



## **Audit Committee**

### **Notice of Meeting & Agenda 26 September 2023**

**City of Bunbury**  
4 Stephen Street  
Bunbury WA 6230  
Western Australia  
*Correspondence to:*  
Post Office Box 21  
Bunbury WA 6231



## **Audit Committee Terms of Reference**

*The duties and responsibilities of the committee will be:*

- a) *Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits and matters related to financial management;*
- b) *Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;*
- c) *Liaise with the CEO to ensure that the local government does everything in its power to:*
  - *assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and*
  - *ensure that audits are conducted successfully and expeditiously;*
- d) *Examine the reports of the auditor after receiving a report from the CEO on the matters to:*
  - *determine if any matters raised require action to be taken by the local government; and*
  - *oversee the implementation of any action so determined in respect of those matters;*
- e) *Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;*
- f) *Review the scope of the internal audit plan and program and its effectiveness;*
- g) *Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or the CEO;*
- h) *Review the level of resources allocated to internal audit and the scope of its authority;*
- i) *Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;*
- j) *Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs;*
- k) *Review the local government's draft annual financial report, focusing on:*
  - *accounting policies and practices;*
  - *changes to accounting policies and practices;*
  - *the process used in making significant accounting estimates;*
  - *significant adjustments to the financial report (if any) arising from the audit process;*
  - *compliance with accounting standards and other reporting requirements; and*
  - *significant variances from prior years;*
- l) *Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;*
- m) *Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;*
- n) *Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;*
- o) *Review the annual Compliance Audit Return and report to the council the results of that review,*
- p) *Having regard to the culture and capability of the organisation, consider the CEO's reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews;*
- q) *Monitor and advise the CEO when the CEO is carrying out functions in relation to a review of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance;*
- r) *Oversee the implementation of any action required following receipt of the review of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance;*
- s) *Monitor and advise the CEO when the CEO is carrying out functions in relation to a review of the appropriateness and effectiveness of the financial management systems and procedures;*
- t) *Oversee the implementation of any action required following receipt of a review of the appropriateness and effectiveness of the financial management systems and procedures.*

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## Acknowledgement of Country

We acknowledge the traditional owners of the land, the Noongar Wardandi people and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders past, present and emerging.

### Minutes 26 September 2023

Members of the public to note that recommendations made by this committee are not final and will be subject to adoption (or otherwise) at a future meeting of the Bunbury City Council.

#### 1. Declaration of Opening

The Presiding Member declared the meeting open at 2.01pm, acknowledging the traditional owners of the land, the Noongar Wardandi people and their continuing connection to the land, waters and community. He paid his respects to all members of the Aboriginal communities and their cultures; and to Elders past, present and emerging.

#### 2. Disclaimer

Not applicable to this committee.

#### 3. Announcements from the Presiding Member

The Presiding Member noted this would be the last meeting of this Council's Audit Committee with the City of Bunbury Council election to be held in October 2023. He thanked members and staff for their contribution to the Committee over the past 2 years.

#### 4. Attendances

##### *Committee Members:*

Member Name	Representing
Mayor Jaysen Miguel	City of Bunbury
Cr Ben Andrew (Presiding Member)	City of Bunbury
Cr Cheryl Kozisek	City of Bunbury
Mr John Barratt	Independent Member

##### *Support Staff/Visitors:*

Name	Title
Mr Greg Golinski	Manager Governance
Mr Mal Osborne	Chief Executive Officer
Mr David Ransom	Manager Finance
Mrs Karin Strachan	Director Strategy and Organisational Performance
Mr Sam Chernabaeff	Internal Audit Officer

##### **4.1 Apologies**

Nil

##### **4.2 Approved Leave of Absence**

Cr McCleary is on approved leave of absence from 11 September – 20 October 2023.

#### 5. Declaration of Interest

IMPORTANT: Committee members to complete a “Disclosure of Interest” form for each item on the agenda in which they wish to disclose a financial/proximity/impartiality interest. They should give the form to the Presiding Member before the meeting commences. After the meeting, the form is to be forwarded to the Administration Services Section for inclusion in the Corporate Financial Disclosures Register.

Nil

#### 6. Public Question Time

Not applicable to this committee.

