



City of Nedlands

# ***Agenda***

## ***Audit & Risk Committee Meeting 21 September 2021***

### **ATTENTION**

This Agenda has yet to be dealt with by the Committee.

The Administration Recommendations, shown at the beginning of each item, have yet to be considered by the Committee and are not to be interpreted as being the position of either the Committee or Council.

The Minutes of the meeting held to discuss this Agenda should be read to ascertain the decision of the Committee. Before acting on any recommendation of the Committee a check must also be made in the Ordinary Council Minutes following the Committee Meeting to ensure that Council did not make a decision at variance to the Committee Recommendation.

Once the venue is at capacity no further admission into the room will be permitted. Prior to entry, attendees will be required to register using the SafeWA App or by completing the manual contact register prior to entry - as stipulated by Department of Health mandatory requirements.

Ed Herne  
Director Corporate & Strategy  
15 September 2021

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## **City of Nedlands**

**Notice of a meeting of the Audit & Risk Committee to be held in the Council Chamber, 71 Stirling Highway, Nedlands and Livestreamed on Tuesday 21 September 2021 at 5pm.**

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### **Audit & Risk Committee Agenda**

#### **Declaration of Opening**

The Presiding Member will declare the meeting open at 5pm and will draw attention to the disclaimer below.

#### **Present and Apologies and Leave of Absence (Previously Approved)**

**Leave of Absence**                      None at distribution of agenda.  
**(Previously Approved)**

**Apologies**                              None at distribution of agenda.

#### **Disclaimer**

Members of the public who attend Council 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 the Council meeting. Members of the public are also advised to wait for written advice from the CEO, on behalf of Council prior to taking action on any matter that they may have before Council.

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#### **1. Public Question Time**

A member of the public wishing to ask a question should register that interest by notification in writing to the CEO in advance, setting out the text or substance of the question. Questions tabled at the meeting may be unable to be answered due to the requirement for technical research and will therefore be answered directly afterwards.

Questions must relate to a matter contained within the agenda of this meeting.

**2. Addresses By Members of the Public (only for items listed on the agenda)**

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

**3. Disclosures of Financial and/or Proximity Interest**

The Presiding Member to remind Council Members, Committee Members and Employees 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 Council or Committee 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 Council & Committee Members may allow participation of the declarant if the Council 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 Council & Committee Members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

**4. Disclosures of Interests Affecting Impartiality**

The Presiding Member to remind Council Members, Committee Members and Employees of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

Council Members, Committee Members and employees 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).

As a consequence, 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 Council Member, Committee Members or employee is encouraged to disclose the nature of the association.

**5. Declarations by Council & Committee Members That They Have Not Given Due Consideration to Papers**

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

**6. Confirmation of Minutes**

Audit & Risk Committee Meeting 30 August 2021

The minutes of the Audit & Risk Committee held 30 August 2021 are to be confirmed.

**7. Matters for Which the Meeting May Be Closed**

Council, in accordance with Standing Orders and for the convenience of the public, is to identify any matter which is to be discussed behind closed doors at this meeting, and that matter is to be deferred for consideration as the last item of this meeting.

Nil.

**8. Items for Discussion**

Note: Regulation 11(da) of the *Local Government (Administration) Regulations 1996* requires written reasons for each decision made at the meeting that is significantly different from the relevant written recommendation of a committee or an employee as defined in section 5.70, but not a decision to only note the matter or to return the recommendation for further consideration.

## 8.1 Moore Australian – Internal Audit

<b>Committee</b>	21 September 2021
<b>Applicant</b>	City of Nedlands
<b>Employee Disclosure under section 5.70 Local Government Act 1995</b>	Nil.
<b>Director</b>	Ed Herne – Director Corporate & Strategy
<b>Attachments</b>	Nil.
<b>Confidential Attachments</b>	1. Proposed Internal Audit Plan (Committee request) 2022-2024, 2. Proposed Internal Audit Plan (Management request) 2022-2024.

### Executive Summary

The purpose of this report is to approve the internal audit topics for the year ended 30 June 2022, 2023, and 2024 as recommended by management, and to approve for Moore Australia to be reappointed as the City's internal auditor for the 3 years ended 30 June 2022 to 30 June 2024.

### Recommendation to Committee

That Council:

1. approves the Internal Audit Plan recommended by management for the year ended 30 June 2022, 2023, and 2024; and
2. approves for Moore Australia to be reappointed as the City's internal auditor for the 3 years ended 30 June 2022 to 30 June 2024.

### Discussion/Overview

#### 1. Internal Audit Plan for the years ending 2022 - 2024

Following the last Audit and Risk Committee meeting on 30 August 2021, Moore Australia has prepared the internal audit plan for the years ending 30 June 2022 to 30 June 2024 based on topics recommended by the Committee (refer Attachment 1).

With the upcoming ERP implementation now being identified as a KRA for the City, management has considered the workload associated with the

audit plan further and its impact on the timing of the ERP implementation and proposed an alternate internal audit plan (refer Attachment 2).

**2. Approval for Moore Australia to be reappointed as the City's internal audit provider for the 3 years ending 30 June 2022 to 2024**

Moore Australia are seeking approval to continue as the City's internal audit provider to undertake the Strategic Audit Plan for the 3 years ending 30 June 2022 to 2024. The experience and expertise of Moore Australia's key personnel are provided in the proposal to provide internal audit services (refer to Attachments 1 and 2).

**Key Relevant Previous Council Decisions:**

Nil.

**Consultation**

Nil.

**Strategic Implications**

**How well does it fit with our strategic direction?**

The City of Nedlands relies on internal audit as the third line of defense to provide insight and improvement opportunities to the system of internal control.

**Who benefits?**

The City will benefit from having a Strategic Internal Audit Plan. This provides a strategic view of the internal audit topics planned for the next year to demonstrate the risks being mitigated by the work performed by the internal audit function, Office of the Auditor General via their financial and performance audit function and what work needs to be performed by the City of Nedlands.

**Does it involve a tolerable risk?**

The work included within the Strategic Internal Plan aims to reduce the residual risk identified by the City of Nedlands by identifying controls and improvement opportunities.

**What level of risk is associated with the option? How can it be managed?**

Nil.

**Do we have the information we need?**

Yes. The Strategic Internal Audit Plan identifies the internal audit topics for the years ending 30 June 2022 to 30 June 2024.

**Budget/Financial Implications**

**Can we afford it?**

The internal audit fees for the year ended 30 June 2022 have been included in the budget.

**How does the option impact upon rates?**

The impact of this option has already been included in the 2021-22 budget.

**Conclusion**

Therefore, it is recommended that the Audit and Risk Committee approves the internal audit topics recommended by management for the year ended 30 June 2022 to 30 June 2024 and approved the reappointment of Moore Australia as the City's internal audit provider for the 3 years ending 30 June 2022 to 30 June 2024.



**9. Urgent Business Approved By the Presiding Member or By Decision**

Any urgent business to be considered at this point.

**10. Confidential Items**

Nil.

**11. Date of next meeting**

The next meeting of the Audit & Risk Committee is to be advised.

**Declaration of Closure**

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