



The Council of the City of Cockburn

Audit Risk and Compliance Committee
Agenda Paper

For Wednesday, 21 September 2022

The Council of the City Of Cockburn

Summary Of Agenda To Be Presented To The Audit Risk and Compliance Committee Meeting To Be Held On Wednesday, 21 September 2022 At 7.30pm

	Page
1. Declaration of Meeting.....	4
2. Appointment of Presiding Member (If required)	4
3. Disclaimer (To be read aloud by Presiding Member)	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	4
7. Confirmation of Minutes.....	4
7.1 Minutes of the Audit Risk and Compliance Meeting - 28/7/2022	4
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. Built and Natural Environment	5
12. Finance	6
12.1 Audit Report - Information Systems and General Computer Control.....	6
12.2 Financial Audit Results – Local Government 2020-21 (Office of the Auditor General)	41
12.3 Financial Management Reiview (FMR)	115
13. Operations.....	133
13.1 Emissions and Energy Reporting for Henderson Landfill Facility	133
13.2 City of Cockburn Annual Groundwater Monitoring Summary 2021- 2022	148
14. Community Services.....	223
15. Governance and Strategy.....	224
15.1 Internal Audit Plan 2022-2023	224
15.2 Report on Office of Auditor General Fraud Risk Management - Better Practice Guide, Report 20 and the City of Cockburn’s Response	230
15.3 Operational Risk Report	308

15.4	Review of Operational Risks - Cyber Security, Harassment and Bullying, and Workplace Health and Safety	322
15.5	Audit Risk and Compliance Committee - Terms of Reference	348
16.	Corporate Affairs	352
17.	Office of the CEO	352
18.	Motions of Which Previous Notice Has Been Given.....	352
19.	Notices Of Motion Given At The Meeting For Consideration At Next Meeting.....	352
20.	New Business of an Urgent Nature Introduced by Members or Officers	352
21.	Matters to be Noted for Investigation, Without Debate	352
22.	Confidential Business	352
23.	Closure of Meeting	352

The Council Of The City Of Cockburn

Agenda To Be Presented To The Audit Risk And Compliance Committee To be held on Wednesday, 21 September 2022 at 7.30PM

1. Declaration of Meeting

2. Appointment of Presiding Member (If required)

3. Disclaimer (To be read aloud by Presiding Member)

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)

5. Apologies & Leave of Absence

Tony Brun, CEO - Leave of Absence

6. Public Question Time

7. Confirmation of Minutes

7.1 Minutes of the Audit Risk and Compliance Meeting - 28/7/2022

Recommendation

That Committee confirms the Minutes of the Audit Risk and Compliance Meeting held on Thursday, 28 July 2022 as a true and accurate record.

8. Deputations

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

11. Built and Natural Environment

Nil

12. Finance

12.1 Audit Report - Information Systems and General Computer Control

Author(s)	Stuart Downing
Attachments	1. Audit Report - Information Systems and General Computer Controls - 2022 ↓

Recommendation

That the Committee recommends Council:

- (1) RECEIVES the Office of the Auditor General's report on Information Systems and General Computer Controls 2022.

Background

Each year since 2019, the Office of Auditor General (OAG) performs an audit on a selected group of Local Government entities in relation to Information Systems and General Computer Controls.

This OAG audit is based on the ISO 27002 international standard of managing information security.

The results and findings arising from the audits of local governments are anonymised, and the significant findings are reported to the Western Australian Parliament and to all local governments.

An Office of the Auditor General report into IT systems has highlighted the need for all local governments to continuously review and improve their practices to protect against cyber threats.

This report is brought to the Audit, Risk and Compliance Committee for review and to address recommendations made within by the OAG and where applicability to the City of Cockburn.

The Auditor General encourages local governments to review audit findings and consider recommendations made to support continuous improvement of their operating environments and governance frameworks.

Submission

N/A

Report

The OAG's audit focuses on assessing the capability maturity of local government entities in the following six General Computer Control (GCC) categories:

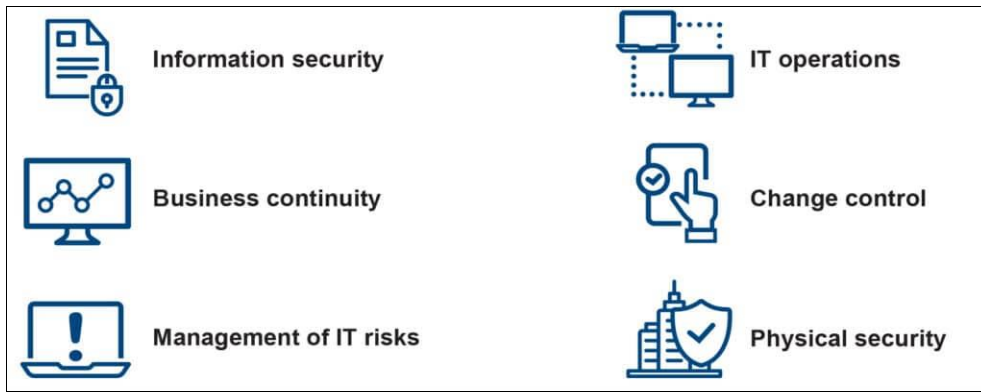


Figure 1 – OAG General Computer Control categories

The OAG conducted capability maturity assessments against 12 local government entities in 2021 (Cockburn was not a participant).

The figure below defines the capability maturity for each level of the six General Computer Control (GCC) categories.



Figure 2 – Capability maturity rating scale and criteria

The OAG’s expectation is that audited entities achieve a minimum level 3 (Defined) rating or better for each category.

Whilst many local governments achieve this benchmark for some of the GCC categories, none of the audited entities meet the minimum benchmark of attaining capability maturity level 3 in all GCC's as highlighted in the table below:

Category	2020-21 %		2019-20 %
Information security	0	—	0
Business continuity	17	↓	18
Management of IT risks	42	↑	27
IT operations	33	↑	18
Change control	50	↑	18
Physical security	50	↑	45

Figure 3 – Percentage of entities rated level 3 or above

The recommendations made by the OAG in their report are summarised in the table below with comments made by the City. In addition, the Head of IT has provided a Maturity Level assessment for each of the recommendations based on the OAG assessment criteria.