**7. Confirmation of Minutes**

Committee Decision:                      Moved: Cr Kozisek                      Seconded: Mr Barratt

***The minutes of the Audit Committee Meeting held on 13 June 2023 are confirmed as a true and accurate record.***

*CARRIED*

**8. Presentations**

Nil

**9. Method of Dealing with Agenda Business**

Items were dealt with in the order they appeared in the agenda.

## 10. Reports

### 10.1 Psychosocial Hazards Management within the Organisation

<b>File Ref:</b>	COB/5457		
<b>Applicant/Proponent:</b>	Internal		
<b>Responsible Officer:</b>	Shae Phillips, A/Manager People and Safety		
<b>Responsible Manager:</b>	Shae Phillips, A/Manager People and Safety		
<b>Executive:</b>	Karin Strachan, Director Strategy and Organisational Performance		
<b>Authority/Discretion</b>	<input type="checkbox"/> Advocacy	<input type="checkbox"/> Review	
	<input type="checkbox"/> Executive/Strategic	<input type="checkbox"/> Quasi-Judicial	
	<input type="checkbox"/> Legislative	<input checked="" type="checkbox"/> Information Purposes	
<b>Attachments:</b>	Nil		

#### Summary

This report outlines current and planned activities led within the organisation of the City of Bunbury to address the extension of the Work Health and Safety Act ('the Act') in 2023 to include management of psychosocial hazards, as well as physical hazards, within the workplace – specifically, the work done within the organisation to deepen understanding of, and enable effective response to psychosocial hazards.

The approaches outlined in this report relate only to employees of the City of Bunbury ('staff').

#### Executive Recommendation

That the Audit Committee notes the information within this report.

#### Strategic Relevance

Pillar	Performance
Aspiration	Leading with purpose and robust governance
Outcome 13	A leading local government

#### Regional Impact Statement

This report outlines internal actions to meet legislative work health and safety requirements. By doing so, the organisation continues to build a more positive and constructive culture with the belief that this will have flow on impact to employee attraction, retention and productivity, and thus positive regional reputational impact.

#### Background

In 2023, the Work Health and Safety Act ('the Act') expanded the legislative definition of safety to include psychosocial as well as physical safety. Psychosocial hazards in the workplace are defined as aspects of work and work situations that can lead to psychological or physical harm.

The City recognises that there are a range of work related factors that may increase the risk of psychosocial hazards at work.

These include poor leadership practices and workplace culture, poor or no policies and procedures, inadequate support or work demands, low recognition or reward, lack of role clarity, insecure work, poor organisational justice, poor organisational change management, fatigue/burnout, remote/isolated work, inappropriate or unreasonable behaviour, poor or low levels of control and trauma.

The City continues to implement and plan a range of approaches directly addressing these risk factors.

These include:

#### **Values Journey**

The City collaboratively redeveloped the organisational values in 2018 ('Community' 'Open' 'Brave') and continues to embed these. CoB Values are an anchor for staff recruitment, embedded into the Code of Conduct and integrated into leadership and staff behaviour expectations. Values Awards are awarded annually, recognising staff who demonstrate leadership in living CoB Values.

#### **Cultural Journey**

In 2018, the City began its ongoing cultural journey. Regularly using Human Synergistics tools (all results anonymised) to measure organisational culture, the City has annually mapped the dominant organisational and departmental behaviours (oppositional, avoidance, constructive) and underlying causal factors that influence these behaviours and results. All staff regularly engage in analysing organisational culture results, reflecting on trends and developing a Department Action Plan to drive further positive growth. In 2023 this ongoing work has been led by a dedicated Organisational Development Officer.

Staff are given opportunity to further their involvement through becoming 'Culture Coaches' to support Managers to design, implement and share engaging cultural activities with teams to encourage a safe, inclusive and constructive workplace – and build constructive daily habits. In 2023, all Frontline Leaders (Team Leaders, Supervisors and Coordinators) were supported to participate in coached 'Learning Styles Inventory' feedback, involving feedback on their workplace behaviour from a range of peers, reports and manager designed to build their self-awareness and leadership skill. This builds on previous work conducted with managers and executive of CoB.

Culture results have continued to show improvement over time and in 2023 work is now being done to explicitly link constructive behaviours to reducing risk of psychosocial hazard.

