes in place including the following:

- Purchasing Policy
- Procurement Management Framework
- Delegations related to purchasing, debt management, and procurement
- Register of Authorised purchasing officers that is regularly reviewed and updated
- Financial management guidelines and processes
- Monthly reconciliation and financial reporting
- Segregation of duties with regard to delegations related to procurement.

2.5.5 Human Resource Management Controls

The City has the following Human Resource Management Controls in place:



- Employment screening is undertaken including the requirement to provide a national police certificate and/or working with children checks prior to commencement of a role.
- All new employees are required to complete a comprehensive induction process that includes information on governance obligations and the requirement to notify the City in the event that they are charged with a serious criminal offence.
- Secondary employment is required to be approved by the CEO.
- Reference checks of applicants
- Qualification checks, and if required, presentation of original documents.

2.5.6 Information Management Controls

The following information management controls are in place:

- The City has a Record Keeping Plan that provides the framework on how the City meets its obligations under the *State Records Act 2000*.
- The Code of Conduct for Council Members, Committee Members and Candidates and Code of Conduct for Employees contains provisions related to the use of information that reflects the provisions of the *Local Government Act 1995*.
- Access to the City's records by the public is in accordance with the *Freedom of Information Act 1992*, the *Local Government Act 1995*, and other laws.
- Access to the City's records by employees is in accordance with the City's Record Keeping Plan and the access and security classifications determined by the Information Technology Governance Coordinator.
- Access to the City's records by elected members and committee members is through the CEO in accordance with s. 5.92 of the *Local Government Act 1995*.
- Liaison with the Ombudsman WA, State Records Office, and the Information Commissioner, on complaint handling, record keeping and investigation.

2.5.7 Risk Management

This has been discussed at clause 2.4 Risk Analysis and Planning for Integrity.

2.5.8 Audit

The internal audit functions are maintained in line with the *Local Government Act 1995*, *Local Government (Audit) Regulations 1996*, and *Local Government (Financial Management) Regulations 1996*.

The internal audit function assists the in the maintenance and improvement of organisational effectiveness by providing risk-based and independent assurance advice to the CEO and the Audit and Risk Committee.



The internal audit function assists the CEO to achieve business objectives by systematically collecting and reporting information through the Audit and Risk Committee. This includes internal controls, compliance, resource and program management, and organisational performance against statutory obligations.

The internal audit function also ensures the appointment of external auditors to undertake review of internal controls and legislative compliance.

A risk-based internal audit plan is prepared annually by the internal audit function. The plan sets audit topics and identifies resources required for the year in alignment with the City's objectives and key risks. It is presented to the Audit and Risk Committee.

The Committee provides advice to the Council on the effectiveness of the risk management and governance frameworks.

2.5.9 Regulation 17 Review

The *Local Government (Audit) Regulations 1996* requires the CEO, to review the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control and legislative compliance every three years. The CEO is required to report the results to the Audit and Risk Committee.

2.6 Fraud and Corruption Detection Systems

The Fraud and Corruption Control Policy and Framework (to be completed and provided to Council for endorsement and consideration 2024 – 2025 financial year) establishes the City's approach to preventing, detecting and responding to reports of suspected fraud and corruption. The City acknowledges that the audit function, staff, supplier and contractor reporting of suspected fraud and corruption, contributes to detection activities.

Financial management detection includes:

- Monthly data analysis and reporting to EMT by the Director Corporate Services.
- Monthly management accounting reports provided to EMT for consideration.
- Monthly reconciliations and review of exception reports for unusual transactions.
- Internal audit reviews.
- Regular quarterly reporting to Council.
- Annual external audit by the Auditor-General.
- Annual budget process and mid-year review to critically review and examine forward budget projections.

The following table provides a summary of the main documents and areas responsible for integrity.



Document	Location	Custodian	Review date
Code of Conduct for Employees	Sharepoint City website	CEO	TBA
Code of Conduct for Council Members, Committee Members and Candidates	Sharepoint City website	Council/CEO	
Delegations	Sharepoint City website	CEO	Annual
Fraud and Corruption Control Plan	Sharepoint City website	CEO	TBA
Declaring and managing conflicts of interest (Council)	Sharepoint City website	CEO	On-going
Declaring and managing conflicts of interest (Officers)	Sharepoint	CEO	On-going
Offer, acceptance and provision of gifts (Council)	Sharepoint City website	CEO	On-going
Offer, acceptance and provision of gifts	Sharepoint	CEO	On-going
Managing official and/or confidential information	Access restricted area	Information Technology	
Recordkeeping plan	Sharepoint City website	Information Technology Governance Coordinator	
Appropriate use of public resources		Finance	
Discipline and investigations	Access restricted area HR	HR	
Integrity risk management (e.g. risk management policy and procedures, strategic and operational risk registers, internal audit charter)	Sharepoint	CEO	TBA
Human resource management (e.g. recruitment and selection policy, secondary employment policy, employee integrity/screening policy, leave management policy)	Access restricted area HR	Human resources	
Financial management (e.g. financial management manual, use of purchasing cards policy, procurement policy)	Sharepoint City website (where appropriate)	Finance	



Document	Location	Custodian	Review date
Information and communications technology management (e.g. acceptable use of IT equipment policy, cyber security policy)	Sharepoint	Information Technology	



3. Model and embody a culture of integrity

The City sets clear integrity expectations. These expectations emphasise the importance of officers maintaining the highest level of integrity and reflect the City's role to promote integrity and assist to prevent misconduct and corruption across the district.

