

NOTICE OF MEETING

AUDIT AND RISK COMMITTEE

Members of the Audit and Risk Committee are advised that a meeting of the Committee will be held in the Council Chambers, Civic Building, 83 Mandurah Terrace, Mandurah on:

**Monday 8 March 2021
at 5.30pm**

MARK R NEWMAN

Chief Executive Officer
4 March 2021

Committee Members:

Councillor P Jackson (Chairperson)
Mayor Williams
Councillor J Green
Councillor P Rogers
Councillor A Zilani
Mr W Ticehurst

Deputies:

Councillor D Pember
Councillor C Knight

AGENDA

1 OPENING OF MEETING

2 APOLOGIES

3 IMPORTANT NOTE

Members of the public are advised that the decisions of this Committee are referred to Council Meetings for consideration and cannot be implemented until approval by Council. Therefore, members of the public should not rely on any decisions of this Committee until Council has formally considered the resolutions agreed at this meeting.

4 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

5 PUBLIC QUESTION TIME

Public Question Time provides an opportunity for members of the public to ask a question of Council. For more information regarding Public Question Time please visit the City's website www.mandurah.wa.gov.au or telephone 9550 3787.

6 ANNOUNCEMENTS

Modification to *Standing Orders Local Law 2016* - electronic attendance at meeting.

7 PRESENTATIONS

7.1 City of Mandurah Cultural Framework

7.2 OHS 2020-21 YTD Review

8 DEPUTATIONS

Any person or group wishing to make a Deputation to the Committee meeting regarding a matter listed on this agenda for consideration must complete an application form. For more information regarding making a deputation please visit the City's website www.mandurah.wa.gov.au or telephone 9550 3787.

NB: Persons making a deputation to this Committee meeting will not be permitted to make a further deputation on the same matter at the successive Council meeting, unless it is demonstrated there is new, relevant material which may impact upon the Council's understanding of the facts of the matter.

9 CONFIRMATION OF MINUTES: 1 DECEMBER 2020

Minutes available via <https://www.mandurah.wa.gov.au/council/council-meetings/agendas-and-minutes>

10 DECLARATIONS OF INTERESTS

11 QUESTIONS FROM COMMITTEE MEMBERS

11.1 Questions of Which Due Notice Has Been Given

11.2 Questions of Which Notice Has Not Been Given

12 BUSINESS LEFT OVER FROM PREVIOUS MEETING

13 REPORTS FROM OFFICERS:

<i>No.</i>	<i>Item</i>	<i>Page No</i>	<i>Note</i>
1	Review of Financial Management Systems and Procedures	1 - 3	
2	Compliance Audit Return 2020	4 – 20	
3	OSH 2020-21 Mid-Year Review	21 - 23	

14 LATE AND URGENT BUSINESS ITEMS

15 CONFIDENTIAL ITEMS

16.1 Systems Security

16.2 Social Engineering

16.3 Audit Updates and Reviews

16.4 Strategic Risk

16 CLOSE OF MEETING

1	SUBJECT:	Report of the CEO Review of Financial Management Systems and Procedures
	DIRECTOR:	Director Business Services
	MEETING:	Audit and Risk
	MEETING DATE:	8 March 2021

Summary

In accordance with Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* (Regulations), the Chief Executive Officer (CEO) is required to review the appropriateness and effectiveness of the City of Mandurah (City) financial management systems and procedures at least once every three calendar years.

An independent internal audit service provider was appointed by the CEO to undertake the review in January 2021. The report (Confidential Attachment 1.1) is now being presented to Audit and Risk Committee for consideration and review of the improvement actions identified.

In accordance with regulation 16(d) of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee is required to receive the review report and report to Council the results of the review.

Disclosure of Interest

Nil

Previous Relevant Documentation

- AR.5/3/18 12 March 2018 Review of Financial Systems

Background

In 2013, regulation 5 of the Regulations was amended to include the requirement for the CEO to review the appropriateness and effectiveness of the City's financial management systems and procedures on a biennial basis. In 2018, regulation 5 was amended to change the frequency of the review requirements from biennial to triennial.