Recommendation	City Comment
<p>1. Information security</p> <p>a. Senior executives should implement appropriate policies and procedures to ensure the security of information systems and support their entity business objectives.</p> <p>b. Management should ensure good security policies and practices are implemented and continuously monitored, including:</p> <p>i. patching and vulnerability management</p> <p>ii. application hardening and control</p>	<p>1. Information Security</p> <p>The City is continually improving and progressing its cyber security posture in a constantly evolving cyber threat landscape.</p> <p>The City currently has an ExCo-endorsed Information and Cyber Security policy which aligns the City to ISO 27001 and the Australian Signal Directorate (ASD) "Essential 8".</p> <p>i. The City performs regular patching and updates of both servers and workstation fleet. The City employs vulnerability management systems to detect and remediate cyber vulnerabilities. We're working to extend the capability maturity to include patching software applications.</p> <p><i>Maturity Level assessment - 2</i></p> <p>ii. The City utilises various technologies to control and</p>

Recommendation	City Comment
<p>iii. Implement technical controls to prevent impersonation and detect/prevent phishing emails</p> <p>iv. strong passphrases/passwords and multi-factor authentication</p> <p>v. limit and control administrator privileges</p> <p>vi. segregate network and prevent unauthorised devices</p> <p>vii. secure cloud infrastructure, databases, email and storage, and know clearly 'who' they are handing entity and citizen data to through their use of cloud</p>	<p>harden applications. Microsoft System Center is used to harden MS Windows, MS Office & MS Edge. We're working to extend our capability maturity to include blocking of Office Macros and Adobe Flash.</p> <p><i>Maturity Level assessment - 1</i></p> <p>iii. The City employs Mimecast to prevent impersonation and Phriendly Phishing to raise cyber security & phishing awareness.</p> <p><i>Maturity Level assessment - 3</i></p> <p>iv. The City has an ExCo-endorsed password policy in place to ensure minimum password strength for all users. MFA systems are also employed by the City. We're working to extend this password strength to system accounts.</p> <p><i>Maturity Level assessment - 2</i></p> <p>v. The City has made significant steps to reduce the number of administrator privileges. Separate admin accounts have been created for those that require admin access to systems. We're working to further reduce this by implementing Role Based Access Control (RBAC).</p> <p><i>Maturity Level assessment - 2</i></p> <p>vi. Network segregation is applied at various network level via use of firewalls. We're working to extend our segregation with deeper segregation within our network core. We're also planning to implement IEE802.1X to restrict unauthorised devices from the network.</p> <p><i>Maturity Level assessment - 2</i></p> <p>vii. Most IT systems are currently on-premises. Cloud-based systems that store Personally Identifiable Information are identified in the City's Enterprise</p>

Recommendation	City Comment
<p>services</p> <p>viii. cyber security monitoring, intrusion detection and protection from malware.</p>	<p>Risk Management system (RMSS). <i>Maturity Level assessment - 2</i></p> <p>viii. The City currently employs various endpoint protection for detecting and protecting against malware. The City also employs Managed Threat Hunting (MTH) for intrusion detection. The City is currently evaluating a cyber security incident and event monitoring (SIEM) system to satisfy a component of GCC cyber security event monitoring. <i>Maturity Level assessment - 2</i></p>
<p>2. Business Continuity Entities should have appropriate business continuity, disaster recovery and incident response plans to protect critical systems from disruptive events. These plans should be periodically tested.</p>	<p>The City concurs with the recommendation.</p> <p>The City has business continuity, disaster recovery and cyber incident response plans in place. Business Continuity testing of systems is currently on an ad-hoc basis. <i>Maturity Level assessment - 2</i></p>
<p>3. Management of IT Risks Entities should:</p> <p>a. understand their information assets and apply controls based on their value</p> <p>b. ensure IT risks are identified, assessed, and treated within appropriate timeframes. Senior executives should have oversight of information and cyber security risks.</p>	<p>The City concurs with the recommendation.</p> <p>a. The City is developing an Information Asset Register (IAR) to identify its information assets and identify risks to this information. This will allow the City to apply the necessary controls to sensitive data. <i>Maturity Level assessment - 1</i></p> <p>b. IT risks are currently identified and recorded in the City’s Enterprise Risk Management System. ExCo has oversight of information and cyber security risks. <i>Maturity Level assessment - 3</i></p>
<p>4. IT Operations Entities should implement policies and procedures to guide key areas of IT operations such as incident management and supplier performance monitoring.</p>	<p>The City concurs with recommendation.</p> <p>IT has an evolving collection of policies and procedures documented as part of IT’s Documented Operating Procedures which includes incident</p>

Recommendation	City Comment
	<p>management. We're continually working to further document all operating procedures and monitor supplier performance.</p> <p><i>Maturity Level assessment - 3</i></p>
<p>5. Change Control Approved change control processes should be consistently applied when making changes to IT systems. All changes should go through planning and impact assessment to minimise the occurrence of problems. Change control documentation should be current and approved changes formally tracked.</p>	<p>The City concurs with the recommendation.</p> <p>The City employees a well-defined Change Management process as per ITIL Guidelines. All system changes are planned, and where possible, tested and authorised prior to implementation. Change control documentation is stored in the City's recordkeeping system.</p> <p><i>Maturity Level assessment - 3</i></p>
<p>6. Physical Security Entities should develop and implement physical and environmental control mechanisms to prevent unauthorised access, or accidental or environmental damage to IT infrastructure and systems.</p>	<p>The City concurs with the recommendation.</p> <p>The City uses electronic swipe card controls to gain access to the City's two datacentres.</p> <p>CCTV is used to monitor access.</p> <p>Environmental controls in the form of fire suppression are employed at both datacentres.</p> <p><i>Maturity Level assessment - 3</i></p>

Strategic Plans/Policy Implications

Listening & Leading

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

- Employer of choice focusing on equity, innovation and technology.
- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

Implementing cyber security protection controls involves acquiring hardware, software, along with specialist skills necessary to operationalise and support these controls.

Given the enhanced focus on IT Controls and future audits from the OAG additional funds will be requested to address the maturity issues raised and commented above.

Each system required to satisfy the OAG's GCC controls will be budgeted for via the City's budgeting process.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

The annual review of findings and recommendations contained in the OAG report, and subsequent implementation of cyber controls, helps the City reduce cyber security risks and improve its cyber security posture in a constantly evolving cyber threat landscape.

The risk of not implementing OAG recommendations puts the availability of the City's operational IT systems at risk which may result in financial loss in the event of a cyber breach.

The confidentiality, integrity and availability of the City's data and information is at risk of being compromised should a cyber breach occur.

This may result in significant financial loss to recover, and subsequent reputational loss.

Advice to Proponent(s)/Submitters

N/A

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

Nil

Western Australian Auditor General's Report



Information Systems Audit Report 2022 – Local Government Entities



Report 22: 2021-22
28 June 2022

Office of the Auditor General
Western Australia

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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.

