



ATTACHMENT 1
AUDIT AND RISK SERVICES PROGRAM 2021-22

INTERNAL AUDIT AND RISK MITIGATION

INTERNAL AUDIT PROGRAM

OBJECTIVE

To report to the Audit and Risk Committee

SERVICE LEVEL

Provision of reports to allow the Audit and Risk Committee to oversee internal / external auditing, risk management, internal control and compliance functions of the City

OBJECTIVE

To undertake activities listed in the Annual Internal Audit Program

SERVICE LEVEL

Provision of an independent and objective review of City operations and systems – provides assurance that risk management, controls and compliance processes are effective

RISK MANAGEMENT PROGRAM

OBJECTIVE

To ensure the identification, remediation and assurance regarding risks to the City's strategic objectives

SERVICE LEVEL

Maintaining a Risk Management Framework including policy, procedures and templates

OBJECTIVE

To ensure governance processes exist for identifying and managing strategic, corporate (operational) and project risks as part of an integrated risk management program and in alignment with City strategic objectives

SERVICE LEVEL

Maintaining the City's electronic risk system including the development and monitoring of risk registers

Provision of training programs to enhance awareness of risk management and promotion of a positive risk culture that embeds risk management across systems and processes

BUSINESS CONTINUITY PROGRAM

OBJECTIVE

To have an effective business continuity program

SERVICE LEVEL

Maintaining an up-to-date business continuity program including regular testing and training

INTEGRITY AND CONDUCT CONTROLS

INTEGRITY AND CONDUCT CONTROLS

OBJECTIVE

To enhance organisational culture to support ethical conduct

SERVICE LEVEL

Provision of programs (including the use of data analytics) for fraud, misconduct and corruption detection and prevention

Maintaining the City's electronic gifts registers including publishing of relevant registers on the City's website

Maintaining the City's whistleblowing program to ensure regular awareness is provided to employees, contractors, suppliers and the public

Reporting to external oversight agencies

Undertake analysis of reports from external oversight agencies to compare the City's position and practices and test internal controls (via an internal audit)

WORK PROGRAM IS INFORMED BY

Audit and Risk Committee

Provision of reports

Legislation

Local Government Act 1995

Local Government
(Administration) Regulations

Local Government (Audit)
Regulations

Local Government
(Financial Management)
Regulations

Corruption, Crime and
Misconduct Act 2003

Public Interest Disclosure
Act 2003

Data Analytics

Informs Internal Audit
Program

Informs Integrity and
Conduct Activities

External Oversight Agencies

Informs Internal Audit
Program

Informs Integrity and
Conduct Activities

INTERNAL AUDIT PROGRAM

OBJECTIVES AND SERVICE LEVELS	MILESTONES AND ACTIVITIES	
<p>To report to the Audit and Risk Committee by the provision of reports to allow the Committee to oversee internal / external auditing, risk management, internal control and compliance functions of the City</p>	Q2 – Q4	<p>Report issues/outcomes to Audit and Risk Committee</p> <ul style="list-style-type: none"> • August 2021 • November 2021 • March 2022
<p>To undertake activities listed in the Annual Internal Audit Program by the provision of an independent and objective review of City operations and systems which provides assurance that risk management, controls and compliance processes are effective</p> <p>Assists the Chief Executive Officer to comply with:</p> <ul style="list-style-type: none"> • Local Government Act 1995 • Local Government (Audit) Regulations 1996 – section 14 and 15 – submit an annual Compliance Audit Return • Local Government (Audit) Regulations 1996 – section 17 – review the appropriateness and effectiveness of a local government’s systems and procedures in relation to risk management, internal control and legislative compliance • Corruption, Crime and Misconduct Act 2003 	<p>Q1</p> <p>Q3</p> <p>Q1 – Q4</p>	<p>Coordinate the completion of the Integrity and Conduct Annual Collection and ensure its submission to the Public Sector Commission by the stipulated deadline</p> <p>Coordinate the completion of the annual Compliance Audit Return and ensure its submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2022</p> <p>Undertake audit requests from the Audit and Risk Committee</p> <p>Undertake unscheduled requests as directed by the Chief Executive Officer</p> <p>Undertake unscheduled management requests</p> <p>Respond to referrals from external oversight agencies (including Corruption and Crime Commission, Public Sector Commission, Office of the Auditor General and the Department of Local Government, Sport and Cultural Industries) that may require investigation and reporting as required by legislation</p> <p>Audit follow-up on implementation of agreed recommendations</p> <ul style="list-style-type: none"> • City Internal Audits • Office of the Auditor General Audits (Information Systems) <p>Complete activities identified as part of the COVID-19 Audit Activity Program</p> <p>Live monitoring of employees’ and elected members’ gift registers including cross referencing of invitations received</p> <p>Drug and alcohol testing of employees (process only; not results)</p> <p>Employee use of fleet vehicles</p> <p>Issues impacting effective operations (targeted)</p> <p>Tender specifications and assessment criteria</p> <p>Payroll process</p>