There is no prescribed format for the conduct of the Regulation 5(2)(c) review. The last review was undertaken in-house by the Financial Services area. The previous review did not identify specific area's for improvement.

Comment

To ensure that the 2021 review was delivered objectively, the City procured the services of an internal audit service provider to undertake the audit on behalf of the CEO. The review of the appropriateness and effectiveness of the City's financial management systems and procedures also forms part of the Strategic Internal Audit Plan that was endorsed by the Audit and Risk Committee in May 2020.

It is important to note, that financial controls and systems also form part of the audit of the annual financial statements and often any critical deficiencies are highlighted through the annual audit of the financial statements. However, this review involves greater testing and analysis than what is included in the annual financial statement external auditor's engagement.

In accordance with the requirements under regulation 5(2) (c) of the Regulations, the review included the following areas:

- Collection of money;
- Custody and security of money;
- Maintenance and security of the financial records;
- Accounting for municipal or trust transactions;
- Authorisation for incurring liabilities and making payments;
- Maintenance of payroll, stock control and costing records

The City's detailed response to the auditors' recommendations is outlined in the auditor's report in Confidential Attachment 1.1.

Statutory Environment

Local Government (Financial Management) Regulations 1996

5. CEO's duties as to financial management

- (1) *Efficient systems and procedures are to be established by the CEO of a local government —*
 - (a) *for the proper collection of all money owing to the local government; and*
 - (b) *for the safe custody and security of all money collected or held by the local government; and*
 - (c) *for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and*
 - (d) *to ensure proper accounting for municipal or trust —*
 - (i) *revenue received or receivable; and*
 - (ii) *expenses paid or payable; and*
 - (iii) *assets and liabilities;**and*
 - (e) *to ensure proper authorisation for the incurring of liabilities and the making of payments; and*
 - (f) *for the maintenance of payroll, stock control and costing records; and*
 - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*
- (2) *The CEO is to —*
 - (a) *ensure that the resources of the local government are effectively and efficiently managed; and*
 - (b) *assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*
 - (c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.*

Local Government (Audit) Regulations 1996

16. An audit committee has the following functions –

- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –*
 - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).*

(f) to oversee the implementation of any action that the local government –
(iv) has accepted should be taken following receipt of a report of a review conducted under the
Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).

Policy Implications

Strategic Internal Audit Plan 2020/21 -2022/23
Operational Internal Audit Plan 2020/21
Internal Audit Manual
Relevant CEO Policies and Council Policies

Financial Implications

The cost of the external auditor review was \$12,650

Risk Analysis

Reviews conducted by external auditors mitigate and reduce the likelihood of a financial risk event occurring. This is one of the preventative controls that is implemented and forms part of entire suite of audits and controls of the financial management systems and procedures that is carried out at the City to avoid a risk event occurring.

Strategic Implications

The following strategy from the City of Mandurah Strategic Community Plan 2020 – 2040 is relevant to this report:

Organisational Excellence:

- Build and retain a skilled, agile, motivated and healthy workforce.
- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices, governance, risk and financial management.

Conclusion

The review of the appropriateness and effectiveness of the financial management systems and procedures provides an opportunity to identify and implement improvements. Significant progress has been made in the last 12 months to improve controls. The City officers have been reviewing existing procedures and documenting processes as the implementation of the new corporate business system continues. All actions will be included in the Strategic Internal Audit Plan Monitoring Report in future Audit and Risk Committee meetings until they have been completed.

NOTE:

- Refer **Confidential Attachment 1.1** **Auditors report**
Confidential Attachment 1.2 **Audit tracking report**

RECOMMENDATION

That the Audit and Risk Committee recommend that Council:

- 1 Endorses the CEO's review of Financial Management Systems as detailed in Confidential Attachment 1.1.**
- 2 Notes the improvement actions to be undertaken as detailed in Confidential Attachment 1.2.**

2	SUBJECT:	Compliance Audit Return 2020
	DIRECTOR:	Director Business Services
	MEETING:	Audit and Risk Committee
	MEETING DATE:	8 March 2021

Summary

The Department of Local Government, Sport and Cultural Industries (DLGSC) has circulated to all Western Australian local governments, the annual 2020 Compliance Audit Return for completion.