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

**Information Systems Audit Report 2022 –
Local Government Entities**

Report 22: 2021-22
June 2022

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**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

INFORMATION SYSTEM AUDIT REPORT 2022 – LOCAL GOVERNMENT ENTITIES

This report has been prepared for submission to Parliament under the provisions of section 24 of the *Auditor General Act 2006*.

Information systems audits focus on the computer environments of entities to determine if these effectively support the confidentiality, integrity and availability of information they hold.

This is the third local government annual information systems audit report by my Office. The report summarises the results of our 2021 annual cycle of information systems audits across a selection of 45 local government entities.

I wish to acknowledge the entities' staff for their cooperation with these audits.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER
AUDITOR GENERAL
28 June 2022

Contents

Auditor General's overview.....	2
Introduction.....	3
Conclusion.....	4
What we found: General computer controls.....	5
What we found: Capability assessments	6
Information security.....	8
Business continuity.....	11
Management of IT risks.....	12
IT operations	14
Change control.....	15
Physical security	16
Recommendations.....	18

Auditor General's overview

This report summarises important findings and recommendations from our 2020-21 annual cycle of information systems audits at 45 local government entities (entities).

Entities rely on information systems to operate and deliver services to their communities. In doing so, they collect and store vast amounts of information about their residents and operations. As information and cyber security threats continue to evolve, it is increasingly important that entities implement appropriate controls to protect their valuable information and systems. My November 2021 audit report¹ on cyber security highlighted the need for entities to improve their management of cyber security risks and this year's general computer controls (GCC) audits at entities show that information security remains a significant area of concern.



Like last year, none of the 12 entities where we performed capability maturity assessments met our benchmark for information security and none of the entities met our expectations across all 6 control categories. While we saw some improvements in the management of IT risks, physical security and IT operations, change control showed the most progress.

Included in this report are case studies which highlight how weak controls can potentially compromise entities and result in system breaches, loss of sensitive and confidential information and financial loss. Entities need to continuously review and improve their practices to establish robust safeguards and enhance their resilience against cyber threats. Complex networks and systems require smaller entities to also dedicate resources to manage their information and cyber security.

Entities should use the recommendations in this report to address weaknesses in their information systems controls and improve their capability maturity. Given the nature of findings this year, I have chosen again not to identify the audited entities.

¹ Auditor General for Western Australia, [Cyber Security in Local Government](#), Report 9: 2021-22, November 2021.

Introduction

Local government entities (entities) rely on information systems to prepare their financial statements and to deliver a wide range of services to their communities. Our general computer controls (GCC) audits assess if entities have effective system controls in place to support the confidentiality, integrity and availability of their IT systems and financial reporting. These audits are performed as an integral part of, and inform, our financial audit program.

This report summarises the GCC audit findings reported to 45 entities for 2020-21. For 12 of these entities, generally medium to large, we also performed capability maturity assessments. A GCC audit with a capability maturity assessment is the most comprehensive information systems audit we undertake. We use these findings to inform our financial audit risk assessment and work program for the sector.

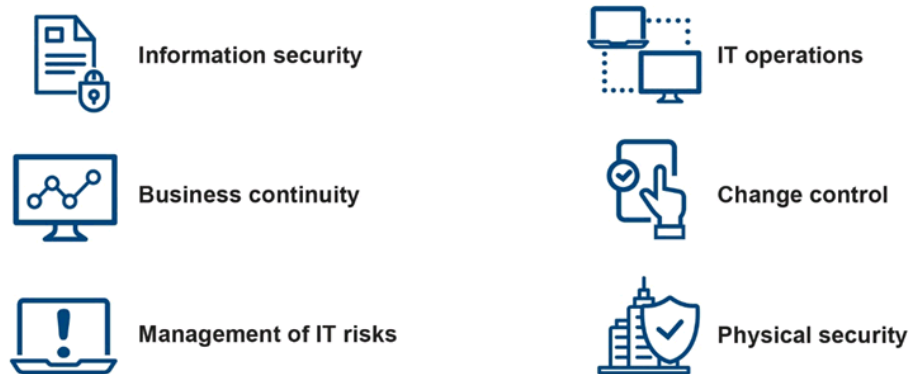
For our capability maturity assessments, we asked the 12 entities to self-assess against the provided capability maturity model. We then compared their results to ours (which were based on the results of our GCC audits). These assessments are a way to see how well-developed and capable entities' established IT controls are.

For the remaining 33 entities, our contract audit firms or our financial audit teams examined the GCCs but did not undertake capability maturity assessments. Information system findings identified during these audits are included in this report.

The methodology we have developed for our GCC audits is based on accepted industry good practice. Our assessment is also influenced by various factors including:

- business objectives of the entity
- level of dependence on IT
- technological sophistication of computer systems
- value of information managed by the entity.

We focused on the following 6 categories (Figure 1) for both our GCCs and capability maturity assessments.



Source: OAG

Figure 1: GCC categories

Throughout the report we have included case studies that illustrate the significant impact poor controls can have on entities.

Conclusion

We reported 358 control weaknesses to 45 entities this year, compared to 328 weaknesses at 50 entities last year. Ten percent (37) of this year's weaknesses were rated as significant and 71% (254) as moderate. These weaknesses represent a considerable risk to the confidentiality, integrity and availability of entities' information systems and need prompt resolution.

Fifty-six percent (202) of the findings were unresolved issues from last year. Entities need to address these weaknesses to reduce the risk of their systems and information being compromised.

