

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 in the Mayor's Reception Room, Civic Centre
165 Sir Donald Bradman Drive, Hilton

on

TUESDAY, 9 AUGUST 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.

INDEX

1	Meeting Opened	1
	1.1 Acknowledgement of Country	
	1.2 Evacuation Procedures	
	1.3 Meeting Livestream	
2	Present	1
3	Apologies	1
4	Disclosure Statements	1
5	Confirmation of Minutes	1
6	Communication by the Chairperson	1
7	Presentations	1
	7.1 CyberCX Report.....	1
8	Outstanding Reports/Actions	2
	8.1 Audit General Committee Work Plan Update	2
	8.2 Open Actions Update	4
9	Reports of the Chief Executive Officer	7
	9.1 Financial Reporting and Sustainability	7
	9.1.1 Financial Reporting	7
	9.2 Internal Controls and Risk Management Systems	7
	9.3 Internal Audit	8
	9.3.1 2021 - 2022 Internal Audit Program Update	8
	9.4 External Audit	13
	9.5 Committee Performance and Reporting	13
10	Other Business	13
11	Confidential	13
12	Next Meeting	13
13	Meeting Close	13

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 Meeting Livestream

The Presiding Member will advise that:

"This meeting is being audio livestreamed for the benefit of members of the public who wish to listen to proceedings 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 14 June 2022 be confirmed as a true and correct record.

6 COMMUNICATION BY THE CHAIRPERSON

7 PRESENTATIONS

7.1 CyberCX Report

At its 12 April 2022 meeting, the Manager Information Services, Mr Chris James, and the Senior Network Administrator, Jess Iannone, provided a presentation on the CyberCX Cyber Security Risk Program to the Audit General Committee (Committee). The Manager Information Services and the Senior Network Administrator have been invited to present a further update on the CyberCX Cyber Security Risk Program to the Committee.

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:

- Audit General Committee Work Plan Update
- Open Actions Update
- Financial Reporting
- 2022-2023 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 2021-2022.

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 five (5) 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 five (5) agreed actions, two (2) of these actions are complete. Three (3) actions are in progress, with one (1) relating to financial statements, one (1) regarding the review of phishing attacks via private purchases and one (1) relating to the 2022 - 2023 Comprehensive Strategic Risk Review.

The action relating to financial statements will be completed as part of the end of 2021/2022 financial year processes, which will conclude in October 2022. Reviewing the use of Council email addresses by employees for private purchases will, in addition to formal advice sent to employees in June 2022 by the General Manager Business and Community Services that employee's Council email addresses are not to be used for private purchases, be undertaken as part of a policy review which is expected to be completed in 2023. This review will consider cyber security risks and integrity issues. The action related to the 2022/2023 Comprehensive Strategic Risk Review will be presented to the October 2022 Audit General Committee, which will be the last meeting of the current Committee.

Below summarises the status of these five (5) open actions:

Meeting Date	No. of Actions	Not Started	In Progress	Complete
12 October 2021	1	0	1	0
12 April 2022	2	0	2	0
14 June 2022	2	0	0	2
Totals	5	0	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 five (5) open actions of which two (2) actions have now been completed.

Attachments

1. Audit General Committee Open Actions - August 2022

**Audit General Committee
Open Actions
August 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	
OPEN ACTIONS					
1	Review the treatment and recognition of the Local Roads and Community Infrastructure Program Funding grants in next year's financial statements.	GMCR	October 2022	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
2	Review the use of Council email addresses by employees for private purchases to minimise the likelihood of successful phishing or spear fishing attacks.	GMCR	February 2023	A review of the IT and Use Policy will be conducted in 2022 with security clauses revised to include the use of Council email for personal use. An email was sent by GMB&CS to staff regarding private purchases and delivery of parcels to CWT (refer to below action item 4). Staff have undertaken phishing training, which further strengthens information and cyber security controls.	In Progress April 2022
3	Administration to include the risk assessment of increased cost pressures from the 2022/23 Strategic Risk Review.	MLRI	October 2022	The Comprehensive Strategic Risk Review is currently being completed and will be presented to Members at the October 2022 Audit General Committee Meeting.	In progress April 2022

**Audit General Committee
Open Actions**

August 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	
4	August 2022	MLRI	<p>Notification to be sent to CWT staff instructing the discontinuation of private purchases when using a Council email address.</p> <p>Consideration has additionally been given to cease personal deliveries sent to the Council offices.</p>	<p>Communication has been distributed to staff from the Information Management Unit, discouraging personal deliveries being sent to Council.</p> <p>Notification has been emailed to staff from GMB&CS to discontinue private purchases using the CWT email address. Staff have additionally been reminded of protocols for personal deliveries sent to Council.</p>	<p>Complete</p> <p>June 2022</p>
5	August 2022	MLRI	<p>An expected completion timeframe will be provided for the attachments of the '2022 - 2023 Internal Audit Program Update' Report.</p>	<p>An indicative timeframe for items contained in the attachment ('2022 - 2023 Internal Audit Program Update' report) has been included, to provide a status update of 'incomplete' or 'in progress' information.</p>	<p>Complete</p> <p>June 2022</p>

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 2 June and 1 August 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

21 June 2022 - City Finance and Governance Standing Committee

- Creditor Payments
- Council Budget Report - ELEVEN Months to 31 May 2022

5 July 2022 - Council and Committee Meeting

- Creditor Payments
- Council Budget Report - ELEVEN Months to 31 May 2022
- Adoption of the Budget and Annual Business Plan and Declaration of Rates for 2022/23

19 July 2022 - City Finance and Governance Standing Committee

- Creditor Payments
- Property Leases

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 2 June 2022 and 1 August 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 final 2021 - 2022 Internal Audit Program Update.

