

**TOWN OF BASSENDEAN**  
**MINUTES**  
**AUDIT AND GOVERNANCE COMMITTEE**  
**WEDNESDAY 5 AUGUST 2020, 5.35PM**

In accordance with regulation 12(2) and 14D of the *Local Government (Administration) Regulations 1996*, that due to the public health emergency arising from the COVID-19 Pandemic, the Audit and Governance Committee was held by electronic means.

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**1.0**                    **DECLARATION OF OPENING; ANNOUNCEMENT OF VISITORS; ACKNOWLEDGEMENT OF COUNTRY**

The Presiding Member opened the meeting, welcomed all those in attendance and conducted an Acknowledgement of Country.

**2.0**                    **ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION**

Nil

**3.0**                    **ATTENDANCES, APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE**

**Present**

**Members**

Cr Hilary MacWilliam, Presiding Member  
Cr Renee McLennan (until 6.31pm)  
Cr Kathryn Hamilton  
Cr Chris Barty  
Elliott Brannen, Community Rep  
Martin Le Tessier, Community Rep

**Staff/Consultants**

Paul White, Director Corporate Services  
Alex Evans, Manager Information & Technology  
Elizabeth Kania, Manager Governance & Strategy  
Diane Depiazz, Manager Finance  
Liang Wong, Office of the Auditor General

Ron Back, Financial Advisor  
Amy Holmes, Minute Secretary

**Apologies**

Peta Mabbs, CEO  
Luke Gibson, Acting CEO  
Tom Klaassen, Community Representative

**4.0 DECLARATIONS OF INTEREST**

Nil

**5.0 PRESENTATIONS OR DEPUTATIONS**

Nil

**6.0 CONFIRMATION OF MINUTES**

**6.1 Audit and Governance Meeting held on 3 June 2020**

**Committee/Officer Recommendation – Item 6.1**

MOVED Cr MacWilliam, Seconded Cr Hamilton, that the minutes of the Audit and Governance Committee meeting held on 3 June 2020, be confirmed as a true record.

CARRIED UNANIMOUSLY 6/0

**7.0 BUSINESS DEFERRED FROM PREVIOUS MEETING**

Nil

**8.0 REPORTS**

**Committee Recommendation – Item 8.0**  
**AGC-1/07/20**

MOVED Cr MacWilliam, Seconded Martin Le Tessier, that Items 8.1 and 8.2, be considered behind closed doors, under Confidential Items.

CARRIED UNANIMOUSLY 6/0

<b>Item 8.3</b>	OAG Audit Committees Better Practice Guide
<b>Property Address (if applicable)</b>	N/A
<b>Landowner/Applicant (if applicable)</b>	N/A
<b>Ref</b>	GOVN/CCLMEET/18
<b>Directorate</b>	Corporate Services
<b>Attachment No. 1</b>	<ul style="list-style-type: none"><li>• Western Australian Public Sector Audit Committees – Better Practice Guide, Western Australian Auditor General, 25 June 2020</li><li>• Town of Bassendean Audit and Governance Committee Instrument of Appointment and Delegation</li><li>• Town of Bassendean Audit and Governance Committee Charter – Discussion draft</li></ul>

## Purpose

The purpose of this report was to provide the Committee with:

1. The Western Australian Public Sector Audit Committees – Better Practice Guide, tabled in Parliament by the Western Australian Auditor General on 25 June 2020; and
2. A draft Charter for the Town’s Audit and Governance Committee to replace the current Instrument of Appointment and Delegation, for discussion.

## Background

The Western Australian Auditor General has prepared a Better Practice Guide for Audit Committees in Western Australia (“the Guide”). The purpose of the Guide is to provide better practice principles and guidance to accountable authorities, audit committee members and senior managers with responsibility for audit committee activities. For local governments, the accountable authority is Council.