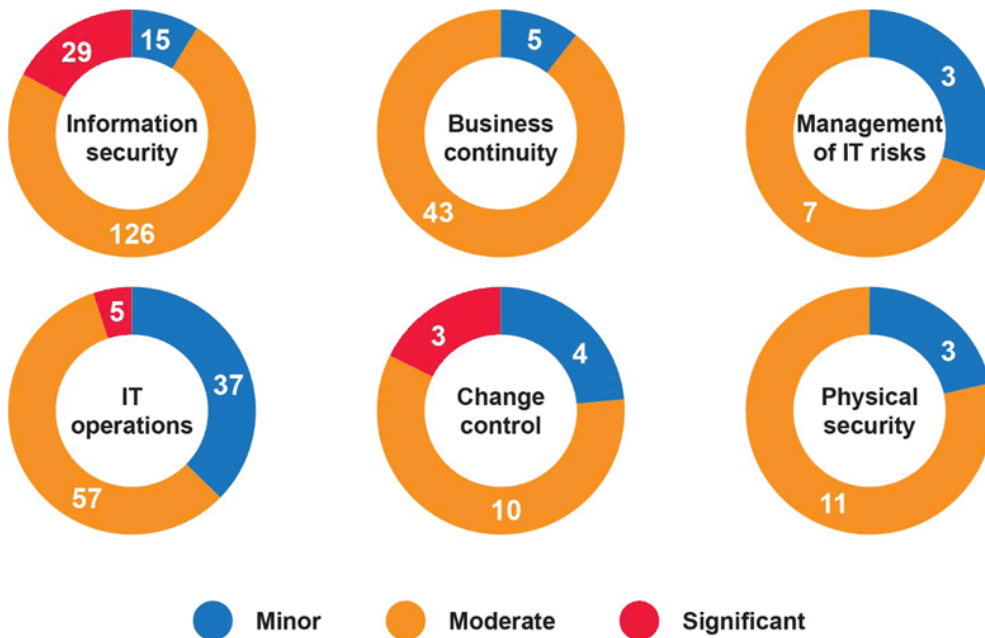
None of the 12 entities that had capability maturity assessments met our expectations across all 6 control categories, a similar finding to last year. Information security remains a significant risk again this year and needs urgent attention. Compared to 2019-20, there have been some improvements in change control, management of IT risks, physical security and IT operations. However, entities need to improve in all 6 control categories.

What we found: General computer controls

In 2020-21, we reported 358 findings to the 45 entities we audited. We reported the weaknesses we found to each entity in a management letter. As management letters are often made public, we removed any sensitive technical details which could increase an entity's risk of cyber attacks. To assist entities to address weaknesses we reported these sensitive details to them in separate confidential letters. Entities generally agreed to implement our recommendations.

Figure 2 summarises the distribution and significance of our findings across the 6 control categories.

Like last year, we rated most of our findings as moderate. Entities that fail to address these moderate risks can, over time, become more exposed to vulnerabilities. We have included in this report specific case studies to highlight how weak controls can potentially compromise entities' systems.



Source: OAG

Figure 2: Distribution and significance of GCC findings in each control category

What we found: Capability assessments

We conducted in-depth capability maturity assessments at 12 entities. We used a 0 to 5 rating scale² (Figure 3) to evaluate each entity’s capability maturity in each of the 6 GCC categories. Our model allows us to compare entity results from year to year. We expect entities to achieve a level 3 (Defined) rating or better across all 6 categories.

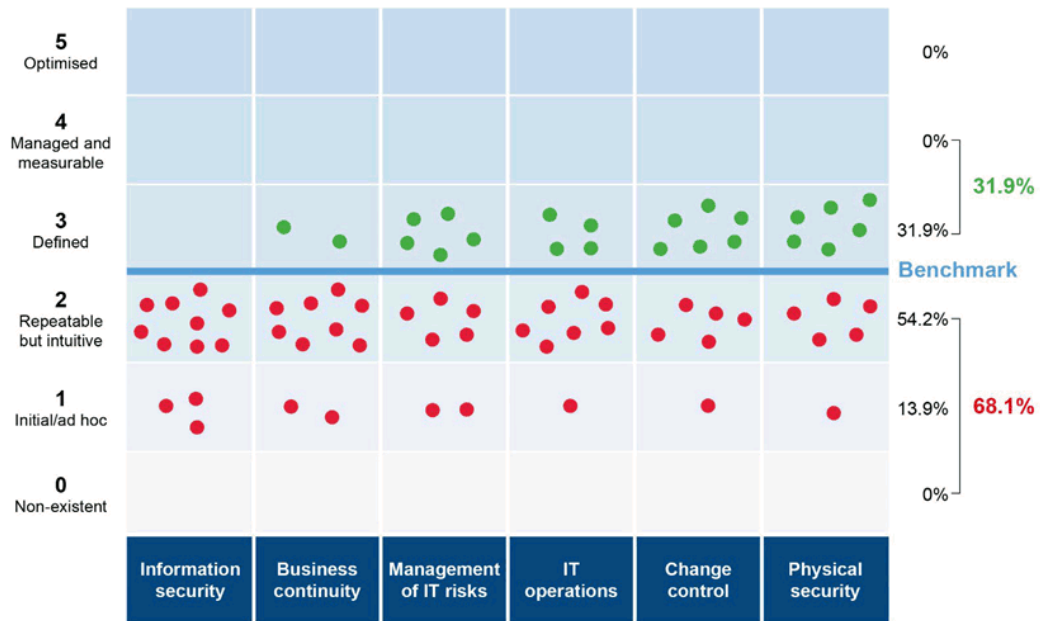


Source: OAG

Figure 3: Rating scale and criteria

Figure 4 shows the results of our capability assessments across all 6 control categories for the 12 entities we assessed in 2020-21.

² The information within this maturity model assessment is derived from the criteria defined within COBIT 4.1, released in 2007 by ISACA.



Source: OAG

Figure 4: 2020-21 capability maturity model assessment results

The percentage of entities rated level 3 or above for individual categories was as follows:

Category	2020-21 %		2019-20 %
Information security	0	—	0
Business continuity	17	↓	18
Management of IT risks	42	↑	27
IT operations	33	↑	18
Change control	50	↑	18
Physical security	50	↑	45

Source: OAG

Table 1: Percentage of entities rated level 3 or above

None of the 12 entities met our expected benchmark (level 3 Defined) across all control categories.

There were some improvements in the management of IT risks, IT operations, change control and physical security, however, most entities still fell below our benchmark. Information security remains a significant concern, with all entities below our benchmark and not able to demonstrate adequate controls. A lack of robust controls can expose entities and impact critical services provided to the public.

Information security

Cyber intrusions are becoming more sophisticated and frequent. Transitioning to digital services to achieve efficiencies increases the risk profile of many entities. Protection of sensitive and critical information that entities hold within their financial and operational systems should be managed with the highest priority using better practice information security controls to mitigate risks.

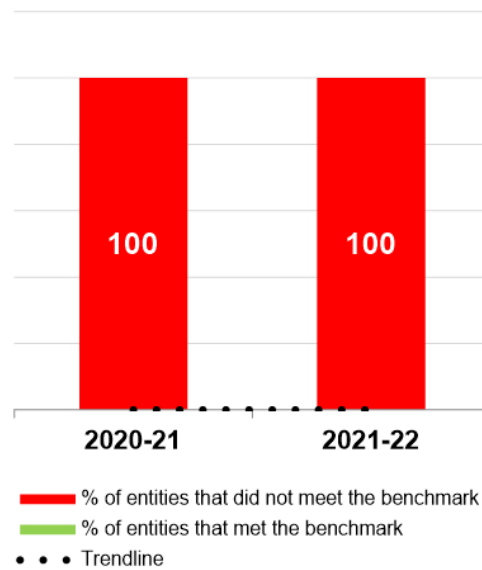
Our GCC audits and capability maturity assessments assess against better practice controls for information and cyber security. Figure 5 lists some of these controls.