INTERNAL AUDIT PROGRAM

OBJECTIVES AND SERVICE LEVELS	MILESTONES AND ACTIVITIES	
<p>Continued</p> <p>To undertake activities listed in the Annual Internal Audit Program by the provision of an independent and objective review of City operations and systems which provides assurance that risk management, controls and compliance processes are effective</p> <p>Assists the Chief Executive Officer to comply with:</p> <ul style="list-style-type: none"> • Local Government Act 1995 • Local Government (Audit) Regulations 1996 – section 14 and 15 – submit an annual Compliance Audit Return • Local Government (Audit) Regulations 1996 – section 17 – review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance • Corruption, Crime and Misconduct Act 2003 	<p>Q1 – Q4</p>	<p>Examine potential areas where fraudulent and/or misconduct activity may exist across City activities</p> <ul style="list-style-type: none"> • Attempts to bypass quotation and tender thresholds • Variances between purchasing requisition amount, approved purchase order, payment made • Payments made to ghost employees or invalid suppliers • Payments made after employee termination • Inappropriate relationships (employee to employee; employee to supplier; supplier to supplier) • Changes to bank details • Potential false invoices

RISK MANAGEMENT PROGRAM

OBJECTIVES AND SERVICE LEVELS	MILESTONE AND ACTIVITIES	
<p>To ensure the identification, remediation and assurance regarding risks to the City's strategic objectives by maintaining a Risk Management Framework including policy, procedures and templates</p> <p>To ensure governance processes exist for identifying and managing strategic, corporate (operational) and project risks as part of an integrated risk management program and in alignment with City strategic objectives by maintaining the City's electronic risk system including the development and monitoring of risk registers; and the provision of training programs to enhance awareness of risk management and promotion of a positive risk culture that embeds risk management across systems and processes</p>	Q1 – Q4	Maintain the electronic risk management system <ul style="list-style-type: none"> • System administration • Updating risk management practices • Updating the City's risk rating descriptions and tolerances
		Facilitation of review of risk registers for subject specific and/or project based; business units; operational and strategic risks
		Undertake risk management training <ul style="list-style-type: none"> • Risk Awareness • Risk Identification • Risk Analysis • Residual Risk and Control Effectiveness
		Monitoring of overdue and/or non-compliance items
		Risk Reporting (based on risk tolerance) <ul style="list-style-type: none"> • High risks (quarterly reporting) • Extreme risks (immediately then monthly until within acceptable risk tolerance) • Risk profile
		Reporting audience dependant on level of risk <ul style="list-style-type: none"> • Council • Audit and Risk Committee • Chief Executive Officer • Executive Leadership Team

BUSINESS CONTINUITY PROGRAM

OBJECTIVES AND SERVICE LEVELS	MILESTONES AND ACTIVITIES	
To have an effective business continuity program by maintaining an up-to-date business continuity program including regular testing and training	Q1 – Q2	Progress Action Plan <ul style="list-style-type: none">• New plan (including business impact analysis)• Individual action plans• Process mapping• Training
	Q2 – Q3	Launch approved Consolidated Business Continuity Plan
	Q4	Update approved Consolidated Business Continuity Plan following scenario testing (if required)

INTEGRITY AND CONDUCT CONTROLS

OBJECTIVES AND SERVICE LEVELS	MILESTONE AND ACTIVITIES	
<p>To enhance organisational culture to support ethical conduct by:</p> <ul style="list-style-type: none"> • Provision of programs (including the use of data analytics) for fraud, misconduct and corruption detection and prevention • Maintaining the City's electronic gifts registers including publishing of relevant registers on the City's website • Maintaining the City's whistleblowing program to ensure regular awareness is provided to employees, contractors, suppliers and the public • Reporting to external oversight agencies • Undertaking analysis of reports from external oversight agencies <p>Assists the Chief Executive Officer (as Principal Officer) to comply with:</p> <ul style="list-style-type: none"> • Corruption, Crime and Misconduct Act 2003 • Public Interest Disclosure Act 2003 	Q1 – Q4	Undertake detection and prevention activities for fraud, misconduct and corruption and report issues/outcomes to relevant audience (Chief Executive Officer, Audit and Risk Committee, external oversight agencies)
		Public Interest Disclosures <ul style="list-style-type: none"> • Progress investigations of disclosures made • Progress reporting requirements • Provide ongoing training and assistance to Public Interest Disclosure Officers • Provide training and awareness programs for public interest disclosures and any other integrity matters as identified
		Define and test controls for employees appointed to Positions of Trust
		Progress actions from the Public Sector Commission's Integrity Snapshot Tool
		Undertake analysis of reports from external oversight agencies to compare the City's position and practices and test internal controls (via an internal audit) and report to relevant audience (Council, Audit and Risk Committee, Chief Executive Officer, Executive Leadership Team)