The return is a requirement of the *Local Government Act 1995* and its Regulations and is prepared for the Minister Local Government in an approved form. The return covers the period 1 January 2020 to 31 December 2020.

There is a statutory requirement to have the compliance audit reviewed by the Audit and Risk Committee and then adopted by Council. Once adopted, it will be certified by the Mayor and Chief Executive Officer and forwarded to the DLGSC prior to the 31 March 2021 deadline.

The compliance audit has been conducted for 2020 which resulted in the City achieving 94% (96/102) compliance.

Disclosure of Interest

N/A

Previous Relevant Documentation

- | | | |
|-------------|---------------|------------------------------|
| • G.7/3/20 | 24 March 2020 | Compliance Audit Return 2019 |
| • G.10/3/19 | 26 March 2019 | Compliance Audit Return 2018 |
| • G.27/3/18 | 27 March 2018 | Compliance Audit Return 2017 |

Background

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires a local government to carry out a compliance audit for the period 1 January to 31 December in each year. The compliance audit forms part of the DLGSC's monitoring program which includes all statutory requirements as outlined in the audit regulations.

It is also a method of bringing to Council's attention cases of non-compliance, or where full compliance has not been achieved. It is noted that Council is required to endorse any remedial action taken or proposed to be taken in regard to instances of non-compliance. In some instances, non-compliance can result in further inquiries by the DLGSC.

Comment

When preparing the return, responses are validated through a series of newly developed testing mechanisms to assure that responses are correct and sufficient for third party review.

The main components of the 2020 Compliance Audit Return were:

1. Commercial Enterprises by Local Governments
2. Delegation of Power/Duty
3. Disclosure of Interest
4. Disposal of Property
5. Elections

6. Finance
7. Integrated Planning and Reporting
8. Local Government Employees
9. Official Conduct
10. Optional Questions
11. Tenders for Providing Goods and Services.

Relevant managers were required to complete responses to the questions which were approved by their Director before being forwarded to Governance Services for review and input via the Smart Hub on the DLGSC website.

Areas where full compliance was not achieved for 2020 are:

Category	Question	Comment	Action and Follow Up
Disclosure of Interest	Q20. Has the local government adopted a code of conduct in accordance with Admin Regs 34B & 34C to be observed by council members, committee members and employees?	<p>The City of Mandurah has adopted a Code of Conduct (Code) in 2016 and it was published on the City's website.</p> <p>The Code was adopted prior to the legislative amendments in 2019 which requires that the Code includes a statement that the CEO is to publish an up-to-date version of the register on the local government's official website.</p>	<p>The <i>Local Government (Administration) Amendment Regulations 2021</i> has changed the content requirements for a Code of Conduct for employees. There is no requirement to include a statement that the CEO is to publish an up-to-date version of the register on the local government's official website.</p> <p>No further action required.</p>
Disposal of Property	Q1. Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	<p>Public notice was given prior to the disposal of property however an administrative error resulted in the notice not being placed on the City's public notice boards.</p>	<p>Procedures have since been updated, resources developed and a new intranet page has been dedicated to public notices to ensure future compliance in this area.</p> <p>Governance Services will now have a role in reviewing and monitoring all notice processes across the City to ensure compliance with the Act.</p>
Finance	Q8. Where the local government was required to prepare a report under s7.12A(4)(a), was a copy of the report given to the Minister within three months of the audit report being received by the local government?	<p>A report for 18/19 was delivered to the Minister outside of the three-month timeframe. A report for 19/20 was delivered within the three-month timeframe.</p> <p>This oversight has previously been reported to the Audit and Risk Committee.</p>	<p>No further action required.</p>