Source: OAG

Figure 5: Information security – Better practice controls

None of the 12 entities met our benchmark for information security either because they did not have documented policies, processes and controls or they were not effective (Figure 6). Entities have a responsibility to implement adequate and robust controls to protect key systems and information.



Source: OAG

Figure 6: Information security – percentage of entities that met/did not meet our benchmark

Common weaknesses we found included:

- **Inadequate information and cyber security policies** – policies did not sufficiently cover key areas of information and cyber security or were out of date.
- **Multifactor authentication not used** – a number of systems did not have multifactor authentication to strengthen access.
- **Administrator privileges not managed well** – administrators did not have separate unprivileged accounts for normal day to day tasks. Limiting privileges and separating administrative accounts are important mitigations against network and system compromise.
- **Vulnerability management is not effective** – entities did not have appropriate processes to identify and address vulnerabilities, which increases the risk of compromise.
- **Network segregation not appropriate** – networks were not segregated to limit and contain the impact of a compromise. Partitioning the network into smaller zones and limiting the communication between these zones is an important control.
- **Unauthorised device connectivity** – there are a lack of controls to detect or prevent unauthorised devices from connecting to entity internal networks. These devices can serve as an attack point and spread malware or listen in on network traffic.
- **Emails not protected** – entities did not have controls to ensure the integrity and authenticity of emails to reduce the likelihood of successful phishing attacks. Controls such as domain-based message authentication reporting and conformance (DMARC), sender policy framework (SPF) and domain keys identified mail (DKIM) were not implemented to prevent email impersonation.

- **Lack of data loss prevention controls** – no processes to detect or block unauthorised transfers of sensitive data outside of the entities.

The importance and potential impact of common information and cyber security weaknesses are illustrated in the following case studies.

Case study 1: No policy to manage information and cyber security



Information
security
policy

One entity did not have a policy to manage cyber and information security. This means, systems or services may not meet security expectations of senior management and the entity may fail to achieve its objectives.

Adequate and clear policies are needed to ensure the security of information systems.

Case study 2: Weak password results in a network compromise



Password

One entity experienced a security breach when a cybercriminal was able to guess a weak password on an account used to access a public facing server through remote desktop protocol (RDP). A lack of network segregation allowed the attacker to access other parts of the network, gain privileged access to the domain controller and maliciously encrypt servers and information.

The use of strong password/passphrases, network segregation and multi-factor authentication reduce the risk of compromise.

Case study 3: No controls to mitigate malware infections



Malware
protection

One entity had anti-malware protection installed on some servers but not others. It did not have application whitelisting and blocking in place or only allow trusted macros. These controls prevent delivery and execution of malicious programs.

Without appropriate controls to protect systems against malware, there is an increased risk of compromise to the confidentiality, integrity and availability of entity information or data.

Case study 4: Default domain administrator account is not controlled



Limit admin
privilege

One entity shared the highly privileged default domain administrator account with individuals in different business units and had not changed the account password since 2005. The account was also heavily used for day to day operations and services, instead of using separate dedicated service accounts.

Inappropriate management of the account increases the risk that the entity will not be able to hold individuals to account for unauthorised modifications to its systems and information.

Case study 5: Poor management of technical vulnerabilities

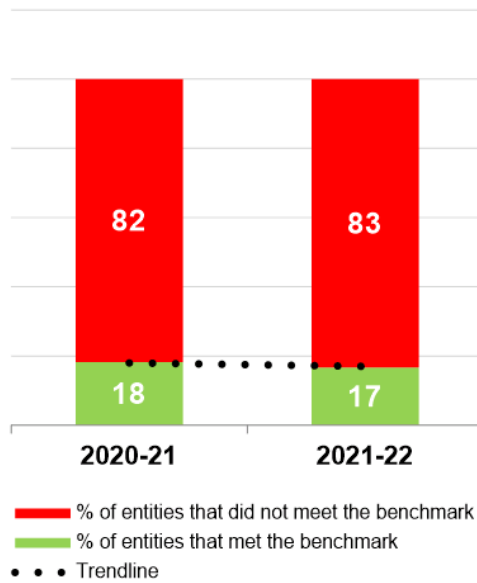


An audited entity did not have a process to manage technical vulnerabilities and system currency. It had not tested the adequacy of its external network controls to detect and prevent cyber attacks. Its process to apply software patches was also not operating well as we identified critical and high severity vulnerabilities dating back to 2013 that had not been patched.

Without effective procedures and processes to manage technical vulnerabilities in a timely manner, entities leave their IT systems exposed to malicious attackers. This could result in unauthorised access and system compromise.

Business continuity

There was no material change from last year with only 2 of the 12 entities (17%) meeting our benchmark in this category (Figure 7). Business continuity and disaster recovery plans help entities to promptly restore key business functions and processes during or after an unplanned disruption. Without these plans, entities could suffer extended outages and disruption to the delivery of important services to their communities.



Source: OAG

Figure 7: Business continuity – percentage of entities that met/did not meet our benchmark

Common weaknesses we found included:

- **Lack of business continuity and disaster recovery plans** – entities did not have appropriate business continuity and disaster recovery plans, or they were out-of-date.
- **Disaster recovery plans not tested** – without appropriate testing of disaster recovery plans, entities cannot be certain the plan will work when needed.

Documented up-to-date business continuity and disaster recovery plans help entities to promptly recover critical information systems in the event of an unplanned disruption to their operations and services. The plans should identify critical business functions and IT systems along with their recovery time objectives.

The effectiveness of these plans should be periodically tested to identify improvements where required. Tests can also be used to check that key staff are familiar with the plans and their specific roles and responsibilities in a disaster situation.

The following case study illustrates common weaknesses in recovery procedures.

Case study 6: Configuration backups are not performed



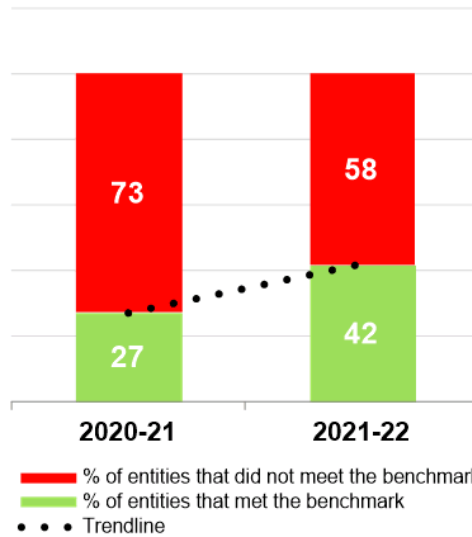
Configuration backups

An audited entity did not backup the configuration of its firewall which protects its network from cyber attacks. In the event of an emergency, the entity may not be able to recover its firewall in a timely manner, which will impact delivery of services and security of its network.