Connectedness and culture building across the City is regularly fostered through organisation and Directorate 'Catch ups' including CoB Day and end of year CoB Values Celebration. These actions will continue across 2023 as opportunity to deepen positive social relationships across the City, breaking down silos and reducing risk of psychosocial hazard/disconnection.

#### **Committees, Training and Skills Building**

The City prioritises a range of staff-led committees targeting improved psychosocial work. These committees include the Employee Contribution Committee (ECC) which discusses employee relations matters including reviewing policies and procedures, and the Work Health and Safety Committee (WHSC).

Further, the City continues to invest in regular targeted training to deepen psychosocial understanding. The City is a Mental Health Accredited Organisation, and supports the training of staff in Mental Health First Aid. In 22/23 41 staff were trained or refreshed in Mental Health First Aid. Staff and their immediate family have free access to psychological counselling sessions through the City's Employee Assistance Program (EAP).



In 2023 the City has conducted a series of targeted training sessions for leaders on the changes to the WHS Act and the legislative implications of psychosocial hazard management. Further sessions are planned for frontline leaders across 2023 and 2024.

In the second half of 2023 the City has developed and begun running 'psychosocial risk' workshops for teams. This work is led by the Senior WHS Officer and involves teams working collaboratively to identify potential psychosocial hazards in their workplace, assess and control risks and monitor results. These workshops are designed to practically engage staff in monitoring and managing wellbeing,

Regular practical leadership training, linking culture, leadership and safe workplace environments, is led by the Senior Organisational Development Officer, where executive and managers reflect on how behaviour choices can impact upon psychosocial environments created within the workplace and build their knowledge and practice in constructive behaviour styles. These sessions will continue across 2023.

### **Process and Policy**

The City continues to implement policies and procedures designed support a safe and inclusive workplace and understands that effective management of these processes contributes to psychosocial safety of employees.

These include implementation of the City's Equal Employment Opportunity Plan, Disability Action and Inclusion Plan (DAIP) Employee Management Policies and associated procedure such as the 'managing grievance' procedure and 'managing misconduct' procedure.

In 2023 these policies continue to be refined and reviewed to ensure continued compliance with associated state legislative requirements. All policies are accessible to all staff through the City's Intranet page.

Further planned work for the latter part of 2023 includes refining the City's 'managing conduct' procedure for leaders to include guidelines to assist leaders in considering social/behavioural concerns through a lens of psychosocial safety considerations, to further guide decision making and action when psychosocial concerns (which may not be misconduct related) are identified.

The City's Employee Bargaining Agreement (EBA) embeds a number of clauses designed to support psychosocial wellbeing. These include clauses to support workplace flexibility, Personal and Carers Leave including Significant Illness Leave and domestic violence leave.

### **Council Policy Compliance**

NA

### **Legislative Compliance**

NA

### **Officer Comments**

The Officer asks that the Committee notes this report.

### **Analysis of Financial and Budget Implications**

All outlined approaches have been planned within existing budget constraints.

### **Community Consultation**

N/A

### **Councillor/Officer Consultation**

This matter is presented to the Audit Committee for information.

### **Applicant Consultation**

N/A

### **Timeline: Council Decision Implementation**

N/A

### **Outcome of Meeting 26 September 2023**

General discussion took place in relation to this item, and in particular the committee requested some data to be provided in future in relation to organisational culture. The Director Strategy and Organisational Performance indicated that a debrief will be provided to all Elected Members around the City's most recent. Organisational Cultural Index (OCI) results, which give some sense of staff sentiment in this regard.

The executive recommendation was moved by Cr Kozisek and seconded by Mayor Miguel and was carried unanimously as follows:

***That the Audit Committee notes the information within this report.***

## 10.2 Audit Findings Database

<b>File Ref:</b>	COB/5457						
<b>Applicant/Proponent:</b>	Internal						
<b>Responsible Officer:</b>	Sam Chernabaeff, Internal Auditor						
<b>Responsible Manager:</b>	Greg Golinski, Manager Corporate Governance						
<b>Executive:</b>	Karin Strachan, Director Strategy and Organisational Performance						
<b>Authority/Discretion</b>	<table><tr><td><input type="checkbox"/> Advocacy</td><td><input type="checkbox"/> Review</td></tr><tr><td><input type="checkbox"/> Executive/Strategic</td><td><input type="checkbox"/> Quasi-Judicial</td></tr><tr><td><input type="checkbox"/> Legislative</td><td><input checked="" type="checkbox"/> Information Purposes</td></tr></table>	<input type="checkbox"/> Advocacy	<input type="checkbox"/> Review	<input type="checkbox"/> Executive/Strategic	<input type="checkbox"/> Quasi-Judicial	<input type="checkbox"/> Legislative	<input checked="" type="checkbox"/> Information Purposes
<input type="checkbox"/> Advocacy	<input type="checkbox"/> Review						
<input type="checkbox"/> Executive/Strategic	<input type="checkbox"/> Quasi-Judicial						
<input type="checkbox"/> Legislative	<input checked="" type="checkbox"/> Information Purposes						
<b>Attachments:</b>	Confidential Appendix 1: Audit Findings Database						

### Summary

The City of Bunbury has established a database and follow-up process to monitor and ensure that management's actions to audit findings (both internal and external) have been effectively implemented.

The database (as presented at Confidential Appendix 1) is presented to the Audit Committee for information and discussion as necessary.

### Executive Recommendation

That the Committee note the information provided in this report.

*Voting Requirement: Simple Majority*

### Strategic Relevance

Pillar	Performance
Aspiration	Leading with purpose and robust governance
Outcome 13	A leading local government
Objective 13.1	Provide strong, accountable leadership and governance
Objective 13.2	Adopt innovations to improve business efficiencies and the customer experience
Objective 13.3	Effectively manage the City's resources

### Regional Impact Statement

N/A

### Background

The International Standards for the Professional Practice of Internal Auditing requires the Internal Audit Coordinator to establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not acting.

Confidential Appendix 1 has been developed to capture audit findings from all engagements, both internal and external.

### **Council Policy Compliance**

N/A

### **Legislative Compliance**

*The International Standards for the Professional Practice of Internal Auditing 2500.A1*

### **Officer Comments**

The Internal Auditor will be responsible for capturing the audit findings and monitoring the implementation of management's agreed actions. An updated database will be provided to the Audit Committee at each meeting for consideration.

The listing is being presented with all findings being separated into relevant management areas. In addition, items which have been completed since the previous audit committee meeting remain included and have been tagged to be hidden for the next audit committee meeting.

### **Analysis of Financial and Budget Implications**

N/A

### **Community Consultation**

N/A

### **Councillor/Officer Consultation**

This matter is presented to the Committee for information.

### **Applicant Consultation**

N/A

### **Timeline: Council Decision Implementation**

N/A

### **Outcome of Meeting 26 September 2023**

The executive recommendation was moved by Cr Kozisek and seconded by Mr Barratt and was carried unanimously as follows:

***That the Audit Committee note the information provided in this report.***

### 10.3 Employee Leave Balances

<b>File Ref:</b>	COB/5457	
<b>Applicant/Proponent:</b>	Internal	
<b>Responsible Officer:</b>	Sam Chernabaeff, Internal Auditor	
<b>Responsible Manager:</b>	Greg Golinski, Manager Governance	
<b>Executive:</b>	Mal Osborne, Chief Executive Officer	
<b>Authority/Discretion</b>	<input type="checkbox"/> Advocacy <input type="checkbox"/> Executive/Strategic <input type="checkbox"/> Legislative	<input type="checkbox"/> Review <input type="checkbox"/> Quasi-Judicial <input checked="" type="checkbox"/> Information Purposes
<b>Attachments:</b>	Confidential Appendix 2: Employee Leave Balances as at 30 June 2023	

#### Summary

The purpose of this report is to provide the Audit Committee with information relating to Annual Leave Accruals for City staff.

#### Executive Recommendation

That the Audit Committee receive the update.

*Voting Requirements: Simple Majority*

#### Strategic Relevance

Pillar	Performance
Aspiration	Leading with purpose and robust governance
Objective 13	A leading local government
Objective 13.1	Provide strong, accountable leadership and governance

#### Regional Impact Statement

N/A

#### Background

The CEO has previously been requested by the Committee to provide a recurring report concerning accrued staff leave. This was requested on the basis of the risk presented to the City in carrying excessive leave liabilities.