Local Government Employees	Q2. Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	<p>The closing date/time and contact details were missing from the advertisement for the following positions: (1) Director Place and Community and (2) Director Strategy and Economic Development.</p> <p>The missing information was listed on the notices on the City's website but not as published in the newspaper.</p>	<p>Procedures have since been updated, resources developed and a new intranet page has been dedicated to public notices to ensure future compliance in this area. Governance Services will now have a role in reviewing and monitoring all notice processes across the City to ensure compliance with the Act.</p>
Optional Questions	Q7. Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3) and (4)	<p>Following recent amendments to legislation, consolidated versions of local laws are to be published on the City's website.</p> <p>The City's principle and amendment local laws have been published on the City's website since they were adopted however consolidated versions were not published prior to the end of 2020.</p>	<p>Consolidated versions of local laws have now been finalised and published on the City's website.</p> <p>No further action required.</p>
Tenders	Q4. When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via State-wide public notice in accordance with F&G Reg 14(3) and (4)?	<p>Public notice of every tender was given however an administrative error resulted in a failure to publish two notices on the City's public notice boards.</p>	<p>Procedures have since been updated, resources developed and a new intranet page has been dedicated to public notices to ensure future compliance in this area.</p> <p>Governance Services will now have a role in reviewing and monitoring all notice processes across the City to ensure compliance with the Act.</p>

The 2020 Compliance Audit Return has now been completed and is required to be considered by the Audit and Risk Committee and adopted by Council before being finalised and submitted to the DLGSC by 31 March 2021.

Consultation

Department of Local Government Sport and Cultural Industries.

Statutory Environment

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

Local Government Act 1995

Policy Implications

Reference to relevant policies has been made where appropriate.

Economic Implications

N/A

Risk Analysis

The risk associated with Council failing to adopt the 2020 Return would result in non-compliance with the legislative requirements of the *Local Government (Audit) Regulations 1996*.

Strategic Implications

The following strategy from the City of Mandurah Strategic Community Plan 2020 – 2040 is relevant to this report:

Organisational Excellence:

- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices, governance, risk and financial management.

Conclusion

The City's 2020 Compliance Audit Return is now to be reviewed by the Audit and Risk Committee and presented to Council for adoption.

NOTE:

- Refer ***Attachment 2.1 2020 Compliance Audit Return***

RECOMMENDATION

That the Audit and Risk Committee recommend that Council:

- 1. Adopts the 2020 Local Government Compliance Audit Return for the period 1 January 2020 to 31 December 2020 as per Attachment 2.1 of the report.**
- 2. Authorise the Mayor and the Chief Executive Officer to certify, in accordance with Regulation 15 of the *Local Government (Audit) Regulations 1996*, the completed 2020 Compliance Audit Return and submit to the Department of Local Government, Sport and Cultural Industries.**



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

Mandurah - Compliance Audit Return 2020

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2020?	N/A		Casey Mihovilovich
2	s3.59(2)(b) F&G Regs 7,8,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2020?	N/A		Casey Mihovilovich
3	s3.59(2)(c) F&G Regs 7,8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2020?	N/A		Casey Mihovilovich
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2020?	N/A		Casey Mihovilovich
5	s3.59(5)	During 2020, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Casey Mihovilovich



Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A	No delegations to committees	Casey Mihovilovich
2	s5.16	Were all delegations to committees in writing?	N/A	No delegations to committees	Casey Mihovilovich
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A	No delegations to committees	Casey Mihovilovich
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A	No delegations to committees	Casey Mihovilovich
5	s5.18	Has council reviewed delegations to its committees in the 2019/2020 financial year?	N/A	No delegations to committees	Casey Mihovilovich
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Casey Mihovilovich
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Casey Mihovilovich
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Casey Mihovilovich
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Casey Mihovilovich
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes		Casey Mihovilovich
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Casey Mihovilovich
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2019/2020 financial year?	Yes	23 June 2020 Minute G.21/06/20	Casey Mihovilovich
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes	To the best of my knowledge	Casey Mihovilovich

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Casey Mihovilovich



No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	N/A		Casey Mihovilovich
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Casey Mihovilovich
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Casey Mihovilovich
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2020?	Yes		Casey Mihovilovich
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Casey Mihovilovich
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Casey Mihovilovich
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Casey Mihovilovich
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Casey Mihovilovich
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Casey Mihovilovich
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Casey Mihovilovich
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Casey Mihovilovich
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		Casey Mihovilovich