The Guide is intended for use by members of audit committees, accountable authorities, CEOs, chief audit executives and senior managers with responsibility for audit committee activities, as well as those who are accountable to an audit committee.

The Guide was prepared in consultation with the Institute of Internal Auditors - Australia (and Global) and the Australian National Audit Office.

## Strategic Implications

### Strategic Priority 5: Good Governance

<b>Objectives</b> <i>What we need to achieve</i>	<b>Strategies</b> <i>How we're going to do it</i>	<b>Measures of Success</b> <i>How we will be judged</i>
5.1 Enhance organisational accountability	5.1.3 Strengthen governance, risk management and compliance	Community / Stakeholder Satisfaction Survey (Governance)
	5.1.5 Ensure optimal management of assets	Risk Management Profile
5.2 Proactively partner with the community and our stakeholders	5.2.1 Improve customer interfaces and service	Community / Stakeholder Satisfaction Survey (Community engagement and participation)
	5.2.2 Engage and communicate with the community	
	5.2.3 Advocate and develop strong partnerships to benefit community	
5.3 Strive for Improvement and Innovation	5.3.1 Adopt and measure against best practices ensuring a focus on continuous improvement	Local Government Service Review Benchmarks

### Comment

The Guide outlines six core better practice principles for audit committees:

1. **Membership:** Members have the right experience and leadership skills to be trusted independent advisors.
2. **Role and Responsibilities:** The roles and responsibilities of the audit committee allow for wholesome oversight of internal audit, governance, risk management and internal control practices.
3. **Professional Practices:** The audit committee conducts itself professionally to provide independent, sound and valuable advice to the accountable authority.
4. **Performance and Accountability:** The audit committee is aligned with the entity's strategic outcomes and is accountable for its performance.
5. **Entity Relationships:** The audit committee is a trusted, independent partner.
6. **Governance and Reporting:** The audit committee is governed effectively to enable transparent, objective and timely reporting.

The Guide includes a detailed and comprehensive example Audit Committee Charter that covers the role, authority, membership and responsibilities for:

- Risk management, fraud and internal control;
- Internal audit;
- Compliance and ethics;
- Financial and performance reporting; and
- External audit.

The Guide recommends that an audit committee review its charter annually.

The Town's Audit and Governance Committee's Instrument of Appointment and Delegation was adopted in May 2018 and amended in February 2019 and again in February 2020 (to account for expanded Committee membership).

Staff have modified the example Charter from the Guide to suit the Town's purposes and the resulting discussion draft for the Committee's consideration is attached to this report.

### **Statutory Requirements**

The Local Government Act 1995, section 7.1A, requires a local government to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.

*Local Government (Audit) Regulations 1996*, Regulation 16, specifies the functions of an audit committee.

### **Financial Considerations**

No financial considerations arise from this report.

*Town staff tabled the draft Audit & Governance Committee Charter for perusal and feedback by committee members, to Paul White by the end of August.*

### **Committee/Officer Recommendation – Item 8.3(a)** **AGC-2/07/20**

MOVED Cr MacWilliam, Seconded Cr Barty, that the Audit and Governance Committee receives the Western Australian Public Sector Audit Committees – Better Practice Guide, Western Australian Auditor General, 25 June 2020, attached to this report.

CARRIED UNANIMOUSLY 6/0

### **Committee/Officer Recommendation – Item 8.3(b)** **AGC-3/07/20**

MOVED Cr MacWilliam, Seconded Cr Hamilton, that the Committee reviews and provides feedback, on the draft Town of Bassendean Audit and Governance Committee Charter attached to this report, **to Paul White, via email, by the end of August.**

CARRIED UNANIMOUSLY 6/0

<b>Item 8.4</b>	Annual Closed Circuit Television (CCTV)
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>Ref</b>	INFT/ACQ/1
<b>Directorate</b>	Community Planning
<b>Attachment</b>	N/A

## Purpose

The purpose of this report was to present the 2019/20 annual statistics for the Towns' existing CCTV systems, as per the requirements of the Closed Circuit Television (CCTV) Management & Operational Manual.

