



City of Nedlands

Agenda

Audit & Risk Committee Meeting

7 October 2019

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.

Lorraine Driscoll
Acting Chief Executive Officer
3 October 2019

Table of Contents

Declaration of Opening	3
Present and Apologies and Leave of Absence (Previously Approved)	3
1. Public Question Time	3
2. Addresses By Members of the Public (only for items listed on the agenda)	4
3. Disclosures of Financial Interest	4
4. Disclosures of Interests Affecting Impartiality	4
5. Declarations by Members That They Have Not Given Due Consideration to Papers	4
6. Confirmation of Minutes	5
6.1 Audit & Risk Committee Meeting 2 September 2019	5
7. Matters for Which the Meeting May Be Closed	5
8. Items for Discussion	5
8.1 Audit Action Plan for OAG Performance Audit - Fraud Prevention in Local Government	6
9. Confidential Items	9
10. Date of next meeting	9
Declaration of Closure	9

City of Nedlands

Notice of a meeting of the Audit & Risk Committee to be held in the Council Chambers at the City of Nedlands, 71 Stirling Highway, Nedlands on Monday 7 October 2019 at 5.30 pm.

Audit & Risk Committee Agenda

Declaration of Opening

The Presiding Member will declare the meeting open at 5.30 pm and will draw attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

Present and Apologies and Leave of Absence (Previously Approved)

Leave of Absence (Previously Approved) Nil.

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 Council meeting. Members of the public are also advised to wait for written advice from the 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 Interest

The Presiding Member to remind Councillors 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.

4. Disclosures of Interests Affecting Impartiality

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

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

5. Declarations 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.

6. Confirmation of Minutes

6.1 Audit & Risk Committee Meeting 2 September 2019

The minutes of the Audit & Risk Committee held 2 September 2019 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.

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 Audit Action Plan For Oag Performance Audit - Fraud Prevention In Local Government

Owner	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Director	Lorraine Driscoll – Director Corporate & Strategy
CEO	Mark Goodlet
Attachments	1. CONFIDENTIAL – City of Nedlands OAG Fraud Prevention Recommendations Audit Log

Executive Summary

The objective of this report is to present the Audit Action Plan prepared for implementing recommendations made by the Office of the Auditor General (OAG) in their Fraud Prevention in Local Government Report. The Office of Auditor General (OAG) conducts Performance Audits to assess Local Governments against common business practices to identify good practices, control weaknesses and exposures so that local governments, including those not audited, can evaluate their own performance.

The OAG undertook a narrow-scope performance audit regarding the Fraud Prevention Management capabilities of the Local Governments within the State. The audit was conducted on a selection basis and the City was selected for inclusion in the audit.

At the Audit and Risk Committee Meeting held on 2 September 2019, the OAG’s Fraud Prevention in Local Government Report was presented to Audit and Risk Committee with the following recommendations:

The Audit & Risk Committee:

1. Receives the Fraud Prevention in Local Government Report;
2. Notes and accepts the responses provided by the Chief Executive Officer specific to the City within the Report;
3. Recommends Council:
 - a. approves the responses of the Chief Executive Officer;
 - b. instructs the Chief Executive Officer to provide Report implementation progress updates to the Audit and Risk Committee at appropriate intervals;
4. Approves Confidential Attachment 1 to be made Public; and

5. Approves the Fraud Risk Assessment time frame to be amended from 18 months to 8 months.

Recommendation to Committee

That the Audit & Risk Committee:

1. **Receives the Audit Action Plan; and**
2. **Recommends Council supports the Audit Action Plan.**

Discussion/Overview

The Local Government Amendment (Auditing) Act 2017 made legislative changes to the Local Government Act 1995 to provide for the auditing of Local Governments by the Auditor General. Under Section 18 of the Auditor General Act 2006, the OAG can conduct Performance Audit of the Local Government within the State. Accordingly, the OAG executed a narrow-scope performance audit in relation to the Fraud Prevention Management within the Local Government sector.

The key purpose of the Fraud Prevention in Local Government performance audit was to assess whether selected Local Governments have taken appropriate steps to prevent fraud within the organisation and have appropriate controls in place. The City along with 4 other Councils were included in the audit.

Based on the results of their audit, OAG issued a Summary of Findings report detailing their observations across all the 5 audited Councils. Further, the report made recommendations in relations to the findings identified as a part of the audit. The CEO was invited to provide feedback and Management responses in relation to each recommendation made in the report. Accordingly, the CEO made comments providing further explanations where applicable.

Based on these comments, the Audit Action Plan has been prepared to effectively address the recommendations made by the OAG.

The Audit Action Plan is presented to the Audit and Risk Committee for their information and consideration.

Key Relevant Previous Council Decisions:

Nil.

Consultation

Nil.

Budget/Financial Implications

The OAG Performance Audits are funded by Parliamentary appropriation and has nil financial implications for the Council.

The cost for execution of the Audit Action Plan will be included in the Revised 2019/20 Financial Budget.

9. Confidential Items

10. Date of next meeting

The date of the next meeting of this Committee is 14 November 2019.

Declaration of Closure

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