This report fulfils this requirement and is provided bi-annually as at 30 June and 31 December each year.

#### Council Policy Compliance

There are no Council policies relating to this report.

### **Legislative Compliance**

N/A

### **Officer Comments**

The attached report (Confidential Appendix 2) details the City's leave liabilities as at 30 June 2023. Note that the figures represent liabilities in excess of annual entitlements (4 or 5 weeks depending on the Officer) and also liabilities in excess of 8 weeks, which is defined by Fair Work Australia as being "excessive".

### **Analysis of Financial and Budget Implications**

Nil

### **Community Consultation**

N/A

### **Elected Member/Officer Consultation**

This matter is presented to the Committee for discussion as necessary.

### **Timeline: Council Decision Implementation**

N/A

### **Outcome of Meeting 26 September 2023**

The executive recommendation was moved by Mr Barratt Kozisek and seconded by Mayor Miguel and was carried unanimously as follows:

***That the Audit Committee receive the update.***

#### 10.4 Internal Audit Report – Fleet Management

<b>File Ref:</b>	COB/5457
<b>Applicant/Proponent:</b>	Internal
<b>Responsible Officer:</b>	Sam Chernabaeff, Internal Auditor
<b>Responsible Manager:</b>	Greg Golinski, Manager Governance
<b>Executive:</b>	Karin Strachan, Director Strategy and Organisational Performance
<b>Authority/Discretion</b>	<input type="checkbox"/> Advocacy <input type="checkbox"/> Review <input type="checkbox"/> Executive/Strategic <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Legislative <input checked="" type="checkbox"/> Information Purposes
<b>Attachments:</b>	Confidential Appendix 3: Internal Audit Report Fleet Management

#### Summary

The Internal Audit Function has completed a review to assess the effectiveness and efficiency of the City of Bunbury's fleet management system and processes in place, and to identify any areas for improvement. This includes evaluating the effectiveness of controls in place to ensure compliance with all relevant laws, regulations, and policies, as well as the effectiveness of the system in managing and maintaining the fleet in a cost-effective manner.

#### Executive Recommendation

That the Committee:

1. Note the information within the report at Confidential Appendix 3; and
2. Endorse the recommendations made within the report at Confidential Appendix 3, noting these will be included in the City's Audit Findings Database.

*Voting Requirement: Simple Majority*

#### Strategic Relevance

Pillar	Performance
Aspiration	Leading with purpose and robust governance
Outcome 13	A leading local government
Objective 13.1	Provide strong, accountable leadership and governance
Objective 13.2	Adopt innovations to improve business efficiencies and the customer experience
Objective 13.3	Effectively manage the City's resources

#### Regional Impact Statement

N/A

## Background

A review has been undertaken to assess the adequacy of the City of Bunbury's fleet management processes and controls in place during the 2023 financial year. The audit covered a review of the following:

- Examination of the policies, procedures, and practices currently in place for the management of vehicles owned and operated by the City of Bunbury, and the adherence to those policies.
- Review of the completeness and accuracy of the fleet inventory, including vehicle details and allocation to departments (If applicable).
- Evaluation of the fuel consumption patterns and efficiency of the fleet.
- Analysis of vehicle utilisation data to identify underutilised or overutilised vehicles and recommend actions to optimize fleet utilisation.
- Examination of current vehicle prestart check procedures and general adherence to them along with follow up procedures in cases where they are not performed properly.

## Council Policy Compliance

City of Bunbury Risk Management Framework

- Council Policy Risk Management
- City of Bunbury Risk Management Strategy
- City of Bunbury Risk Management Plan

City of Bunbury Compliance Framework

- Corporate Guideline: Legislative Compliance

City of Bunbury Internal Control Framework

- Corporate Guideline: Internal Control

## Legislative Compliance

### ***r.17. CEO to review certain systems and procedures***

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –  
  
(a) risk management; and  
(b) internal control; and  
(c) legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

## Officer Comments



Refer to the attached internal audit report (Confidential Appendix 3), which summarises the scope and approach of the review, the findings identified during the review, and how the City of Bunbury plans to address them.