## Background

In April 2012 (OCM 10/04/2012) Council adopted the Closed Circuit Television (CCTV) Management & Operational Manual. This document provides for the annual reporting of listed items to keep the Town updated on the effectiveness of CCTV installations throughout Council owned facilities.

The Manual states that '*CCTV Management Practices establish the operational objectives and reporting indicators for CCTV Operations, with a focus on nominated outcomes relevant to camera locations and other defined target areas*'.

Key indicators include the number of requests for footage, the time taken in responding to requests for footage, the number of requests for maintenance and the time taken to repair systems.

This data allows for the Town to quickly identify trends concerning fundamental operations, which may require early intervention or closer monitoring.

This information can then be used to determine if the installation is still necessary or if it has served its purpose in reducing reportable incidents in the area and can be re-installed elsewhere if needed.

## Strategic Implications

Priority Area 1 – Strengthening and connecting our community

Direction	Potential Strategies	What Success Looks Like
Creating an environment where people feel welcome and safe	<ul style="list-style-type: none"> <li>• Create public spaces and transport routes that encourage people to linger, interact and enjoy (including evening use)</li> <li>• Encourage the adoption of a collective responsibility towards safety</li> </ul>	<ul style="list-style-type: none"> <li>• Increased use of public transport by different demographics</li> <li>• Increased active transport by different demographics</li> <li>• Reduced antisocial incidents</li> </ul>

Priority Area 5: Facilitating people-centered services

Direction	Potential Strategies	What Success Looks Like
Deliver efficient and well-connected internet and computer technology systems	Improve efficiency of internet and computer technology systems for community-facing services	<ul style="list-style-type: none"> <li>• Improved efficiency of online services for community</li> <li>• Improved efficiency of online services for administration</li> <li>• Increased customer base for online services</li> <li>• Ability to deliver core work and services via non-contact methods</li> </ul>

**Comment**

Customer Service Centre CCTV

This system is running effectively and provides security for front of counter staff when dealing with customers to the Town.

The CCTV System installed at the Customer Service Centre located at 35 Old Perth Road, Bassendean has received no requests for footage. Whilst there have been some issues with the display, this has not resulted in downtime of the system.

The operating system was upgraded in the reporting period with the access point being transferred to the Rangers CCTV Monitoring access point and there have been no further repair issues in the reporting period.

Library CCTV

This system is currently operational and captures external footage under the library as well as internal footage inside the Library.

The CCTV System installed in the Library located at 46 Old Perth Road, Bassendean has received 2 requests for footage with the data provided to the requesting officer at a later date. There have been no maintenance or repair issues in the reporting period.

Youth Services CCTV

The system at Youth Services continues to be used to deter and as necessary, record evidence, of any anti-social or criminal behaviour located in and around the site.

The CCTV system installed at the Bassendean Youth Services located at the corner of West Road and Guildford Road, Bassendean has received 2 requests for footage and the data was submitted via the online submission tool. There have been no maintenance or repair issues in the reporting period.

### Seniors & Disabilities CCTV

The system at this location is running effectively and provides security for the staff at this location and also provides a deterrent against break-ins.

The CCTV System installed at the Seniors and Disabilities Office located at 2 Colstoun Road, Ashfield has not received any requests for footage nor had any system repair issues during this reporting period.

### Depot CCTV

The system in this location is running effectively and provides coverage of areas inside the Depot Compound.

The CCTV system installed at the Depot Compound located at 69 Scaddan Street, Bassendean has not received any requests for footage nor had any system repair issues during this reporting period.

### Mobile CCTV Trailer

The trailer is designed to be deployed at random locations throughout the Town where it can be secured and monitored to prevent and deter anti-social and criminal behaviour. The Town has a schedule for deployment that can be adjusted to include any new hotspot locations as necessary and as per the Closed Circuit Television (CCTV) Management & Operational Manual guidelines.

