

CITY OF WEST TORRENS



Notice of Committee Meeting

NOTICE IS HEREBY GIVEN in accordance with Sections 87 and 88 of the *Local Government Act 1999*, that a meeting of the

AUDIT GENERAL COMMITTEE

Members: Councillor J Woodward (Presiding Member),
Councillor D Huggett
Independent Members: E Moran, A Rushbrook

of the

CITY OF WEST TORRENS

will be held via electronic means only

on

TUESDAY, 8 FEBRUARY 2022
at 6.00pm

Terry Buss PSM
Chief Executive Officer

City of West Torrens Disclaimer

Please note that the contents of this Committee Agenda have yet to be considered by Council and Committee recommendations may be altered or changed by the Council in the process of making the formal Council decision.

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1 MEETING OPENED

1.1 Acknowledgement of Country

At the opening of the Audit General Committee Meeting, the Presiding Member will state:

"West Torrens City Council acknowledges that we are meeting on the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past, present, and emerging.

We recognise and respect their cultural heritage, beliefs and spiritual relationship with the land, sea, waterways and sky.

We acknowledge that they are of continuing importance to the Kurna people living today."

1.2 Evacuation Procedures

1.3 Electronic Platform Meeting

The Presiding Member will advise that:

"This meeting is being conducted via virtual means and the recording of this meeting will be available for playback via a link on Council's website."

2 PRESENT

3 APOLOGIES

4 DISCLOSURE STATEMENTS

Committee Members are required to:

1. Consider Section 73 and 75 of the *Local Government Act 1999* and determine whether they have a conflict of interest in any matter to be considered in this Agenda; and
2. Disclose these interests in accordance with the requirements of Sections 74 and 75A of the *Local Government Act 1999*.

5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the meeting of the Audit General Committee held on 12 October 2021 be confirmed as a true and correct record.

6 COMMUNICATION BY THE CHAIRPERSON

7 PRESENTATIONS

Nil

8 OUTSTANDING REPORTS/ACTIONS

8.1 Audit General Committee Work Plan Update

Brief

This report presents the April 2021 to October 2022 Annual Work Plan Update of the Audit General Committee.

RECOMMENDATION

It is recommended to the Committee that the Audit General Committee Work Plan Update report be received.

Introduction

This report presents an update on the Audit General Committee Work Plan, which is presented to each meeting of the Committee.

Discussion

The Work Plan identifies the actions and time lines of the work of the Committee for the period April 2021 to October 2022, being the conclusion of the current term of the Committee. It is included as a standing report in each of the Committee's agenda at the request of the Committee.

The actions detailed on the Work Plan are those contained within the Audit General Committee's Terms of Reference and are aligned with the UK Financial Reporting Council Corporate Governance Code (FRC Code).

It is important to note that the actions and timeframes contained in the Work Plan are indicative only given the various changes and unexpected events that occur throughout each year.

In addition to this report, and as per the Committee Work Plan, the following items are included in this Agenda:

- Open Actions Update
- Financial Reporting
- 2021 - 2022 Internal Audit Program Update

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

This report presents an Audit General Committee Work Plan.

Attachments

1. Audit General Committee Work Plan

Audit General Committee Work Plan 2021-2022

Action	Meetings										Frequency	ToR Reference
	Apr-21	Jun-21	Aug-21	Oct-21	Feb-22	Apr-22	Jun-22	Aug-22	Oct-22			
External Audit											Annually	Obj. 2
External Auditors present external audit findings												
Financial Reporting												
Receive an overview of Draft Annual Business and Budget Plan (10 year Financial Plan)											Annually	Obj. 2
Review Statutory Financial Statements											Annually	Obj. 2
Receive Financial Reports Summary											Each meeting	NA
Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices											As required	Obj. 2
Internal Audit												
Internal audit reports											As required	Obj. 2
Status update of Internal Audit Plan 2021											As required	Obj. 2
Progress on outstanding Audit Recommendations											Biannually	Obj. 2
Risk Management												
Receive Strategic Risk Reviews											Biannually	Obj. 2
Other												
Review Committee's Annual Work Plan											Each meeting	NA
Open Actions Update											Each meeting	NA

8.2 Open Actions Update

Brief

This report presents an update on the current status of open actions from previous meetings of the Audit General Committee.

RECOMMENDATION

It is recommended to the Committee that it notes the status of the six (6) actions arising from previous Committee meetings, as detailed in this report.