**Analysis of Financial and Budget Implications**

N/A

**Community Consultation**

N/A

**Councillor/Officer Consultation**

This matter is presented to the Audit Committee for consideration and discussion as necessary.

**Applicant Consultation**

N/A

**Timeline: Council Decision Implementation**

N/A

**Outcome of Meeting 26 September 2023**

General discussion took place in relation to this item, with the City's internal auditor providing a brief overview of the report's findings.

The executive recommendation was moved by Mayor Miguel and seconded by Cr Kozisek and was carried unanimously as follows:

***That the Committee:***

- 1. Note the information within the report at Confidential Appendix 3; and***
- 2. Endorse the recommendations made within the report at Confidential Appendix 3, noting these will be included in the City's Audit Findings Database.***

## 10.5 Internal Audit Report – Financial Management (Payables, Expenditure and Payments)

<b>File Ref:</b>	COB/5457
<b>Applicant/Proponent:</b>	Internal
<b>Responsible Officer:</b>	Sam Chernabaeff, Internal Auditor
<b>Responsible Manager:</b>	Greg Golinski, Manager Corporate Governance
<b>Executive:</b>	Karin Strachan, Director Strategy and Organisational Performance
<b>Authority/Discretion</b>	<input type="checkbox"/> Advocacy <input type="checkbox"/> Review <input type="checkbox"/> Executive/Strategic <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Legislative <input checked="" type="checkbox"/> Information Purposes
<b>Attachments:</b>	Confidential Appendix 4: Internal Audit Report Financial Management (Payables, Expenditure & Payments)

### Summary

The Internal Audit Function has completed a review of the City of Bunbury's framework and control environment over payment systems. Systems included in the review were limited to those over corporate credit cards, management of supplier master files, accounts payable, gift card purchases, and travel cards.

### Executive Recommendation

That the Committee:

1. Note the information within the report at Confidential Appendix 4; and
2. Endorse the recommendations made within the report at Confidential Appendix 4, noting these will be included in the City's Audit Findings Database.

*Voting Requirement: Simple Majority*

### Strategic Relevance

Pillar	Performance
Aspiration	Leading with purpose and robust governance
Outcome 13	A leading local government
Objective 13.1	Provide strong, accountable leadership and governance
Objective 13.2	Adopt innovations to improve business efficiencies and the customer experience
Objective 13.3	Effectively manage the City's resources

### Regional Impact Statement

N/A

### Background

This review has been undertaken during the 2023 financial year to assess the effectiveness of the controls implemented by the City of Bunbury relating to:

- The use of corporate credit cards;
- The management of supplier master files;
- Accounts payable;
- Gift card purchases; and
- The use of travel cards.

### **Council Policy Compliance**

#### City of Bunbury Risk Management Framework

- Council Policy Risk Management
- City of Bunbury Risk Management Strategy
- City of Bunbury Risk Management Plan

#### City of Bunbury Compliance Framework

- Corporate Guideline: Legislative Compliance

#### City of Bunbury Internal Control Framework

- Corporate Guideline: Internal Control

### **Legislative Compliance**

#### Regulation 17 of the *Local Government (Audit) Regulations 1996*

#### ***r.17. CEO to review certain systems and procedures***

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –  
(a) risk management; and  
(b) internal control; and  
(c) legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

### **Officer Comments**

Refer to the attached internal audit report (Confidential Appendix 4), which summarises the scope and approach of the review, the findings identified during the review, and how the City of Bunbury plans to address them.

### **Analysis of Financial and Budget Implications**

N/A

### **Community Consultation**

N/A

**Councillor/Officer Consultation**

This matter is presented to the Audit Committee for information and discussion as necessary.

**Applicant Consultation**

N/A

**Timeline: Council Decision Implementation**

N/A

**Outcome of Meeting 26 September 2023**

General discussion took place in relation to this item, with the City's internal auditor providing a brief overview of the report's findings.