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

No	Reference	Question	Response	Comments	Respondent
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Casey Mihovilovich
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?	Yes		Casey Mihovilovich
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11 (2) was the nature of the interest recorded in the minutes?	Yes		Casey Mihovilovich
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	N/A		Casey Mihovilovich
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A		Casey Mihovilovich
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Casey Mihovilovich
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?	No	Legislation has changed since the City's Code of Conduct was adopted. The City's Code of Conduct meets all requirements with the exception of containing a statement that the Gift Register must be published on the City's website. The requirement to actually publish the Gift Register on the City's website has been met.	Casey Mihovilovich
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?	Yes		Casey Mihovilovich



Disposal of Property					
No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	No	Public notice was given prior to the disposal of property however an administrative error resulted in the notice not being placed on the City's public notice boards. Procedures have since been updated to ensure future compliance.	Casey Mihovilovich
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		Casey Mihovilovich

Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	N/A		Casey Mihovilovich
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A		Casey Mihovilovich
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	N/A		Casey Mihovilovich

Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	29 October 2019 Minute SP.2/10/19	Casey Mihovilovich
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A		Casey Mihovilovich



No	Reference	Question	Response	Comments	Respondent
3	s7.3(1) & s7.6(3)	Was the person or persons appointed by the local government to be its auditor appointed by an absolute majority decision of council?	N/A	No new auditor was appointed in the 2020 calendar year	Casey Mihovilovich
4	s7.3(3)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor a registered company auditor or an approved auditor?	Yes		Casey Mihovilovich
5	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2020 received by the local government by 31 December 2020?	Yes	15 December 2020 Minute G.5/12/20	Casey Mihovilovich
6	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes		Casey Mihovilovich
7	s7.12A(4)(a)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?	Yes	1 December 2020 Minute AR.4/12/20 15 December 2020 G.5/12/20	Casey Mihovilovich
8	s7.12A(4)(b)	Where the local government was required to prepare a report under s.7.12A(4)(a), was a copy of the report given to the Minister within three months of the audit report being received by the local government?	No	A report for 18/19 was delivered to the Minister outside of the three month timeframe. A report for 19/20 was delivered within the three month timeframe.	Casey Mihovilovich
9	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	Yes		Casey Mihovilovich
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives and scope of the audit, a plan for the audit, details of the remuneration and expenses paid to the auditor, and the method to be used by the local government to communicate with the auditor?	Yes		Casey Mihovilovich
11	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes	15 December 2020 Minute G.5/12/20	Casey Mihovilovich



Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted: 24 March 2020 Minute G.16/3/20	Casey Mihovilovich
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted: 26 May 2020 Minute G.24/5/20 Minor amendments: 24 November 2020 Minute G.22/11/20	Casey Mihovilovich
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Casey Mihovilovich



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A		Casey Mihovilovich
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	No	The closing date/time and contact details were missing from the advertisement for the following positions: (1) Director Place and Community and (2) Director Strategy and Economic Development. Procedures have since been amended to ensure future compliance.	Casey Mihovilovich
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		Casey Mihovilovich
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A		Casey Mihovilovich
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	10 March 2020 Minute SP.11/3/20 – Employment Contract 28 July 2020 Minute G.29/7/20 – Appointment of Director Place and Community 22 September 2020 Minute G.20/9/20 – Appointment of Director Strategy and Economic Development	Casey Mihovilovich
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Casey Mihovilovich



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	N/A	The CEO is the City of Mandurah Complaints Officer	Casey Mihovilovich
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)?	Yes		Casey Mihovilovich
3	s5.121(2)	Does the complaints register include all information required by section 5.121(2)?	Yes		Casey Mihovilovich
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Casey Mihovilovich

Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2020? If yes, please provide the date of council's resolution to accept the report.	Yes	27 March 2018 Minute G.14/3/18	Casey Mihovilovich
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2020? If yes, please provide date of council's resolution to accept the report.	Yes	Audit and Risk Committee: AR.9/5/20 Council: G.14/5/20	Casey Mihovilovich
3	s5.87C(2)	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift?	Yes		Casey Mihovilovich
4	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, did the disclosure include the information required by section 5.87C?	Yes		Casey Mihovilovich
5	s5.90A(2)	Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events?	Yes	28 January 2020 Minute G.12/1/20	Casey Mihovilovich



No	Reference	Question	Response	Comments	Respondent
6	s.5.90A(5)	Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website?	Yes		Casey Mihovilovich
7	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	No	Recent amendment to legislation requires consolidated versions of local laws to be published on the City's website. Principle Local Laws and Amendment Local Laws were all published on the City's website separately. Consolidated versions of local laws have now been prepared and published.	Casey Mihovilovich
8	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	28 January 2020 Minute G.12/1/20	Casey Mihovilovich
9	s5.127	Did the local government prepare a report on the training completed by council members in the 2019/2020 financial year and publish it on the local government's official website by 31 July 2020?	Yes		Casey Mihovilovich
10	s6.4(3)	By 30 September 2020, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2020?	Yes		Casey Mihovilovich

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Does the local government have a current purchasing policy that complies with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	27 October 2020 Minute G.12/10/20	Casey Mihovilovich
2	F&G Reg 11A(1)	Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	The City's policy requires all staff to comply with the requirements of the City's Procurement Policy under \$250,000. The Procurement Team ensures that procurements between \$50,000 and \$250,000 that are facilitated by the team are compliant with the requirements of the policy.	Casey Mihovilovich



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

No	Reference	Question	Response	Comments	Respondent
3	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes	To the best of our knowledge	Casey Mihovilovich
4	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	No	Public notice was given however an administrative error resulted in two notices not being placed on the City's public notice boards. Procedures have since been updated to ensure future compliance.	Casey Mihovilovich
5	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	Yes	To the best of our knowledge	Casey Mihovilovich
6	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes		Casey Mihovilovich
7	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		Casey Mihovilovich
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Casey Mihovilovich
9	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes		Casey Mihovilovich
10	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Casey Mihovilovich
11	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Casey Mihovilovich
12	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	N/A		Casey Mihovilovich



No	Reference	Question	Response	Comments	Respondent
13	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A		Casey Mihovilovich
14	F&G Reg 23(3)	Were all expressions of interest that were not rejected assessed by the local government?	N/A		Casey Mihovilovich
15	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services as an acceptable tenderer?	N/A		Casey Mihovilovich
16	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A		Casey Mihovilovich
17	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A		Casey Mihovilovich
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A		Casey Mihovilovich
19	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A		Casey Mihovilovich
20	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A		Casey Mihovilovich
21	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		Casey Mihovilovich
22	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Casey Mihovilovich
23	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Casey Mihovilovich



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

No	Reference	Question	Response	Comments	Respondent
24	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	Yes		Casey Mihovilovich

I certify this Compliance Audit Return has been adopted by council at its meeting on _____

Signed Mayor/President, Mandurah

Signed CEO, Mandurah

3	SUBJECT: DIRECTOR: MEETING: MEETING DATE:	Occupational Safety and Health 2020-2021 Mid-Year Review Strategy and Economic Development Audit and Risk Committee 8 March 2021
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Summary

Every six months a formal review is conducted on the Occupational Health and Safety (OSH) to ensure the City is aligning with the Risk Management Framework and Three-Year OSH Strategic Plan outcomes.

The OSH Performance Overview (*Confidential Attachment 3.1*) and this report provides a summary of the City's OSH injury information, lead/lag data and an update of the 2019-2021 OSH Strategic Plan.

Council is requested to note the progress being made in continuing the Three-Year OSH Plan and the imperatives made to address the management of workplace injury. Council is also requested to note the City's current OSH performance.