**ATTACHMENT 2
STATUS OF AUDIT AND RISK SERVICES PROGRAM 2020-21**



INTERNAL AUDIT PROGRAM

RISK MANAGEMENT PROGRAM

BUSINESS CONTINUITY PROGRAM

INTEGRITY AND CONDUCT CONTROLS

INTERNAL AUDIT PROGRAM

OUTCOMES Report issues/outcomes to Audit and Risk Committee	COMPLETED	ONGOING
	Significant Issues Identified	
Meeting held on 6 July 2020 <ul style="list-style-type: none"> Internal Audit Outcomes COVID-19 Internal Audit Activity Audit and Risk Services Program 2020-21 and 2019-20 	x	-
Meeting held on 9 November 2020 <ul style="list-style-type: none"> Revised Risk Management Policy and Framework Status Report – Office of the Auditor General Information Systems Audit 	x	-
Meeting held on 2 March 2021 <ul style="list-style-type: none"> 2020 Compliance Audit Return Internal Audit Outcomes Reporting to External Oversight Agencies 	√	-
OUTCOMES Activities listed in the Annual Internal Audit Program	COMPLETED	ONGOING
	Significant Issues Identified	
Completion of Integrity and Conduct Annual Collection and submitted to Public Sector Commission	x	-
Completion of Compliance Audit Return and submitted to Department of Local Government, Sport and Cultural Industries	x	-
Review of revised Management of Grants Protocol	x	-
Review of proposed consultation process for Local Government Child Safety Officers	x	-
Review of Joondalup Business Catalogue competition terms and conditions	x	-
Review of information maintained to monitor agency costs	x	-
Review of unique / specialised provider (parking ticket machines)		√
Review of potential partnership with LITT Global (digital vouchers to stimulate spending)	x	√

INTERNAL AUDIT PROGRAM

OUTCOMES	COMPLETED	ONGOING
Activities listed in the Annual Internal Audit Program	Significant Issues Identified	
Review of incentive prize (Chromebook device) for Business Ready Program	x	-
Respond to referrals from external oversight agencies (Matter No. 1)	-	√
Respond to referrals from external oversight agencies (Matter No. 2)	-	√
Respond to referrals from external oversight agencies (Matter No. 3)	-	√
Audit follow-up on implementation of agreed recommendations – traffic management and overtime	-	√
Audit follow-up on implementation of agreed recommendations – relationships (employee to supplier)	-	√
Audit follow-up on implementation of agreed recommendations – 2018/2019 OAG General Information Systems Audit	x	-
COVID-19 Audit Activity Program – use of Zoom and Microsoft Teams for meetings (cyber security)	x	-
COVID-19 Audit Activity Program – payments to casuals and part time employees (February 2021 WA lockdown)		√
Live monitoring of employees' and elected members' gift registers including cross referencing of invitations received <ul style="list-style-type: none"> • July 2020 – 4 • August 2020 – 3 • September 2020 – 6 • October 2020 – 11 • November 2020 – 18 • December 2020 – 17 • January 2021 – 4 • February 2021 – 3 • March 2021 – 9 • April 2021 – 15 • May 2021 – 21 • June 2021 – 5 	-	√

INTERNAL AUDIT PROGRAM

OUTCOMES Activities listed in the Annual Internal Audit Program	COMPLETED	ONGOING
	Significant Issues Identified	
Annual audit of compliance of the Information Protection Agreement between the City and VicRoads	x	-
Drug and alcohol testing of employees (process only; not results)		√
Employee use of fleet vehicles		√
Issues impacting effective operations (targeted) – commenced with access to information and use of fleet vehicles		√
Payroll processes – leave accruals and superannuation contributions	x	-
Attempts to bypass quotation and tender thresholds – commencing with use of unique suppliers		√
Variances between purchasing requisition amount, approved purchase order, payment made		√
Payments made to ghost employees or invalid suppliers		√
Bypassing of controls – invoice numbers within TechOne (finance system)	x	-
Follow up review of bypassing of controls – invoice numbers within TechOne (finance system)	x	-
Payments made after employee termination	x	-
Inappropriate relationships (employee to supplier) – 4 identified		√
Inappropriate relationships (employee to employee) – 8 identified		√
Inappropriate relationships (supplier to supplier) – 1	x	-