The Trailer has been deployed in liaison with the WA Police at the Kiara Police Station to assist with evidence gathering activities and Rangers continue to liaise with Kiara Police to identify locations and deploy the trailer in line with Management Policies and Practices.

The CCTV trailer has also been used during the last twelve months to monitor Town of Bassendean Assets and Events to deter and prevent damage, theft and gather evidence as required.

The trailer has had two minor repair issues in the reporting period with no requests for footage.

### Administration Building – 48 Old Perth Road

This installation captures images to the rear of the building, along the Public Access Way between the Library carpark and James Street, and out into the BIC Reserve / War Memorial area.

The system has been operating effectively for the reporting period with no requests for footage. The operating system was upgraded in the reporting period and there have been no maintenance or repair issues in the reporting period.



## Alf Faulkner and Jubilee Reserve CCTV

Cameras at Alf Faulkner Hall cover the immediate area around the building and the cameras at Jubilee Reserve cover the immediate area around Stan Moses Pavilion, a second installation covers the immediate area around the Kiosk and the third covers the area immediately outside the Caledonians Soccer Club facility.

With the exception of one camera at Jubilee Reserve that has been inconsistently working and is potentially being repaired under warranty, the remaining camera systems have been operating effectively for the reporting period with 3 requests for footage – 2 requests for Jubilee Reserve with the data provided at a later date and 1 request for Alf Faulkner, with the footage provided via the online submission tool. There has been no other maintenance and repair issues in the reporting period.

### **Statutory Requirements**

Section 5.12 of the Closed Circuit Television (CCTV) Management and Operational Manual states:

5.12 *Monitoring, Review & Audit Reports and Protocols*

5.12.1 *Annual Review and Reporting*

*In accordance with AS4806.1:2006 Part 3.5 a report should be prepared on an annual basis to provide information on the operation and performance of the CCTV system. Except where there is a legitimate reason for non-disclosure or where restricted or classified by a government agency.*

### **Financial Considerations**

Nil.

### **Committee/Officer Recommendation – Item 8.4** **AGC-4/07/20**

MOVED Cr MacWilliam, Seconded Cr Hamilton, that the Audit & Governance Committee receives the CCTV Management and Operation Annual report.

CARRIED UNANIMOUSLY 6/0

### **9.0** **MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN** **GIVEN**

Nil

**10.0 ANNOUNCEMENTS OF NOTICES OF MOTION FOR THE NEXT MEETING**

Nil

**11.0 CONFIDENTIAL BUSINESS**

**Committee Recommendation – Item 11.0**  
**AGC-5/07/20**

MOVED Cr MacWilliam, Seconded Elliott Brannen that the meeting go behind closed doors in accordance with Section 5.23 of the Local Government Act 1995, the time being 6.01pm.

CARRIED UNANIMOUSLY 6/0

*Ron Back, representatives of the Office of the Auditor General and members of the public left the meeting and did not return.*

<b>Item 8.1</b>	Internal Network Audit
<b>Property Address (if applicable)</b>	N/A
<b>Landowner/Applicant (if applicable)</b>	N/A
<b>Ref</b>	GOVN/CCLMEET/18
<b>Directorate</b>	Corporate Services
<b>Confidential Attachment No. 1</b>	Internal Network Audit – Executive Summary Report –

**Purpose**

The purpose of this report is to provide the Committee with the report prepared by Stott Hoare on its audit of the Town's internal network.

**Background**

The Town engaged Stott Hoare to undertake a network audit in June 2020. The purpose of the network audit was to undertake an audit of the current IT environment, focusing on investigating the cause of slowness of the IT network and reported network connectivity drop outs, providing recommendations to Town to address the issues found.