This is achieved by:

- The Executive and officers reinforcing the CEO's expectations and compliance with standards and policy.
- A publicised Code of Conduct consistent with the Act and Regulations that provides standards of behaviour.
- Established public interest disclosure procedures.
- A comprehensive staff performance management process where managers are required to discuss officer adherence to the Code of Conduct.
- Completion of Primary and Annual returns by relevant officers where employees and Council members are required to declare interests.

The leadership team

The leadership team is comprised of the CEO, directors, Managers and those who act in a supervisory role who head the City's business units. Business units each have a Manager or Coordinator responsible for their functions.

Organisational Culture

The leadership team is required to model and demonstrate the City's values, and act with transparency and integrity. The leadership team are to promote integrity and assist in the prevention of misconduct and corruption.

Transparency is achieved by:

- Publication of Council minutes
- Weekly communication from the CEO to officers
- Weekly communication by the CEO update from the CEO to Councillors
- Monthly staff meetings
- Regular EMT meetings
- Established public interest disclosure procedure
- A comprehensive staff performance management process.

Integrity is supported when officers, Council members, contractors, and volunteers model the City's values. The City's values shape the organisation's culture and the behaviour that the City believes is important. A positive culture promotes openness and honesty and makes individuals accountable.



Effective leadership and supervision will have significant impact on the performance and integrity of business units, assisting in the detection and prevention of misconduct at the City.

Leaders must be proactive in the promotion of integrity and should continually promote and discuss with their employees their expectations of conduct.

4. Learn and develop integrity knowledge and skills

4.1 Staff Induction and Training

The City is committed to building the integrity knowledge and capacity of its staff through training.

The City uses formal and informal education means to achieve this outcome:

- Commencing officers are provided at induction with a copy of the Code of Conduct for Employees.
- Later, in 2023, officers will be required to complete online fraud awareness training.
- Staff development training includes compliance training in areas such as document management, procurement, safety, and relevant Human Resources policies such as bullying and harassment.
- Training completed by officers is recorded on the officer's personnel file.

Information and training about conduct, integrity and performance are communicated to existing officers through:

- Weekly staff update
- Monthly staff meetings
- Employee training
- Annual Performance Appraisals
- The City's intranet (One Council)

4.2 Council Member Induction and Training

New Council Members are provided with an Induction Manual and training by Administration to assist them in their role and understanding of their responsibilities. Council members must complete mandatory training in accordance with the *Local Government Act 1995*, within 12 months of election.

Council members are provided opportunities for training outside of these programmes, and a budget is available for training each year.

Information on matters of integrity and performance, when required, is provided to Council members through the CEO update.



5. Be Accountable for integrity

The City has a zero tolerance approach to misconduct and corruption and expects the Executive Team, Managers and Supervisors to deal with conduct issues early.

If a suspected conduct matter is raised, the City treats this seriously, and will act with prompt and appropriate action.

5.1 Misconduct Reporting

Officers and Council members have a duty to report suspected misconduct. The following procedures are available for the reporting of suspected misconduct:

Report to supervisor – The City encourages notification to an officer's immediate supervisor in the first instance, although employees may also notify a senior member of staff where a report to a supervisor may not be possible.

Report to the CEO – Officers may notify the CEO directly of suspected misconduct. Notification should be made to the CEO by email or in writing.

Public Interest Disclosure – Individuals may make a public interest disclosure in writing to one of the City's public interest disclosure officers. These officers are:

- Manager Human Resources – Shelley Mettam
- Manager Health and Compliance – Andrew Melville JP

Third party – Individuals may report incidents of suspected misconduct to external agencies including the Corruption and Crime Commission (eg officer and elected member serious misconduct), Department of Local Government, Sport and Cultural Industries, Public Sector Commission (employee misconduct) and WA Police (fraud). All reports will be treated confidentially.

5.2 Response to Integrity Breaches

The CEO is required to notify the Corruption and Crime Commission or Public Sector Commission where they believe an employee may have committed misconduct as defined in the *Corruption, Crime and Misconduct Act 2003*.

The CEO is required to notify the Corruption and Crime Commission where they believe a Council member may have committed a serious misconduct breach.

The CEO is to report to the Standards Panel of the DLGSC a breach of the Code of Conduct for Council Members, Committee Members and Candidates (Rules of Conduct).



5.3 Self-Assessment and Review

The Integrity Framework will be reviewed annually reported to the Audit and Risk Management Committee providing an update on the Framework, Integrity Snapshot Tool and Integrity Action Plan.



6. Oversight

The CEO, with the support of the Executive Management Team (EMT), is responsible for the oversight of the Integrity Framework.

The following processes are in place to provide the CEO with assurance that the approach to practicing, managing and accounting for integrity is sound and the framework is fit for purpose and meets its objectives.

- Integrity is a standing item at the Executive Management weekly meeting
- The City provides monthly reporting on financial performance to Council
- Monthly reporting on any occurrences of fraud and misconduct to EMT
- Quarterly reporting on the City's registers to EMT. These registers include:
 - Conflicts of interest;
 - Gifts;
 - Risk Management
 - Training
- Regular reporting on staff development and training plans to EMT.



13.1 Internal Audit

Next Update is scheduled for October Audit Committee meeting.



14 Any Other Business

Committee Members can raise any other business for discussion at the discretion of the Presiding Member.

14.1 Term deposit discussion

Director of Corporate Services to discuss term deposits

15 Date of Next Meeting

The date of the next meeting of the Audit Committee Meeting is to be confirmed.

16 Declaration of Closure

There being no further business, the Presiding Member will declare the meeting closed.