The executive recommendation was moved by Cr Kozisek and seconded by Mr Barratt and was carried unanimously as follows:

***That the Committee:***

- 1. Note the information within the report at Confidential Appendix 4; and***
- 2. Endorse the recommendations made within the report at Confidential Appendix 4, noting these will be included in the City's Audit Findings Database.***

## 10.6 FY24 Internal Audit Progress Tracking

<b>File Ref:</b>	COB/5457	
<b>Applicant/Proponent:</b>	Internal	
<b>Responsible Officer:</b>	Sam Chernabaeff, Internal Auditor	
<b>Responsible Manager:</b>	Greg Golinski, Manager Governance	
<b>Executive:</b>	Karin Strachan, Director Strategy and Organisational Performance	
<b>Authority/Discretion</b>	<input type="checkbox"/> Advocacy <input type="checkbox"/> Executive/Strategic <input type="checkbox"/> Legislative	<input type="checkbox"/> Review <input type="checkbox"/> Quasi-Judicial <input checked="" type="checkbox"/> Information Purposes
<b>Attachments:</b>	Appendix 1: FY24 Internal Audit Tracking Gantt Chart	

### Summary

The purpose of this report is to provide the Audit Committee with information relating to the progress of internal audits previously approved in the Annual Audit Plan for 23/24.

### Executive Recommendation

That the Audit Committee receive the update.

*Voting Requirements: Simple Majority*

### Strategic Relevance

Pillar	Performance
Aspiration	Leading with purpose and robust governance
Objective 13	A leading local government
Objective 13.1	Provide strong, accountable leadership and governance

### Regional Impact Statement

N/A

### Background

As a part of managing the status of upcoming internal audit reports to be presented to the Audit Committee, the Internal Auditor has taken the initiative to provide the attached Gantt chart of all current projects planned for the current financial year and any reports being carried forward from the prior year.

### Council Policy Compliance

There are no Council policies relating to this report.

### **Legislative Compliance**

N/A

### **Officer Comments**

Refer to the attached Gantt chart (Appendix 1) showing the status of ongoing and upcoming internal audits planned to be presented to the Audit Committee.

It is noted that the Financial Management, Fleet Management, Lease Management, and Safety Management audits were to have been completed by 30 June 2023. This did not occur as scheduled with the four audits now compressed into the 2023/24 financial year over and above those previously approved by the Audit Committee. The first 2 form part of this agenda with the lease and safety to be presented at the next meeting of the committee.

### **Analysis of Financial and Budget Implications**

Nil

### **Community Consultation**

N/A

### **Elected Member/Officer Consultation**

This matter is presented to the Committee for information.

### **Timeline: Council Decision Implementation**

N/A

### **Outcome of Meeting 26 September 2023**

The executive recommendation was moved by Mayor Miguel and seconded by Cr Kozisek and was carried unanimously as follows:

***That the Audit Committee receive the update.***

## 10.7 Regional Capitals Australia Summary

<b>File Ref:</b>	COB/5457		
<b>Applicant/Proponent:</b>	Internal		
<b>Responsible Officer:</b>	Mal Osborne, Chief Executive Officer		
<b>Responsible Manager:</b>	Mal Osborne, Chief Executive Officer		
<b>Executive:</b>	Mal Osborne, Chief Executive Officer		
<b>Authority/Discretion</b>	<input type="checkbox"/> Advocacy	<input type="checkbox"/> Review	
	<input type="checkbox"/> Executive/Strategic	<input type="checkbox"/> Quasi-Judicial	
	<input type="checkbox"/> Legislative	<input checked="" type="checkbox"/> Information Purposes	
<b>Attachments:</b>	Nil		

### Summary

The purpose of this Report is for the Audit Committee to receive information relating to the City's involvement with Regional Capitals Australia, as requested by the committee at its March meeting.

### Executive Recommendation

That the Committee note the information provided within this report.

*Voting Requirement: Simple Majority*

### Strategic Relevance

Pillar: Performance  
Aspiration: Leading with purpose and robust governance.  
Outcome 13: A leading local government.  
Objective 13.1: Provide strong, accountable leadership and governance.

### Regional Impact Statement

There will not be any regional impact by endorsing the revised Policy

### Background

At the Audit Committee meeting held on 3 March 2023, the committee resolved *inter alia* as follows:

***That the committee request the CEO prepare a summary report of the City's history with Regional Capitals Australia and provide to Elected and Audit Committee members.***

The information provided within the Officer Comment section of this report fulfils this request.