## Strategic Implications

### Strategic Priority 5: Good Governance

<b>Objectives</b> <i>What we need to achieve</i>	<b>Strategies</b> <i>How we're going to do it</i>	<b>Measures of Success</b> <i>How we will be judged</i>
5.1 Enhance organisational accountability	5.1.3 Strengthen governance, risk management and compliance	Community / Stakeholder Satisfaction Survey (Governance)
	5.1.5 Ensure optimal management of assets	Risk Management Profile
5.2 Proactively partner with the community and our stakeholders	5.2.1 Improve customer interfaces and service	Community / Stakeholder Satisfaction Survey (Community engagement and participation)
	5.2.2 Engage and communicate with the community	
	5.2.3 Advocate and develop strong partnerships to benefit community	
5.3 Strive for Improvement and Innovation	5.3.1 Adopt and measure against best practices ensuring a focus on continuous improvement	Local Government Service Review Benchmarks

## Comment

The network audit identified significant risks in the following areas:

- Firewall and web filtering;
- Internet speed;
- Remote access;
- Active directory;
- Antivirus;
- Workstations ageing;
- Remote sites and site interconnectivity;
- Networking; and
- Backups.

The network audit identified an urgent need for the Town to:

- Purchase and commission an enterprise grade firewall with Unified Threat Management functionality, web filtering and application filtering;
- Change the internal production environment to a private subnet addressing scheme;
- Implement a remote desktop gateway server; and
- Implement a centrally managed antivirus console.

Stott Hoare also recommended:

- Adoption of a regular maintenance plan for Windows updates;
- Renewal of the ageing point-to-point WiFi equipment connecting the Depot and Ashfield to 48 Old Perth Road;
- Renewal of ageing workstations, printers and switches;
- Data replication to an offsite location; and

- Implement a more robust backup regime, with onsite backups replicated to a Cloud service or saved to external drive and stored offsite.

IT staff have commenced preparation of a comprehensive IT strategy for the Town, reflecting the findings of the network audit and recommendations of the 2019 Information Systems review by BroadReach Consulting.

### **Statutory Requirements**

*Local Government (Audit) Regulations 1996, Regulation 17, states:*

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 subregulation (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.

The CEO is to report to the audit committee the results of that review.

### **Financial Considerations**

Action required to address some audit recommendations may require the Town to engage external consultants. Any necessary engagements will be governed by the Town's Purchasing Policy and Procurement Guidelines.

*Elliott Brannen left the meeting at 6.15pm, due to technical issues.*

### **Committee/Officer Recommendation – Item 8.1** **AGC-6/07/20**

MOVED Cr MacWilliam, Seconded Cr Hamilton, that the Audit and Governance Committee receives the report on the internal network audit.

**CARRIED UNANIMOUSLY 5/0**

*Elliott Brannen returned to the meeting at 6.17pm.*

<b>Item 8.2</b>	Audit Risk Register
<b>Property Address (if applicable)</b>	N/A
<b>Landowner/Applicant (if applicable)</b>	N/A
<b>Ref</b>	GOVN/CCLMEET/18
<b>Directorate</b>	Chief Executive and Corporate Services
<b>Confidential Attachment No. 2</b>	Audit Risk Register

## Purpose

The purpose of this report is to provide the Committee with the Town's Audit Risk Register, with updated actions since the last meeting of the Committee.

## Background

The Town engaged its internal auditor Moore Stephens to review the appropriateness and effectiveness of the Town's systems and procedures in relation to risk management, internal controls and legislative compliance pursuant to Regulation 17 of the Local Government (Audit) Regulations 1996.