Introduction

A report is presented to each ordinary meeting of the Audit General Committee (Committee) detailing the status of open actions from previous Committee meetings.

Discussion

Of the current six (6) agreed actions, two (2) of these actions are complete and relate to providing strategic risk information as part of the Annual Report.

Three (3) actions are in progress with one relating to WHS statistics and the other relating to cyber security frameworks. The cyber security related action will form a component of two reviews or audits in 2022. The action relating to financial statements will be completed during the end of financial year processes which will conclude mid-year.

The remaining action arose at the October 2021 Committee meeting and relates to a report which will be presented to the April 2022 Committee meeting.

Below summarises the status of these six (6) open actions:

Meeting Date	No. of Actions	Not Started	In Progress	Complete
13 October 2020	1	0	1	0
13 April 2021	1	0	0	1
8 June 2021	1	0	0	1
12 October 2021	3	1	2	0
Totals	6	1	3	2

Further information regarding these actions is provided as an attachment to this report (**Attachment 1**).

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

This report advises of the status of the current six (6) open actions including two (2) actions that have now been completed.

Attachments

1. Open Actions as at 1 February 2022

EMT = Executive Management Team
 CEO = Chief Executive Officer
 GMB&CS = General Manager Business & Community Services
 GMCR = General Manager Corporate & Regulatory
 GMUS = General Manager Urban Services
 MLRI = Management Lead - LG Reform and Integrity

**Audit General Committee
 Open Actions**

February 2022

	Target date	RO	Status		Meeting/s where item originally raised/reported
			Actions taken	Status	
OPEN ACTIONS					
1	Consider the presentation of a report to the Committee, in addition to the WHS audit outcome reports currently presented to the Committee, detailing the organisation's WHS statistics	April 2022	GMCR	The 2021 LGA MLSWCS Risk Evaluation Report was presented in the October 2021 agenda. A WHS Statistics report will be provided to the next appropriate meeting of the Audit Committee.	In Progress October 2020
2	Consider how Council could be informed of the Strategic Risks moving forward, whether that be in the Annual Report or a report to Council	February 2022	GMB&C	Strategic risks included in Annual Report on page 27	Complete April 2021
3	Strategic risks be included in the City of West Torrens Annual Report	February 2022	MLRI	Strategic risks included in Annual Report on page 27	Complete June 2021
4	Review the treatment and recognition of the Local Roads to Recovery grants in next year's financial statements	October 2022	GMCR	To be reviewed at the end of the 21/22 financial year. Manager Financial Services has been in discussions with the CWT external auditors regarding this review.	In Progress October 2021
5	Review the IT Management and Cyber Security Framework based on the report published on 8 June 2021 by the Auditor-General entitled <i>ICT vulnerability in South Australia public sector entities</i> to ensure consistency across state government and the local government sector.	June 2022	GMCR	CWT has been approved to undertake the LGRS Cyber Security Risk Uplift Program. This action is to be reviewed as part of CyberCX Program currently being undertaken as well as in the upcoming Cyber Security Internal Audit	In progress October 2021

**Audit General Committee
Open Actions**

February 2022

EMT = Executive Management Team
 CEO = Chief Executive Officer
 GMB&CS = General Manager Business & Community Services
 GMCR = General Manager Corporate & Regulatory
 GMUS = General Manager Urban Services
 MLRI = Management Lead - LG Reform and Integrity

	Target date	RO	Status		Meeting/s where item originally raised/reported	
			Actions taken	Status		
6	Amend the Bi-Annual Audit Recommendations and Actions Progress Report to include on track/ off track information	April 2022	MLRI	Report to be updated at the next iteration of report.	Not Started	October 2021

9 REPORTS OF THE CHIEF EXECUTIVE OFFICER

9.1 FINANCIAL REPORTING AND SUSTAINABILITY

9.1.1 Financial Reporting

Brief

This report lists those finance related reports which were considered by Council between 22 September 2021 and 31 January 2022.

RECOMMENDATION

It is recommended to the Committee that the Financial Reporting report be received.

Introduction

The Audit General Committee (Committee) is presented with a list, at each of its ordinary meetings, of those finance related reports considered by Council since the Committee's last ordinary meeting. These reports and associated minutes, which are detailed below, are available on Council's website at www.westtorrens.sa.gov.au.

