



City of Cockburn
Audit Risk and Compliance Committee
Minutes

For Tuesday, 15 July 2025

These Minutes are subject to confirmation

Presiding Member's signature

Date: 16 September 2025

Audit Risk and Compliance Committee Meeting, Tuesday, 15 July 2025

Table of Contents

| | Page |
|--|------|
| 1. Declaration of Meeting..... | 4 |
| 2. Appointment of Presiding Member (If required) | 4 |
| 3. Disclaimer | 4 |
| 4. Acknowledgement of Receipt of Written Declarations of Financial Interests and Conflict of Interest (by Presiding Member) | 4 |
| 5. Apologies & Leave of Absence | 4 |
| 6. Public Question Time | 5 |
| 7. Confirmation of Minutes..... | 5 |
| 7.1 (2025/MINUTE NO 0018) Minutes of the Audit Risk and Compliance Meeting - 20/05/2025..... | 5 |
| 8. Deputations | 5 |
| 9. Business Left Over from Previous Meeting (if adjourned) | 5 |
| 10. Declaration by Members who have Not Given Due Consideration to Matters Contained in the Business Paper Presented before the Meeting | 5 |
| 11. Reports - CEO (and Delegates)..... | 6 |
| 11.1 Corporate and System Services | 6 |
| 11.1.1 (2025/MINUTE NO 0019) Financial Audit Results – Local Government 2023-24 (Office of the Auditor General) | 6 |
| 11.1.2 (2025/MINUTE NO 0020) Performance Audit - Local Government Management of Purchasing Cards - Larger Metropolitan Entities..... | 62 |
| 11.2 Office of the CEO | 94 |
| 11.2.1 (2025/MINUTE NO 0021) Internal Review of Procurement Services - Malabar BMX Contract C100950, RFT23/2023 - Update to Council..... | 94 |
| 12. Motions of Which Previous Notice Has Been Given..... | 97 |
| 13. Notices Of Motion Given At The Meeting For Consideration At Next Meeting..... | 97 |
| 14. New Business of an Urgent Nature Introduced by Members or Officers | 97 |
| 15. Matters to be Noted for Investigation Without Debate | 97 |
| 16. Confidential Business | 97 |
| 16.1 Response to OAG findings Information Systems Audit | 97 |
| 17. Closure of Meeting | 98 |

Audit Risk and Compliance Committee Meeting Tuesday, 15 July 2025

Minutes

Attendance

Elected Members

Cr P Corke (Presiding Member)
Mayor L Howlett
Deputy Mayor C Stone
Cr C Reeve-Fowkes
Mr W Gately (Independent Member)
Mr A Kandie (Independent Member)

Observer

Cr M Separovich

Staff

| | |
|----------------|--|
| Mr D Simms | Chief Executive Officer |
| Mr D Arndt | Director Sustainable Development and Safety |
| Ms C Bywater | Director Corporate and System Services (Arrive 6:01pm) |
| Ms K Johnson | Director Community and Place |
| Mr A Lees | Director Infrastructure |
| Mr J Blanchard | General Counsel |
| Mr N Mauricio | Chief Financial Officer |
| Mr J Curulli | Chief Information Officer |
| Mr J Fiori | Risk and Governance Advisor |
| Ms T Hardmeier | Service Lead Governance and Council Support |
| Mrs L Spearing | Executive Support Officer |

1. Declaration of Meeting

The Presiding Member declared the meeting open at 6:00pm.

“Kaya, Wanju Whadjuk Boodjar” which means “Hello, Welcome to Whadjuk Land”

The Presiding Member acknowledged the Whadjuk Peoples of the Nyungar Nation who are the traditional custodians of the land on which the meeting was being held and paid respect to the Elders both past and present and extended that respect to First Nations Peoples present.

6:01pm The Director Corporate and System Services entered the meeting.

2. Appointment of Presiding Member (If required)

Nil

3. Disclaimer

The Presiding Member read the Disclaimer:

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position.

Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

4. Acknowledgement of Receipt of Written Declarations of Financial Interests and Conflict of Interest (by Presiding Member)

Nil

5. Apologies & Leave of Absence

Apology

Cr Kevin Allen

6. Public Question Time

Nil

7. Confirmation of Minutes

7.1 (2025/MINUTE NO 0018) Minutes of the Audit Risk and Compliance Meeting - 20/05/2025

Committee Recommendation

MOVED Deputy Mayor C Stone SECONDED Cr C Reeve-Fowkes

That Committee confirms the Minutes of the Audit Risk and Compliance Meeting held on Tuesday, 20 May 2025 as a true and accurate record.

CARRIED 6/0

8. Deputations

Nil

9. Business Left Over from Previous Meeting (if adjourned)

Nil

10. Declaration by Members who have Not Given Due Consideration to Matters Contained in the Business Paper Presented before the Meeting

Nil

En Bloc Resolution

6:03pm The following items were carried by En Bloc resolution.

| |
|--------|
| 11.1.1 |
| 11.2.1 |
| 16.1 |

11 Reports - CEO (and Delegates)**11.1 Corporate and System Services****11.1.1 (2025/MINUTE NO 0019) Financial Audit Results – Local Government 2023-24 (Office of the Auditor General)****Author(s)** Chief Financial Officer**Attachments** 1. Local Government 2023-24 – Financial Audit Results
[↓](#)**Officer Recommendation/Committee Recommendation**

MOVED Cr C Reeve-Fowkes SECONDED Deputy Mayor C Stone

The Committee recommends Council RECEIVES the Office of the Auditor General's report on Financial Audit Results – Local Government 2023-24.

CARRIED 6/0**Background**

Responsibility for conducting financial audits of all local government entities rests with the Office of the Auditor General (OAG). For the 2023-24 financial year, the City's audit was delivered by KPMG, engaged by the OAG to carry out the audit activities on its behalf.

The Auditor General's report titled *Local Government 2023-24 - Financial Audit Results*, (report) was tabled in Parliament on 24 April 2025. The OAG is legislatively required to report annually to Parliament on the outcomes of financial audits conducted across the local government sector. This includes audit opinions on individual council's annual financial statements and sector-wide observations, highlighting areas for improvement and ongoing concerns.

This report is brought to the Audit, Risk and Compliance Committee for review and to address the recommendations made by the OAG.