Management of IT risks

Forty-two percent of entities met our benchmark for this category in 2020-21, compared to 27% last year (Figure 8).

Entities should be aware of information and cyber security risks associated with IT including operational, strategic and project risks. All entities should have risk management policies and processes to assess, prioritise, address and monitor the risks that affect key business objectives.



Source: OAG

Figure 8: Management of IT risks – percentage of entities that met/did not meet our benchmark

Common weaknesses we found included:

- **Out-of-date policies and processes to identify, assess and treat IT risks** – without appropriate policies and processes entities cannot effectively manage their IT risks.
- **Inadequate risk registers** – risk registers did not record controls and treatment action plans and risk ratings were not appropriately assessed.

Without IT risk management policies and practices to identify, mitigate and manage threats within reasonable timeframes, entities may not meet their business objectives to deliver key services to their communities.

The following case study illustrates that entities need processes to identify their risks.

Case study 7: Entity is not aware of its information and cyber risks



Information and cyber security risk management

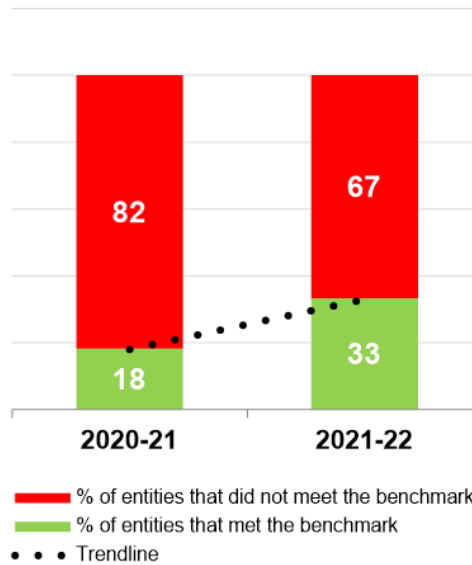
An audited entity maintained other corporate and financial risks, but it did not have a process to identify and address its cyber security risks.

The entity is at an increased risk of information and cyber security breaches.

IT operations

Entities improved in this category with 33% meeting our benchmark in 2020-21 (Figure 9). However, we identified similar weaknesses to those highlighted in last year's report.

IT operations maintain and support the delivery of entity services. Clearly defined and effectively managed IT operations support IT infrastructure that can withstand and recover from errors and failures.



Source: OAG

Figure 9: IT operations – percentage of entities that met/did not meet our benchmark

Common weaknesses we found included:

- **Processes are not defined** – a lack of or out of date procedures to support day to day operations, such as incident and problem management.
- **Inadequate monitoring of events** – entities did not have policies and procedures to monitor event logs. System logs provide an opportunity to detect suspicious or malicious behaviour in key business applications.
- **Supplier performance not monitored** – supplier performance was not reviewed to identify and manage instances of non-compliance with agreed service levels.
- **Background checks for new starters were not performed** – staff in privileged IT positions did not go through background checks (e.g. police clearance).
- **Access was not reviewed** – regular checks were not done to validate users had the level of access to systems applicable to their role or function, and revoke user access upon termination.

The following case study illustrates a common weakness in IT operations.

Case study 8: Contractor access was not revoked in a timely manner



User account management

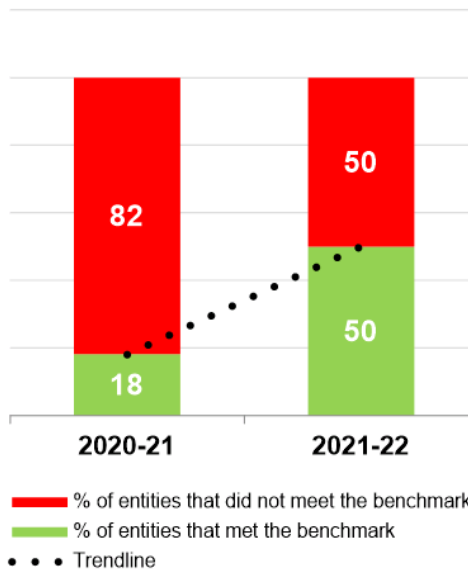
One entity did not have a central record of contract staff and therefore could not easily assess if their network access was appropriate. We sampled 13 active accounts and found that 8 belonged to terminated contract staff who no longer worked with the entity.

Poor processes to manage contract staff increases the risk of unauthorised access to the entity's IT systems and information.

Change control

Fifty percent of entities met our benchmark in 2020-21 (Figure 10), the largest improvement across the 6 control categories. This is 1 of the 2 categories where at least half of the entities met the benchmark and it is pleasing to see significant year on year improvement.

We reviewed entities' approaches to managing IT changes to minimise the risks and impacts to stakeholders. We covered change authorisation, testing, implementation and outcomes. An overarching change control framework ensures changes are made consistently and reliably.



Source: OAG

Figure 10: Change control – percentage of entities that met/did not meet our benchmark

Common weaknesses we found included:

- **Change processes not followed** – changes to critical systems did not follow change procedures. If formal procedures are not followed, there is a risk changes may be applied inconsistently resulting in unplanned system downtime and interruption to critical services.

- **Change management processes not documented** – without documented processes, changes made to IT infrastructure can adversely affect entities' operations leading to unplanned or excessive system downtime.
- **Changes were not assessed prior to implementation** – allowing significant changes without appropriate scrutiny or approval increases the risk of system outages.

Without appropriate change control, entities risk compromising the integrity of their systems and information. This can lead to excessive outages and downtime to key systems and impact their delivery of services.

The following case study illustrates the risks when IT changes are not controlled and monitored.