Discussion

19 October 2021 - Council and Committee Meeting

- Council Budget Report - THREE Months to 30 September 2021
- Creditor Payments

26 October 2021 - City Advancement and Prosperity General Committee Meeting

- Investment Policy

2 November 2021 - Council and Committee Meeting

- Financial Statements - Year Ending 30 June 2021
- Budget versus Actual - Year Ended 30 June 2021
- Mendelson Foundations - Financial Statements for the Year Ended 30 June 2021

16 November 2021 - Council and Committee Meeting

- Budget Review - September 2021
- Credit Card Purchases - July to September 2021
- Creditor Payments
- Council Budget Report - FOUR Months to 31 October 2021
- Register of Allowances and Benefits - 3 Months to 30 September 2021

14 December 2021 - Council and Committees Meeting

- Creditor Payments
- Impact of COVID-19 on Rates Collection and Outstanding Rates

18 January 2022 - Council and Committees Meeting

- Council Budget Report - SIX Months to 31 December 2021
- Mendelson Financial Report December 2021
- Creditor Payments
- Property Leases
- Form of the Budget and Annual Business Plan 2022/2023

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

This report lists those finance related reports which were considered by Council between 22 September 2021 and 31 January 2022.

Attachments

Nil

9.2 INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

Nil

9.3 INTERNAL AUDIT

9.3.1 2021 - 2022 Internal Audit Program Update

Brief

This report presents the 2021 - 2022 Internal Audit Program Update.

RECOMMENDATION

It is recommended to the Committee that *2021 - 2022 Internal Audit Program Update* report be noted.

Introduction

At its 17 April 2019 meeting, the Audit General Committee (Committee) noted the approved 2018 - 2022 Internal Audit Plan (Plan).

Each year the Plan is extrapolated into an annual Internal Audit Program (Program) with an update on the current status of the Program presented to each meeting of the Committee.

Discussion

Below is a summary of the current status of all planned audits contained in the 2021 - 2022 Program, as at 24 January 2022. However, the full Program update is attached for further information (**Attachment 1**).

Audit Status	19/20 Carry Overs	20/21 Carry Overs	21/22 Audits	Total
In Progress		0	3	3
Completed		0	1	1
Not yet commenced			3	3
Cancelled				0
New Audits Added				0
Total Audits Programmed (excluding staged audits)		0	7	7
Audit Status (Staged Audits)	19/20 Carry Overs	20/21 Carry Overs	21/22 Audits	Total
Staged Audits Complete				0
Staged Audits in Progress or Next Stage Not Started				0
Not yet commenced	1	1		2
Total Staged Audits	1	1		2
Total Audits	1	1	7	9

The ongoing COVID-19 pandemic continues, yet again, to impact the ability to coordinate and undertake audits given the audit function is also jointly responsible for business continuity and emergency management, with the ongoing need for significant resources to be directed to the ongoing response and associated recovery efforts of COVID-19 across the organisation.

The delay in the commencement of the *Planning and Design Code* (Code) has also delayed the start of the *Planning, Design and Infrastructure Act 2016* legislative compliance audit. As such, this has been rescheduled to a later date when the Code has been 'bedded down'.

As a result of these delays, the outstanding audits from 2019/2020 and 2020/2021 have been carried over to the 2021/2022 Internal Audit Program which extends to the end of the Committee term. Therefore the 2021/2022 Internal Audit Program will operate for almost 15 months.

Climate Impact Considerations

(Assessment of likely positive or negative implications of this decision will assist Council and the West Torrens Community to build resilience and adapt to the challenges created by a changing climate.)

There is no direct environmental impact in relation to this report.

Conclusion

COVID-19 continues to have an impact on the implementation of the *Internal Audit Program 2021-22*. However, overall, four (4) of the nine (9) planned audits are in progress or have been completed or closed out as at 24 January 2022.