### Council Policy Compliance

Nil

### Legislative Compliance

Nil

### **Officer Comments**

The following information is provided as a summary of the City's involvement with Regional Capitals Australia:

The City has been a member of WARCA since 2012 (now known as RCAWA). The organisation was run via the City of Greater Geraldton between 2012 and 2015.

RCAWA started in 2015 with a meeting in July, followed by incorporation as the Western Australian Regional Capitals Alliance Incorporated. Initially the membership was research based through the University of Western Australia, but by 2017 more local governments had joined and the model changed to having an Executive Officer.

RCAWA represents around half the population of regional Western Australia, and is an alliance of 10 Regional Capitals represented by the Mayor / Shire President and the CEO of each of the following local governments:

- City of Bunbury
- City of Albany
- Shire of Broome
- City of Busselton
- Shire of Esperance
- City of Greater Geraldton
- Town of Port Hedland
- Shire of Northam
- City of Kalgoorlie-Boulder
- City of Karratha

Some of the key benefits that membership brings to the City includes:

- Advocacy & Policy Influence
  - Advocate for equitable access to quality services and infrastructure.
  - Drive the development of a clear, consistent regional investment strategy based on capability and business prospects.
  - Advocate for and enable decentralisation of the workforce across government and industry.
  - Campaign for legislation and government policy that supports sustainable regional growth.
- Partnership & Collaboration
  - Share of best practice in community building, leadership development and place making.
  - Partner to create environments that facilitate decentralisation of the workforce across government and industry.
  - Highlight investment opportunities across the regions and foster an enabling approach.
  - Collaborate to deliver Alliance-wide and niche group projects that leverage the network's capabilities and business prospects.
  - Foster collaboration and entrepreneurialism within the business and education sectors.
  - Maximise digital connectivity to accelerate the growth of existing and emerging industries
- Representation



- Collaborate with members and regional partners to understand, and communicate about, strategic issues and opportunities.
- Exemplify excellence in stakeholder engagement and corporate communications.

Work undertaken by RCAWA since its inception includes:

- Benchmarking
- Operational collaboration
- Communications Plans
- Stakeholder Engagement Plans
- Election Strategies
- Aboriginal Cultural Heritage Bill
- Emergency Services Volunteers Management
- Housing Solutions and Action Plan
- Advocating for investment in regional art centres (resulted in multimillion \$ investments into art centres, including Bunbury)
- Regional Performing Arts and Entertainment Centres Review
- Crime Prevention
- Most Accessible Communities WA
- Regional Investment Framework
- Creative Industries
- Land and Property Reviews and Management

In a financial sense, the City has paid \$209,199 (ex GST) to WARCA/RCAWA in membership fees since 2012, and a further \$14,250 to Regional Capitals Australia between 2021/22 and 2022/23. In earlier years the RCAWA membership automatically gave the City membership to RCA. When the memberships were split, the City only remained to be a RCAWA member only for some years. The past Financial year has only been the second year that the City has participated in the RCA membership in addition to the RCAWA membership.

The City's membership is ongoing.

RCA website: <https://www.regionalcapitalsaustralia.org/>

RCAWA website: <https://waregionalcapitals.com.au/>

### **Analysis of Financial and Budget Implications**

Nil

### **Community Consultation**

Nil

### **Elected Member/Officer Consultation**

This matter is presented to the Audit Committee for information.

### **Applicant Consultation**

N/A

**Timeline: Council Decision Implementation**

This report is provided for the information of the Audit Committee.

**Outcome of Meeting 26 September 2023**

General discussion took place in relation to this item.

The executive recommendation was moved by Cr Kozisek and seconded by Mayor Miguel and was carried unanimously as follows:

***That the Committee note the information provided within this report.***

**11. Questions from Members**

**11.1 *Response to Previous Questions from Members taken on Notice***

Nil

**11.2 *Committee Discussion and Questions from Members***

Nil

**12. Urgent Business**

Nil

**13. Date of Next Meeting**

TBC pending timing of annual financial audit.

**14. Close of Meeting**

The Presiding Member closed the meeting at 2.45pm.

**Confirmed on \_\_\_\_\_ 2023 as a true and accurate record of  
proceedings of the Audit Committee meeting held on 26 September 2023.**

\_\_\_\_\_

\_\_\_\_\_, **Chair**