Disclosure of Interest

N/A

Previous Relevant Documentation

- G.8/9/20 8 September 2020 Council noted the progress of the 3-year Strategic OSH Plan and the City's current OSH performance for the 2020/21 financial year.
- G.8/3/20 24 March 2020 Council noted the progress of the implementation of the 3-year Strategic OSH Plan and the City's current OSH performance for the YTD 2019/20 financial year.
- G.9/09/19 24 September 2019 Council noted the continuation of the 3-year Strategic OSH Plan 2019-2022 and the City's OSH performance for the 2018/19 financial year
- G.11/3/19 26 March 2019 Council endorsed the 3-year Strategic OSH Plan 2019-2022 and noted the OSH Key Performance Indicators
- G.30/3/16 22 March 2016 Council endorsed the City's 3-year OSH Plan

Background

Implementation of the Three-Year OSH Strategic Plan began in 2016. Since then, a range of actions have been planned and implemented to improve the City's OSH performance. The City is currently operating under the 2019-2021 OSH Strategic Plan.

Comment

The overview of the City's Occupational Safety and Health performance for YTD 2020-2021 is shown in Confidential Attachment 3.1.

Highlights of the previous six months includes:

- OneCouncil was introduced as an incident and hazard reporting system in September 2020. Since then the City's reported hazards and minor incidents have increased. It is thought that this is due to the ease at which employees are able to report. Future analysis of OSH reporting will provide a clearer picture.
- The majority of injuries in all injury classifications (first aid, medical treatment and lost time) remains strains/sprains. We have seen a slight increase in reported musculoskeletal injuries from the previous year. Musculoskeletal injuries remain lower than FY2017-2018 and 2018-2019 and there is a reduction of injuries as a result of repetitive/continuous tasks. Safe Spine continues to conduct work within the Operation Centre and reports are showing engagement by the teams.
- The days lost from injury and the number of claims is similar to YTD2019-2020. At this point in time it is expected the days and claims from FY2020-2021 to be greater than the previous year.
- Lost Time Injuries (LTIs) have increased from the previous year. The Recreation Centres LTIs have decreased and the Operation Centres have increased. The majority of our LTIs (8) remain strains/sprains with the dominant mechanism of injury as a result of falls from the same/different height or force.
- 22 workers' compensation claims have been submitted in the last eight months. 45% women and 55% male. The majority of claims are from the 40-59 age group which aligns with the City's overall staffing data. As with previous years a small number of our claims result in considerable time off and medical bills but the majority of claims costs are relatively small.
- The review of the City's OSH Manual is continuing and this work expected to be completed by July 2021.

Statutory Environment

Nil

Policy Implications

Nil

Financial Implications

Each year the City pays an insurance premium to Local Government Insurance Services, out of which claims are paid. When the claim is accepted an amount is also allocated for the expected value of the claim.

While the financial position can be fluid as claims are settled or return to work outcomes change, 2020/21, is tracking to be under the City's deposit claim threshold.

Risk Analysis

There is a risk involved in not managing claims from staff wellbeing, City's reputation and ultimately costs.

Strategic Implications

The following strategies from the City of Mandurah Strategic Community Plan 2020 – 2040 are relevant to this report:

Health:

- Provide quality health and wellbeing programmes and services that target whole of life health from infants to seniors.
- Promote the importance of a healthy, active lifestyle and the role the natural environment plays in preventative health, within our community.

Organisational Excellence:

- Build and retain a skilled, agile, motivated and healthy workforce.
- Ensure the City has the capacity and capability to deliver quality services and facilities through accountable and transparent business practices, governance, risk and financial management.
- Ensure that our actions maintain a sustainable balance between economic growth, the environment and social values.

Conclusion

The City has been progressively implementing the actions of the 3-Year OSH Strategic Plan and the Audit and Risk Committee and Council is requested to note progress of the implementation of the plan and also note the OSH performance for YTD2020-2021.

NOTE:

- Refer ***Confidential Attachment 3.1 City of Mandurah OSH Performance Overview for YTD 2020 – 2021***

RECOMMENDATION

That the Audit and Risk Committee recommend to Council;

- 1. Notes the City's OSH performance for the financial YTD2020/21 as detailed in Confidential Attachment 3.1.**
- 2. Notes the progress of implementation of the Three Year Strategic OSH Plan.**