Attachments

- 1. Internal Audit Program Update as at 24 January 2022**

2021/22 Internal Audit Program

Report as at 24 January 2022

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Status of 2019/20 Internal Audits (Carry Overs)					
Staged Audits					
1	PDI Act and Regulations Implementation (Stage 1)	This audit will review the legislative compliance of the CWT development processes as well as provide an assurance audit on the supporting frameworks in place such as delegations, authorisation, policies, procedures and plans.	April 2021	Not Started	<ul style="list-style-type: none"> • Delay in the implementation of the PDI Act and associated regulations and documents mean that the timing of this audit has been reviewed to ensure maximum value. At this stage it is programmed to commence in the second half of the 2020-2021 year. • Phase 3 Planning Code commenced in early 2021. The progress of process implementation will be closely monitored internally to facilitate the appropriate timing of this audit.
Status of 2020/2021 Internal Audits (Carry Overs)					
Staged Audits					
1	PDI Act and Regulations Implementation (Stage 2)	This audit will review the legislative compliance of the CWT development processes as well as provide an assurance audit on the supporting frameworks in place such as delegations, authorisation, policies, procedures and plans.	June 2021	Not Started	<ul style="list-style-type: none"> • Phase 3 Planning Code commenced in early 2021. The progress of process implementation will be closely monitored internally to facilitate the appropriate timing of this audit. • Delay in the implementation of the PDI Act and associated regulations and documents means the timing of this audit will need to be reviewed to ensure maximum value. At this stage it is still programmed to commence in the 2021-2022 year. • This is stage 2 of the two stage audit process.

Not Started	In Progress	Complete	Deferred	Cancelled
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2021/22 Internal Audit Program

Report as at 24 January 2022

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Status of 2021/2022 Internal Audits					
Assurance Audits					
1	Insurances	A risk identified by Financial Services highlighted the need for the organisation to hold appropriate insurance policies to ensure appropriate coverage in the event of a claim. This audit seeks to review the coverage provided by each insurance policies and identify potential gaps.	June 2022	In Progress	<ul style="list-style-type: none"> Scope currently being drafted.
2	Cyber Security	With the level of hacking into corporate networks increasing at an alarming rate over the last decade, the security of information is an increasing risk to the CWT. The motivations of hackers can vary substantially. This audit seeks to identify gaps in the policies, procedures and practices within the CWT pertaining to information security and IT infrastructure as well as assessing the network architecture to evaluate whether the security supports risk tolerance levels and business objectives.	June 2022	In Progress	<ul style="list-style-type: none"> Scope currently being drafted. CWT currently participating in a CyberCX Cyber Security Risk program which, in part, will consider internal cyber security measures. It is not the intention of Internal Audit to duplicate reviews or actions which will be undertaken as a result of participation in this program. Therefore, the development of this scope has been temporarily paused until this program has commenced. It is expected that the program will be completed by April 2022 and it will focus on the "Essential 8" Framework.
Legislative Compliance Audits					
3	Local Nuisance and Litter Control Act 2016	A legislative compliance audit to be undertaken by a legal auditor reviewing CWT compliance relating to the <i>Local Nuisance and Litter Control Act 2016</i> .	October 2021	Complete	<ul style="list-style-type: none"> Audit Scope drafted and presented to the April 2021 Committee meeting. Scope merged with Expiation, Fines and Enforcements - Collecting fines legislative compliance audit planned for 2020/2021 to increase value to the organisation and ensure efficiency. Audit has commenced and evidence provided to auditor in July 2021.

	Not Started		In Progress		Complete		Deferred		Cancelled
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2021/22 Internal Audit Program

Report as at 24 January 2022

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
Third Party Audits (External)					
4	Vic Roads Annual Audit (Third Party Audit)	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	July 2022	Not Started	<ul style="list-style-type: none"> Interviews delayed due to Level 4 and 5 COVID-19 restrictions. Report presented as part of 12 October 2021 Agenda.
5	Vic Roads Information Protection Agreement Compliance Review	To review CWT compliance with the Information Protection Agreement.	March 2022	In Progress	<ul style="list-style-type: none"> An additional unplanned external audit regarding information protection in regards to the Vic Roads systems.
WHS Audits					
6	WHS/IM KPI Audit against PSSI	An annual audit mandated by the Scheme.	TBA	Not Started	<ul style="list-style-type: none"> Have not yet been advised of start date.
Facilitative Audit					
7	Corporate Planning Framework	The objectives of the audit are to evaluate and report on the adequacy and effectiveness of the CWT's alignment of strategic planning processes and budget planning processes. This includes the processes used in developing strategic, budget and business plans, how they are aligned through to action and service planning processes. In addition, the audit will determine compliance with relevant policies.	June 2022	Not Started	

	Not Started		In Progress		Complete		Deferred		Cancelled
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9.4 EXTERNAL AUDIT

Nil

9.5 COMMITTEE PERFORMANCE AND REPORTING

Nil

10 OTHER BUSINESS

11 CONFIDENTIAL

Nil

12 NEXT MEETING

12 April 2022, 6.00pm in the Mayor's Reception Room.

13 MEETING CLOSE