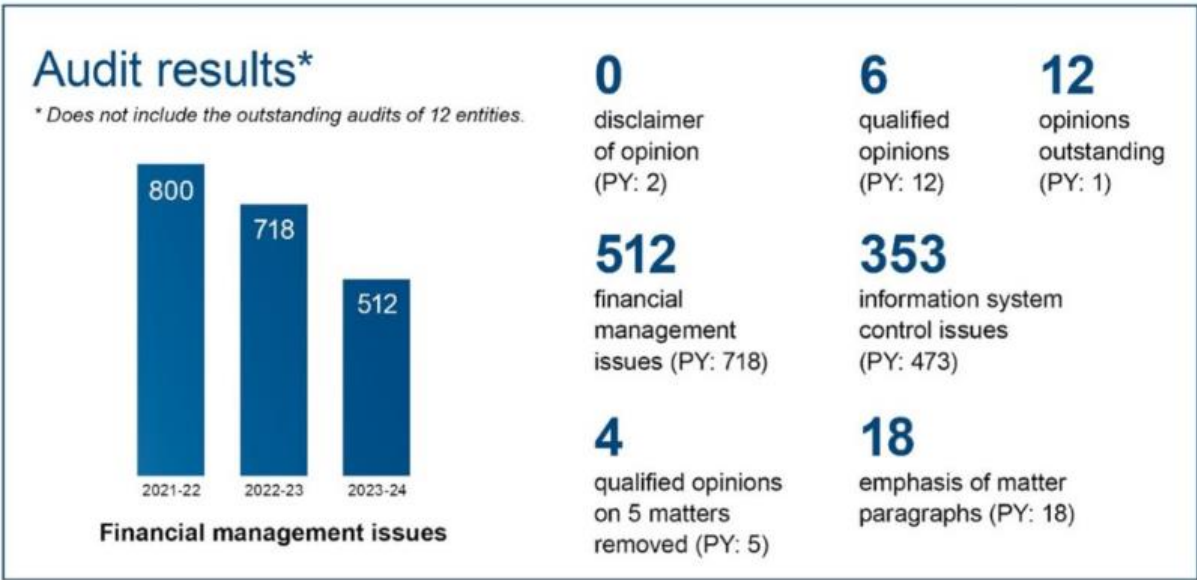
Submission

N/A

Report

The report summarises the results of financial audits for 135 of the 147 local government entities for the year ending 30 June 2024. This marks the third year the OAG has audited the entire local government sector, enabling a holistic view of its financial performance.

Notably, the number of qualified audit opinions decreased from 12 to six, and financial management findings declined by 29% compared to the previous year. The OAG commended the sector for this overall improvement.



Source: OAG

The Auditor General also reported progress in audit timeliness, with 91.8% of councils receiving their audit opinions by the 31 December 2024 deadline, an increase from 89% the previous year. However, delays were still experienced due to multiple versions of financial statements being submitted by some councils, which created a bottleneck in finalising audits in December.

From the City of Cockburn’s perspective, the audit was completed in accordance with the timeline agreed with the OAG. The City received its audit opinion for the 2023-24 financial year on 5 December 2024, following consideration by the Audit, Risk, and Compliance Committee on 3 December 2024.

For the 2023-24 financial year, the City of Cockburn was issued a **Clear** audit opinion by the OAG. Two financial management findings were noted in the City’s management letter, consistent with the previous year. Both findings were rated as minor and have already been addressed, as reported at the Audit, Risk, and Compliance Committee on 3 December.

Overall, the OAG report reflects a strong audit outcome for the City, highlighting the receipt of a clear audit opinion, adherence to reporting timelines, and the financial report being assessed as “audit ready”.

OAG Recommendations

The recommendations provided by the OAG in its report are summarised in the table below, along with the City’s corresponding responses.

| Recommendation | City Comment |
|----------------|--------------|
| | |

| Entities should: | |
|---|--|
| a. submit good quality, reviewed and CEO-signed financial reports for audit no later than 30 September. Our expectation is that CEO certification means management is satisfied the financial report is a complete and accurate record of their entity's finances and all numbers and disclosures are supported by underlying work papers. Supporting work papers and reconciliations should be available by this date. | The City agrees with this recommendation and has shown steady improvement in the quality of its draft financial reports submitted for CEO sign off and audit by 30 September. |
| b. evaluate the significance of errors and decide if they need to be adjusted. Analyse the root cause for the errors | As per the same recommendation last year, the City agrees and its track record in dealing with previous errors and adjustments in consultation with the auditor demonstrates this commitment. |
| c. communicate delays to financial report submission early to minimise disruptions and facilitate resource allocation. Flexibility may be required from entities when rescheduling their audit. | Not applicable. The City consistently meets all report submission deadlines. |
| d. evaluate opportunities to submit financial reports earlier for audit. | The City has complex accounting transactions that require significant effort at end of financial year (e.g. landfill rehabilitation model). While the City has always submitted financial reports in a timely manner, it is important that these are accurate and sufficiently reviewed before submission. |
| e. refer to our Audit Readiness Tool which contains checklists to assist in preparation for audit. | The City is already using and making good use of this tool in its audit preparations. |

Strategic Plans/Policy Implications

Listening & Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

Reviewing the OAG's annual local government audit report allows the City to improve financial management, reporting, and governance controls.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil



Report 12: 2024-25 | 24 April 2025

FINANCIAL AUDIT RESULTS

Local Government 2023-24



**Office of the Auditor General
for Western Australia**

Audit team:

Grant Robinson
Kellie Tonich
Tamara McCarthy
Financial Audit and Information Systems Audit teams

National Relay Service TTY: 133 677
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for
those with visual impairment.