Case study 9: Poor change management practices could result in financial system instability



Change management

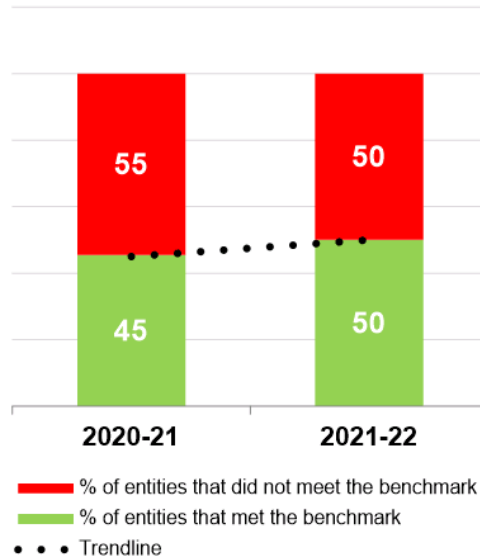
One entity made changes to its financial system without testing the impact on system integrity and availability in an independent test environment. Uncontrolled changes can have significant unintended consequences to systems and the delivery of key services.

These changes were also not recorded, contrary to the entity's change management policy. Failure to record changes increases the effort required to respond, recover and restore business as usual operations.

Physical security

There was a small improvement in physical security with half the entities meeting our benchmark this year (Figure 11).

IT systems are housed in purpose-built server rooms, which must have restricted access and adequate cooling and power. We reviewed if IT systems were protected against potential environmental hazards and tested access restrictions to ensure only authorised individuals could access the server rooms.



Source: OAG

Figure 11: Physical security – percentage of entities that met/did not meet our benchmark

Common weaknesses we found included:

- **Combustible and non-essential items were stored in server rooms** – the risk of outages is higher if server rooms are not appropriately maintained.
- **Unnecessary access to server rooms** – staff and contractors were assigned access to server rooms that they did not require and visitor access to server rooms was not logged. Lack of controlled access increases the risk of system outages and compromise from unauthorised access.
- **Fire suppression systems were not installed** – without appropriate fire suppression systems, IT infrastructure is likely to be damaged in the event of a fire.

The following case study illustrates the risk of server room outages if not protected against physical and environmental hazards.

Case study 10: Poor management of server rooms



Physical security

One entity stored combustible materials such as furniture and cardboard boxes in their server room. In addition, an excessive number (114) of people had access to the server room and a visitor log was not maintained.

There is an increased risk of accidental or deliberate damage and unauthorised access to systems.

Recommendations

1. Information security

- a. Senior executives should implement appropriate policies and procedures to ensure the security of information systems and support their entity business objectives.
- b. Management should ensure good security policies and practices are implemented and continuously monitored for control areas identified in Figure 5, including:
 - i) patching and vulnerability management
 - ii) application hardening and control
 - iii) implement technical controls to prevent impersonation and detect/prevent phishing emails
 - iv) strong passphrases/passwords and multi-factor authentication
 - v) limit and control administrator privileges
 - vi) segregate network and prevent unauthorised devices
 - vii) secure cloud infrastructure, databases, email and storage, and know clearly 'who' they are handing entity and citizen data to through their use of cloud services
 - viii) cyber security monitoring, intrusion detection and protection from malware.

2. Business continuity

Entities should have appropriate business continuity, disaster recovery and incident response plans to protect critical systems from disruptive events. These plans should be periodically tested.

3. Management of IT risks

Entities should:

- a. understand their information assets and apply controls based on their value
- b. ensure IT risks are identified, assessed and treated within appropriate timeframes. Senior executives should have oversight of information and cyber security risks.

4. IT operations

Entities should implement policies and procedures to guide key areas of IT operations such as incident management and supplier performance monitoring.

5. Change control

Approved change control processes should be consistently applied when making changes to IT systems. All changes should go through planning and impact assessment to minimise the occurrence of problems. Change control documentation should be current and approved changes formally tracked.

6. Physical security

Entities should develop and implement physical and environmental control mechanisms to prevent unauthorised access, or accidental or environmental damage to IT infrastructure and systems.

Under section 7.12A of the *Local Government Act 1995*, the 45 audited entities are required to prepare an action plan to address significant matters relevant to their entity for submission to the Minister for Local Government within 3 months of this report being tabled in Parliament, and for publication on the entity's website. This action plan should address the points above, to the extent that they are relevant to their entity.

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Auditor General's 2021-22 reports

Number	Title	Date tabled
21	Delivering School Psychology Services	23 June 2022
20	Fraud Risk Management - Better Practice Guide	22 June 2022
19	Forensic Audit – Construction Training Fund	22 June 2022
18	Opinion on Ministerial Notification – FPC Sawmill Volumes	20 June 2022
17	2022 Transparency Report Major Projects	17 June 2022
16	Staff Rostering in Corrective Services	18 May 2022
15	COVID-19 Contact Tracing System – Application Audit	18 May 2022
14	Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities Part 2: COVID-19 Impact	9 May 2022
13	Information Systems Audit Report 2022 – State Government Entities	31 March 2022
12	Viable Cycling in the Perth Area	9 December 2021
11	Forensic Audit Report – Establishment Phase	8 December 2021
10	Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities	24 November 2021
9	Cyber Security in Local Government	24 November 2021
8	WA's COVID-19 Vaccine Roll-out	18 November 2021
7	Water Corporation: Management of Water Pipes – Follow-Up	17 November 2021
6	Roll-out of State COVID-19 Stimulus Initiatives: July 2020 – March 2021	20 October 2021
5	Local Government COVID-19 Financial Hardship Support	15 October 2021
4	Public Building Maintenance	24 August 2021
3	Staff Exit Controls	5 August 2021
2	SafeWA – Application Audit	2 August 2021
1	Opinion on Ministerial Notification – FPC Arbitration Outcome	29 July 2021



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 Office of the Auditor General for
Western Australia



12.2 Financial Audit Results – Local Government 2020-21 (Office of the Auditor General)

Author(s) Stuart Downing

Attachments 1. Financial Audit Results - Local Government 2020-2021 [↓](#)

Recommendation

That the Committee recommends Council:

- (1) RECEIVES the Office of the Auditor General's report on Financial Audit Results – Local Government 2020-21.

Background

Responsibility for the financial audits of local governments has transitioned to the Office of the Auditor General (OAG) over a four-year period, with 2020-21 (FY21) the final year of this transition.

Each year, the OAG presents a report to Parliament on the results of the local government financial audits, including issues that are significant enough to bring to the attention of the Parliament.

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

The Auditor General encourages local governments to review audit findings and consider recommendations made to support continuous improvement of their operating environments and governance frameworks.

Submission

N/A

Report

The Financial Audit Results – Local Government 2020-21 (report) was tabled in Parliament by the Auditor General on 17 August 2022.

This report included the results and issues identified during the annual audits for 132 of the applicable 148 local government entities (with 16 audits still in progress).