RISK MANAGEMENT PROGRAM

OUTCOMES Identification, remediation and assurance regarding risks to the City's strategic objectives	COMPLETED	ONGOING
	Significant Issues Identified	
Revised Risk Management Policy adopted by Council	x	-
Revised Risk Management Framework endorsed by Council	x	-
Maintain electronic risk management system – updated following revised policy and framework	x	-
Review of operational risk registers – 6	-	√
Provision of operational risk portfolio health checks	-	√
Review of risk management plan – Summer Sessions	x	-
Review of risk management plan – Youth Services Road Trip 2021 (to Mandurah Skate Park)	x	-
Review of risk management plan – ANZAC Day Dawn Service	x	-
Risk assessment – Mindarie Regional Council Environmental Plume	x	-
Risk assessment – Yellagonga Preferred Contractor (collaboration for analytical program)	x	-
Risk assessment – COVID-19 Phase 4 and 5 Restrictions – Reopening of facilities and services	x	-
Risk assessment – COVID-19 Community Transmission		√
Risk assessment – Lot 12223 Blackwattle Parade, Padbury	x	-
Risk assessment – Little Feet Festival	x	-
Risk assessment – Sunday Serenades	x	-
Risk assessment – Joondalup Festival	x	-
Risk assessment – Music in the Park	x	-
Risk assessment – Valentine's Concert	x	-
Risk assessment – Luminight playground	x	-

RISK MANAGEMENT PROGRAM

OUTCOMES	COMPLETED	ONGOING
Identification, remediation and assurance regarding risks to the City's strategic objectives	Significant Issues Identified	
Risk assessment – 2019/2020 Office of the Auditor General Information Systems Audit		√
Risk assessment – Unexploded Ordnance within the City		√
Development of risk reporting dashboard		√
Development of online risk training programs		√

BUSINESS CONTINUITY PROGRAM

OUTCOMES	COMPLETED	ONGOING
Up-to-date business continuity program including regular testing and training	Significant Issues Identified	
New Business Continuity Policy adopted by Council	x	-
Updated concepts (for new plan) presented to Risk Management Taskforce	-	√
Updated roles and responsibilities (for new plan) presented to Risk Management Taskforce	-	√
Draft Business Continuity Plan developed for review	-	√
Process developed for managing business continuity planning	x	-
Process developed for activating the Business Continuity Plan	x	-
Process developed for providing service continuity response	x	-
Crisis Management Team meetings held due to COVID-19 pandemic (WA lockdowns and restrictions) <ul style="list-style-type: none"> • July 2020 • August 2020 • November 2020 • February 2021 • April 2021 • May 2021 • June 2021 	-	√
Debrief workshop conducted by Local Government Insurance Services on City response to COVID-19 pandemic	x	-
Internal debrief workshops conducted for coordinators/supervisors on City response to COVID-19 pandemic	x	-
Internal questionnaire provided to all staff on City response to COVID-19 pandemic	-	√

INTEGRITY AND CONDUCT CONTROLS

OUTCOMES	COMPLETED	ONGOING
	Significant Issues Identified	
Undertake detection and prevention activities		
Alleged minor misconduct reported to Public Sector Commission – 2	√	√ (1)
Alleged serious misconduct reported to Corruption and Crime Commission – 4	√	√ (1)
Internal messaging / awareness of International Anti-Corruption Day (9 December 2021)	x	-
Commencement of identification of positions of trust for employees		√
OUTCOMES	COMPLETED	ONGOING
Analysis of reports from external oversight agencies	Significant Issues Identified	
Joint Standing Committee on the Corruption and Crime Commission – Corruption risk in public procurement in WA		√
Corruption and Crime Commission – review of investigation by Water Corporation into serious misconduct	x	-
Corruption and Crime Commission – review of investigation by Western Power into serious misconduct	x	-
Office of the Auditor General – Regulation of Consumer Food Safety by Local Government Entities		√
Office of the Auditor General – Waste Management Service Delivery		√
Office of the Auditor General – Grants Administration		√
Department of Local Government, Sport and Cultural Industries – Inquiry into Shire of Toodyay	x	-
Department of Local Government, Sport and Cultural Industries – Inquiry into Town of Cambridge	x	-
Department of Local Government, Sport and Cultural Industries – Inquiry into Shire of Wiluna	x	-
Department of Local Government, Sport and Cultural Industries – Inquiry into City of Subiaco	x	-
Department of Local Government, Sport and Cultural Industries – Inquiry into City of Cockburn	x	-