© 2025 Office of the Auditor General Western Australia.
All rights reserved. If acknowledged, this material may be
reproduced in whole or in part.

ISSN: 2200-1913 (print)
ISSN: 2200-1921 (online)

***The Office of the Auditor General acknowledges the traditional custodians throughout
Western Australia 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 both past and present.***

Image credit: shutterstock.com/Stephen.I.Parsons

11.1.2 (2025/MINUTE NO 0020) Performance Audit - Local Government Management of Purchasing Cards - Larger Metropolitan Entities

Author(s) Service Manager Strategic Finance

Attachments 1. Local Government Management of Purchasing Cards - Larger Metropolitan Entities [↓](#)

Officer Recommendation

The Committee recommends Council:

- (1) RECEIVES the Office of the Auditor General's report on Performance Audit – Local Government Management of Purchasing Cards – Larger Metropolitan Entities;
- (2) REPORTS the matters set out in this report to the Minister for Local Government; and
- (3) PUBLISHES this report on its website.

Committee Recommendation

MOVED Cr C Reeve-Fowkes SECONDED Deputy Mayor C Stone

That Council:

- (1) RECEIVES the Office of the Auditor General's report on Performance Audit – Local Government Management of Purchasing Cards – Larger Metropolitan Entities;
- (2) REPORTS the matters set out in this report to the Minister for Local Government;
- (3) PUBLISHES this report on its website; and
- (4) REQUESTS a report be presented to the next Audit Risk and Compliance Committee Meeting regarding implementation of the findings of the City's credit and purchasing cards internal audit.

CARRIED 6/0

Background

The Office of the Auditor General (OAG) published 26 Audit Reports during the 2024-25 financial year, including eight OAG Performance Audit Reports focussed on Local Government.

These included Local Government Management of Purchasing Cards – Larger Metropolitan Entities (Report 17: 2024-25) Performance Audit. City of Cockburn was nominated to participate in this performance audit which ran from December 2024 to May 2025.



The term 'performance audit' is defined in section 7.1 of the *Local Government Act 1995* to be 'an examination or investigation carried out under the *Auditor General Act 2006* section 18 (as applied by section 7.12AJ(1) of the *Local Government Act 1995*).

The City of Cockburn (the City) presented reports to the former Audit and Strategic Finance Committee from two previous OAG Performance Audits in which the City participated:

1. Timely Payment of Suppliers, Report 12: 2018, 13 June 2017
2. Records Management in Local Government, Report 17: 2018-19, 09 April 2019

To ensure the City adopts best practice in local government, when a performance audit or report with a local government focus is undertaken by the OAG, the City independently submits a report to the Audit, Risk and Compliance Committee (ARC) to inform the ARC on the OAG Audit or report recommendations and any appropriate control measures that the City has in place or proposes implementing as opportunities for improvement.

Submission

N/A

Report

The Performance Audit – Local Government Management of Purchasing Card (Report) was tabled in Parliament by the Auditor General on 28 May 2025.

The Audit assessed whether six metropolitan local government entities effectively managed the issue, use and cancellation of purchasing cards.