The Moore Stephens report, "Review of Risk Management, Internal Controls and Legislative Compliance", was tabled at the Audit and Governance Committee meeting on 7 August 2019. Moore Stephens recommended that:

*"An Audit Log of outstanding audit recommendations should be developed to enable tracking of open items for timely completion. The Audit Log should be presented to each Audit & Governance Committee meeting for oversight by Committee members."*

## Strategic Implications

Strategic Priority 5: Good Governance

<b>Objectives</b> <i>What we need to achieve</i>	<b>Strategies</b> <i>How we're going to do it</i>	<b>Measures of Success</b> <i>How we will be judged</i>
5.1 Enhance organisational accountability	5.1.3 Strengthen governance, risk management and compliance	Community / Stakeholder Satisfaction Survey (Governance)
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	5.2.2 Engage and communicate with the community	
	5.2.3 Advocate and develop strong partnerships to benefit community	

5.3 Strive for Improvement and Innovation	5.3.1 Adopt and measure against best practices ensuring a focus on continuous improvement	Local Government Service Review Benchmarks
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## Comment

The Audit Risk Register presents a summary of the audit risks and recommendations made in recent internal and external audit reports relating to the Town and provides an update on actions taken to address those recommendations.

The Audit Risk Register includes findings and recommendations from two recent audits:

- Internal Audit – Accounts Payable and Purchasing, Moore Stephens, April 2020; and
- Internal Network Audit – Stott Hoare, June 2020.

The report on the internal audit of accounts payable and purchasing was tabled at the meeting of the Committee on 3 June 2020.

The purpose of the internal network audit was to undertake an audit of the current environment focusing on networking and reported network connectivity drop outs, providing recommendations to Town to address the issues found. As expected, the audit identified significant risks in the following areas:

- Firewall/internet speed/access;
- Remote access;
- Active directory;
- Antivirus;
- Workstation ageing;
- Remote sites and site interconnectivity;
- Networking; and
- Backups.

IT staff have commenced preparation of a comprehensive IT strategy for the Town, reflecting the findings and recommendations of the 2019 Information Systems review by BroadReach Consulting and the Internal Network Audit by Stott Hoare.

The Audit Risk Register will continue to be updated and provided for each meeting of the Committee.

## Statutory Requirements

*Local Government (Audit) Regulations 1996*, Regulation 17, states:

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 subregulation (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.

The CEO is to report to the audit committee the results of that review.

### **Financial Considerations**

Action required to address some audit recommendations may require the Town to engage external consultants. Any necessary engagements will be governed by the Town's Purchasing Policy and Procurement Guidelines.

*Staff recommendation is to await completion of the IT Strategy before embarking on automated purchasing.*

*Cr MacWilliam requested the document be redistributed on white paper in future so it is clearer to see the new items and updates.*

### **Committee/Officer Recommendation – Item 8.2** **AGC-7/07/20**

MOVED Cr MacWilliam, Seconded Cr Hamilton, that the Audit and Governance Committee receives the Audit Risk Register.

CARRIED UNANIMOUSLY 6/0

*Cr McLennan left the meeting at 6.31pm and did not return.*

<b>Item 11.1</b>	Report of Suspected Serious Misconduct (Confidential)
<b>Property Address (if applicable)</b>	NA
<b>Landowner/Applicant (if applicable)</b>	NA
<b>Ref</b>	HR/GREIV/12
<b>Directorate</b>	Chief Executive and Corporate Services
<b>Attachment</b>	NA

*Cr Chris Barty declared an Impartiality Interest.*

### **Purpose**

The purpose of this report is to provide the Audit and Governance Committee with a summary report of suspected serious misconduct as reported to the Corruption and Crime Commission (CCC) in May 2020.

*This matter was considered with members of the public excluded from the Chamber under Clause 5.23 (2) (a) of the Local Government Act 1995, as the officer report discusses a matter affecting an employee or employees.*

**Committee/Officer Recommendation – Item 11.1**

**AGC-8/07/20**

MOVED Cr MacWilliam, Seconded Martin Le Tessier, that the Audit and Governance Committee notes this report.

CARRIED UNANIMOUSLY 5/0

**12.0 CLOSURE**

The next meeting is to be held on Wednesday 4 November 2020, commencing at 5.30pm.

There being no further business, the Presiding Member closed the meeting at 6.55pm.