RECOMMENDATION

It is recommended to the Committee that the *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.

As the term of the Committee expires in November 2022, the Internal Audit Program extends until the end of the Audit General Committee term, at which time some audits will be considered for carry over.

Discussion

Below is a summary of the current status of all planned audits contained in the 2021 - 2022 Program, as at 1 August 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			1	1
Completed			4	4
Not yet commenced			1	1
Deferred/Cancelled			2	2
New Audits Added			0	0
Total Audits Programmed (excluding staged audits)	0	0	8	8

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	1			1
Not yet commenced		1		1
Removed from Plan				
Total Staged Audits	1	1		2
Total Audits	1	1	8	10

Four of the outstanding audits have been completed. Resourcing availability and the ongoing waves of COVID-19 continue 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 need for resources to be directed to the ongoing response and associated recovery efforts of COVID-19 across the organisation.

As a result of these delays, the outstanding audits from 2019/2020 and 2020/2021 were carried over to the 2021/2022 Internal Audit Program, which extends to the conclusion of the Committee term. Therefore, the 2021/2022 Internal Audit Program will operate for almost 15 months, being from 1 July 2021 to 31 October 2022.

In terms of the WHS Audit by the Scheme, the Scheme has advised that no audit will be undertaken this year and from 2022 onwards they will be every two years. As such, the audit is not expected to be undertaken until 2024. Consequently, this action has been cancelled and removed from the Plan but will be included in the 2022-2026 Plan and scheduled for 2024.

A new Internal Audit Plan, for the period 2022-2026, will be developed and presented to the first meeting of the new Committee.

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

While COVID-19 continues to have some impact on the implementation of the *Internal Audit Program 2021-22*, as of 1 August 2022, seven (7) of the ten (10) planned audits are in progress or have been completed or closed out, one (1) item has been deferred to avoid audit duplication and one cancelled due to a decision by an external body not to audit Council this year and one has not commenced.

Attachments

1. 2021/22 Internal Audit Program

2021/22 Internal Audit Program

Report as at 1 August 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	In Progress	<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 Audit scope drafted and presented to the April 2022 Committee meeting Internal audit interviews and evidence assessment is currently underway Expected completion timeframe is October 2022
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 This is stage 2 of the two stage audit process Scope to be drafted upon conclusion of Stage one and considered for carry over to the next Internal Audit Plan 2023-2026
Status of 2021/2022 Internal Audits					

	Not Started		In Progress		Complete		Deferred		Cancelled
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Report as at 1 August 2022

2021/22 Internal Audit Program

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
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"> Financial Services currently undertaking ESCOSA review which has delayed commencement of the audit Expected completion timeframe is February 2023
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	Deferred	<ul style="list-style-type: none"> An assessment report has been prepared by CyberCX which in part considers internal security measures and lists a series of corporate actions for CWT Information Services will present the CyberCX report to the 9 August 2022 Audit Committee Meeting The Cyber Security Audit will be deferred, to allow the actions identified above to be completed and will be considered for carry over within the next Internal Audit Plan 2023-2026
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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Report as at 1 August 2022

2021/22 Internal Audit Program

Audit No.	Internal Audit	Audit Objectives	Due Date	Status	Comments
4	Internal Financial Controls Monitoring Risk Based Methodology	To review the internal financial controls.	March 2022	Complete	<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 Report presented as part of 12 April 2022 Agenda
Third Party Audits (External)					
5	Vic Roads Annual Audit (Third Party Audit)	An annual Internal Audit which is mandated as part of the agreement with Vic Roads.	July 2022	Complete	<ul style="list-style-type: none"> Audit completed and provided to Vic Roads in July 2022
6	Vic Roads Information Protection Agreement Compliance Review	To review CWT compliance with the Information Protection Agreement.	March 2022	Complete	<ul style="list-style-type: none"> An additional unplanned external audit regarding information protection in regards to the Vic Roads systems
WHS Audit					
7	WHS/ IM KPI Audit against PSSI	An annual audit mandated by the Scheme	TBA	Cancelled	<ul style="list-style-type: none"> The Scheme has advised that no audit will be undertaken this year and from 2022 onwards they will be every two years. As such, the audit is not expected to be undertaken until 2024 and so the action has been removed from the Plan. It will be included in the 2022-2026 Plan and scheduled for 2023.
Facilitative Audit					
8	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	<ul style="list-style-type: none"> This item will be considered for carry over within the next Internal Audit Plan 2023-2026

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

11 October 2022, 6.00pm in the Mayor's Reception Room.

13 MEETING CLOSE