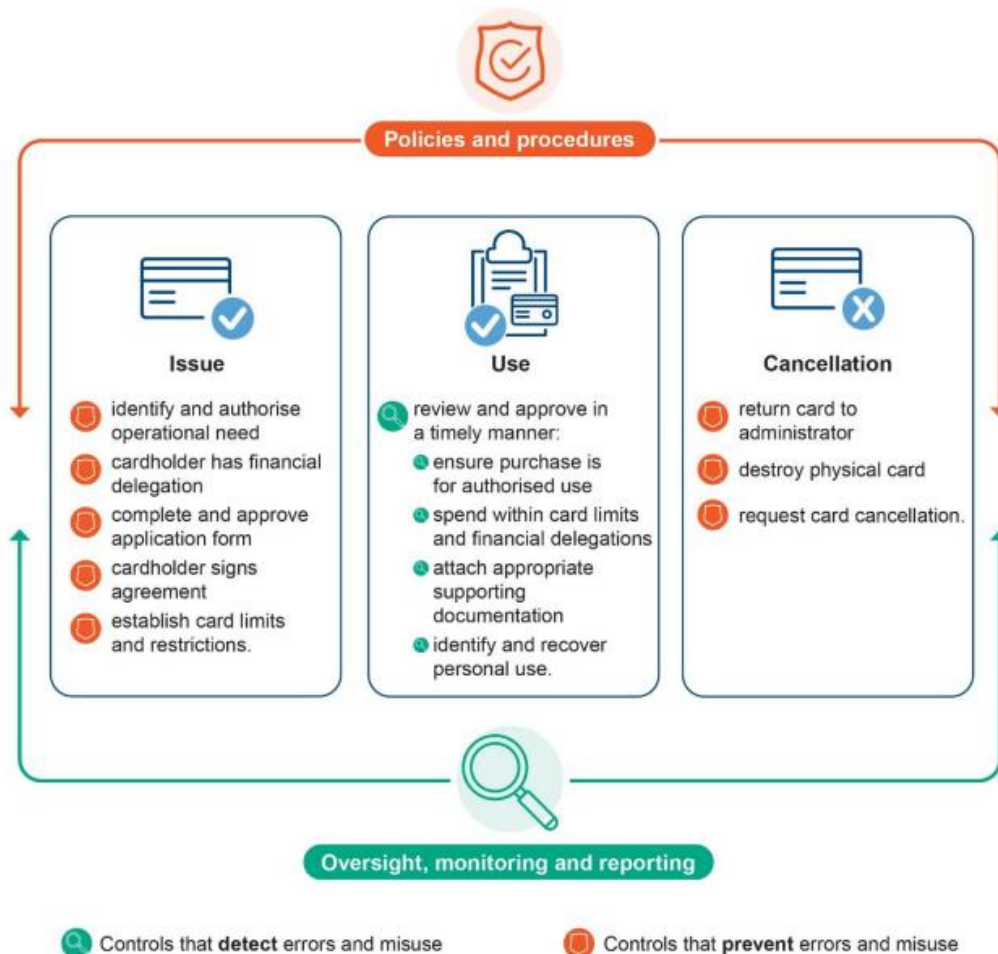
The nominated metropolitan local government entities are:

- City of Cockburn
- City of Fremantle
- City of Melville
- City of Perth
- City of Subiaco
- Town of Victoria Park.

The OAG found gaps and weaknesses in all areas of purchasing card management at these entities. However, there was no evidence found of cards or funds being mishandled by these entities. The audit report included the findings and recommendations made to mitigate the issues identified.

The OAG provided an overview of key components of purchasing card management as shown below:





Source: OAG

During this performance audit, the OAG found the following issues from the six metropolitan entities:

- Controls over the use of purchasing cards were partly effective
 - Inadequate policies and guidance on allowable and reasonable business use
 - Inadequate review and manager approval of purchases
- Controls over the issue and cancellation of cards were partly effective and require improvement.

Internal Audit

The City engaged Paxon Group to undertake an internal audit of credit card and purchasing cards. That internal audit was completed and reported to the Audit, Risk and Compliance Committee meeting on 18 March 2025. There were a number of findings, including some that mirror the OAG Recommendations.

Specifically, the requirement for improved policy control over purchasing cards was the subject of a finding. This has been actioned through a revised Credit Card and Purchasing Card Policy, that was endorsed by the Governance Committee at the

meeting held on 17 June 2025 for Council consideration at the 8 July 2025 Council meeting.

OAG Recommendations

The recommendations made by the OAG in their report are summarised in the table below with responding comments made by the City:

| Recommendation | City Comment |
|--|---|
| <p>a. The six entities should ensure their policy and guidance is clear on what is allowable and reasonable business use expenditure for items such as travel, alcohol, meals, entertainments and gifts.</p> | <p>The City has revised its Civic Hospitality and Gifts Policy which was presented to the 17 June 2025 Governance Committee Meeting for Council consideration at the 8 July 2025 Council Meeting.</p> <p>That revised Policy provides significant guidance on appropriate business expenditure on items such as alcohol, meals, entertainments and gifts.</p> <p>Travel is already dealt with in other policies and procedures.</p> <p>Action has been completed.</p> |
| <p>The six entities, as relevant, should:</p> <p>b. Report purchasing card transactions more transparently to council to enable better scrutiny of how public money is being spent.</p> | <p>All purchase and credit cards transactions are reported to Council each month as an attachment to the monthly financial report agenda item. Further improvement has been implemented to include more descriptions on all transactions to comply with this recommendation.</p> <p>Action has been completed.</p> |

| | |
|---|---|
| <p>c. Have suitable controls in place to manage the issue and timely cancellation of purchasing cards</p> | <p>The City's Accounts Payable and Corporate Credit Card Officer processes a cancellation request as soon as the City's employee leaves the City. Employee exit control processes require the employee to return the card which is destroyed immediately.</p> <p>The City recently implemented administrator functionality within the CommBank card system to allow online ability to suspend and cancel credit cards. Where cards remain unacquitted post report preparation to Council, these are escalated to senior and/or executive leadership. The City can formalise the repercussions and apply more strictly going forward.</p> <p>Action has been completed.</p> |
| <p>d. Review and approve purchasing card transactions in a timely manner</p> | <p>The acquittal of credit card transactions needs to be completed within a reasonable timeframe, being no longer than one month after statement issue. Transactions must be reviewed and approved by the actual cardholder with a second, independent approval provided by their line manager. Where the cardholder is an Executive or the CEO, the second approval is to be provided by another Executive or CEO.</p> <p>Regular follow up emails are sent to card holders to complete their outstanding credit card acquittals. Failure to complete the acquittal after reminders is escalated to senior leadership and may result in the credit card being suspended or cancelled.</p> <p>Action has been completed</p> |

| | |
|---|--|
| e. Keep proper records of the review and approvals of purchasing card transactions and card cancellations | An audit trail is available in the City's record management system (ECM). All relevant correspondences, including new applications and cancellations are also available in ECM. Action has been completed |
| f. Regularly monitor and report on purchasing card controls to allow management to oversee usage and control effectiveness. The results of the reviews should be documented and retained. | The statutory CEO review into the appropriateness and effectiveness of financial management systems and procedures (LG FM Reg. 5) is completed every three years and includes use of credit cards. The review is reported to the ARC Committee. Action has been completed |

As required by the OAG Audit, the City will report the implementation of findings to the Minister for Local Government and publish the report on its website.

Strategic Plans/Policy Implications

Listening & Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

Reviewing the findings and recommendations contained in the OAG's report into Performance Audit – Local Government Management of Purchasing Cards provides an opportunity for the City to reduce financial management and reporting risks and improve its management controls and governance frameworks.

Advice to Proponent(s)/Submitters



N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil



11.2 Office of the CEO

11.2.1 (2025/MINUTE NO 0021) Internal Review of Procurement Services - Malabar BMX Contract C100950, RFT23/2023 - Update to Council

Responsible Executive Chief Executive Officer
Author(s) Risk and Governance Advisor
Attachments N/A

Officer Recommendation/Committee Recommendation

MOVED Cr C Reeve-Fowkes SECONDED Deputy Mayor C Stone

The Committee recommends Council RECEIVES the update to the Internal Review of Procurement Services – Malabar BMX Contract C100950, RFT03/003.

CARRIED 6/0

Background

This report updates the ARC Committee on the progress of improvements recommended in the Internal Review of Procurement Services for the Malabar BMX Contract C100950, RFT03/2023.

The ARC received the most recent update on the implementation of recommended opportunities from this review at its meeting on 18 March 2025. At that time, three actions were reported as outstanding. This report presents an update on the progress of these three items.

Submission

N/A

Report

The three outstanding actions are listed in the table below.

| Item No. | Opportunity for improvement | Summary of required action | Reported to the 18 March 2025 ARC meeting | Update to the 15 July 2025 ARC meeting |
|----------|-----------------------------|---|--|--|
| 6. | Procurement Framework | Procurement Services to publish on the intranet the document <i>Procurement Framework</i> . | The Procurement Framework has been drafted. SLT consultation has been delayed due to the | The Procurement Framework has been approved by the Director Corporate and System Services, is registered in ECM, and is made |

| Item No. | Opportunity for improvement | Summary of required action | Reported to the 18 March 2025 ARC meeting | Update to the 15 July 2025 ARC meeting |
|----------|---------------------------------------|---|--|---|
| | | | <p>Organisation Review.</p> <p>Pending SLT consultation, it will be rolled out to all staff on review and approval.</p> <p>Action to be completed by 30 May 2025 and closed.</p> | <p>available on the City's intranet page.</p> <p>Item completed</p> |
| 7. | Procurement Services Intranet Webpage | Procurement Services to advertise its system on its own intranet webpage and include the published <i>Procurement Framework</i> . | <p>The recruitment process was not successful. An external resource will be engaged to action this change once the procurement mapping has been completed.</p> <p>The new intranet page will go live by 30 May 2025. This action will then be closed.</p> | <p>Procurement and Contract Services have revised the key information and streamlined the communication accessible on the Finance and Procurement intranet page. The intranet web page is now live.</p> <p>Item completed.</p> |
| 11. | Process Mapping | Map the current corporate procurement practices, to define the stakeholders, identify the sequential stages and processes of the City's procurement system, detail the expected timelines and arrive at a procurement process flow map. | <p>The recruitment process was unsuccessful and because of this progress has been gradual. The City started process mapping of all procurement processes in February.</p> <p>Action to be completed by 30 May 2025 and closed.</p> | <p>Procurement and Contract Services has finalised process mapping of its key procurement functions and responsibilities. The process maps are available on the City's intranet page.</p> <p>Item completed.</p> |

All actions were completed and closed off on 30 May 2025; this will be the final report to the ARC on this review.

Strategic Plans/Policy Implications

Local Economy

A sustainable and diverse local economy that attracts increased investment and provides local employment.

- A City that is 'easy to do business with'.

Listening and Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

This internal review was conducted in accordance with the tender provisions of the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996* to ensure compliance.

Community Consultation

N/A

Risk Management Implications

Management has implemented all recommendations, reducing the residual risk to low.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

12. Motions of Which Previous Notice Has Been Given

Nil

13. Notices Of Motion Given At The Meeting For Consideration At Next Meeting

Nil

14. New Business of an Urgent Nature Introduced by Members or Officers

Nil

15. Matters to be Noted for Investigation Without Debate

Nil

16. Confidential Business

| | |
|--|---|
| 16.1 | (2025/MINUTE NO 0022) Response to OAG findings Information Systems Audit |
| <p>This report and its attachments are CONFIDENTIAL in accordance with Section 5.23(2) (f)(ii) of the <i>Local Government Act 1995</i>, which permits the meeting to be closed to the public for business relating to the following:</p> <p><i>(f)(ii) a matter that if disclosed, could be reasonably expected to endanger the security of the local government's property</i></p> | |
| <p>Officer Recommendation/Committee Recommendation MOVED Cr C Reeve-Fowkes SECONDED Deputy Mayor C Stone</p> <p>That Council ADOPTS the actions agreed as specified in the Confidential Resolution made behind closed doors.</p> <p style="text-align: right;"><u>CARRIED 6/0</u></p> | |

17. Closure of Meeting

There being no further business, the Presiding Member closed the meeting at 6:13pm.