Audit year	2017-18	2018-19	2019-20	2020-21
Number of entities subject to OAG audit	46	112	132	148
Clear audit opinions	44	107	129	130*
Qualified opinions	2	5	1	2*
Disclaimers of opinion	0	0	2	0*
Material matters of non-compliance	36	93	101	193*
Management control issues	198	802	704	601*

Source: OAG

The Auditor General reported that over the past two financial years, there has been a decrease in financial management controls weaknesses identified.

This indicates a comprehensive response by the local government sector to improve current practices and strengthen the integrity of financial reporting.

Audit opinions issued by the OAG can be one of the following:

- **Clear** – this indicates satisfactory financial controls and that the financial report is based on proper accounts, presented fairly, complies with relevant legislation and applicable accounting standards, and fairly represents performance during the year and the financial position at year end
- **Clear with an emphasis of matter** – this brings attention to a matter disclosed in the entity's financial report but is not significant enough to warrant a qualified opinion
- **Qualified** – these opinions are given when the audit identifies that the financial report is likely to be misleading to users, controls were inadequate or there was a material conflict with applicable financial reporting frameworks
- **Disclaimer of opinion** – issued when the auditor is unable to form an opinion due to insufficient evidence being available. This is the most serious audit opinion and is only issued after we have exhausted our efforts to achieve the desired audit objectives.

For the 2020-21 financial year, the City of Cockburn received a clear audit opinion without any matters of emphasis.

The OAG report also shows the City complied with statutory timelines for preparing and submitting the financial statements for audit (by 30 September) and was also one of the few local governments to have their audits finalised and the audit opinion issued by the end of November 2022.

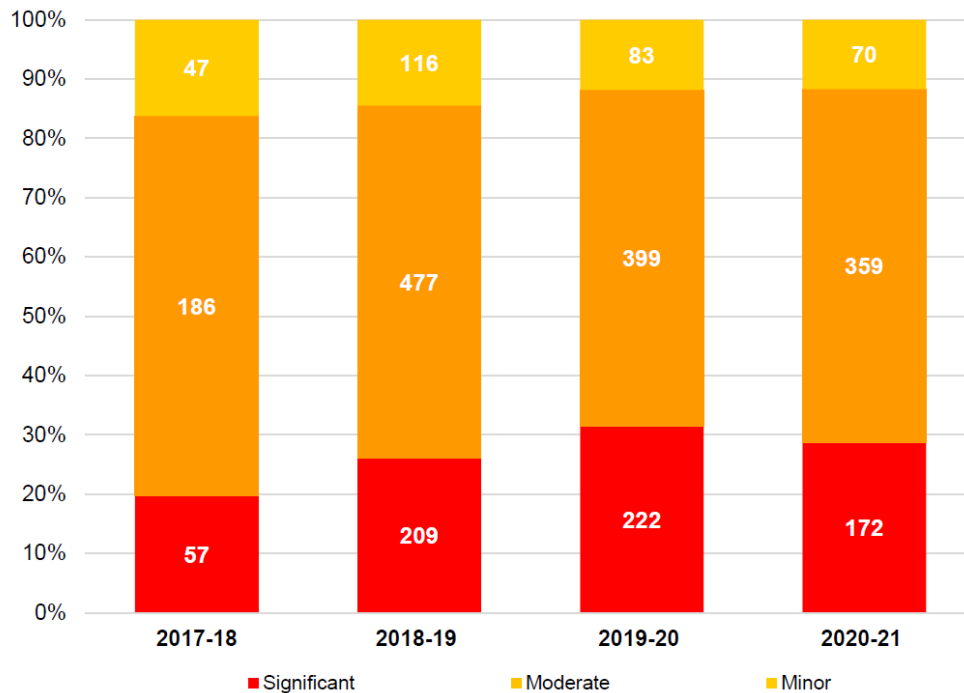
Another pleasing aspect of the 2020-21 audit was the OAG finding of no material matters of non-compliance with legislation by the City.

The OAG reported 75 local governments had 193 material matters of non-compliance with legislation.

The OAG report showed a decreasing trend in the number of management control issues across the sector from an increasing number of entities being audited (601 in 2020-21 vs. 802 in 2018-19).

In 2020-21, the 601 control weaknesses spanned 126 entities (average of five per entity audited), with 172 of these weaknesses considered a potentially significant risk.

The City of Cockburn only had two moderate rated weaknesses reported in the 2020-21 financial audit, with both having since been promptly addressed:



Source: OAG

Figure 2: Proportion of control weaknesses reported to management in each risk category and comparative ratings of the control weaknesses

From the 2021-22 financial year audits, the OAG will recognise top performing entities who demonstrate best practice in the sector, as they already do for the State and tertiary sectors.

The best practice assessment criteria will include:

- clear opinions on financial reports and controls
- the number and significance of control weaknesses raised in management letters
- good quality financial reports, supported by reliable working papers and submitted for audit within the agreed timeframe
- management resolution of accounting standards and presentation issues
- availability of key staff during the audit process.

Given the City of Cockburn's relatively good audit result for the 2020-21 financial year, it aims to be recognised next year by the OAG for meeting best practice in financial audits.

The OAG highlighted in their report that the City of Cockburn had adopted a different accounting treatment for cash in lieu of public open space (to that recommended by the Department of Local Government), based on obtaining its own legal advice.

However, this did not result in any adverse or non-compliance audit finding, and the City will continue adopting its more pragmatic accounting treatment (as supported by its legal advice).

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

Recommendation	City Comment
<p>1. We encourage entities to make use of our WA Public Sector Financial Statements – Better Practice Guide (available at audit.wa.gov.au) to improve their financial management and reporting practices, processes and procedures (page 16).</p>	<p>City officers previously attended an awareness session for the release of the guide and utilise aspects on a fit for purpose basis.</p>
<p>2. Local government entities should ensure they maintain the integrity of their financial control environment by:</p> <ul style="list-style-type: none"> a. periodically reviewing and updating all financial, asset, human resources, governance, information systems and other management policies and procedures and communicating these to staff b. conducting ongoing reviews and improvement of internal control systems in response to regular risk assessments c. regularly monitoring compliance with relevant legislation d. promptly addressing control weaknesses brought to their attention by our audits and other audit and review mechanisms e. ensuring they consider new and revised accounting standards for their impact on financial operations to prepare a compliant financial report at year end (page 27). 	<ul style="list-style-type: none"> a. These activities are business as usual for the City. b. Internal controls are regularly assessed through management oversight, updating of risk registers, and financial systems improvements. These are also reviewed during Financial Management Reviews carried out every three years for the CEO. c. The LG annual compliance return, and audit check of responses serves this purpose. d. City concurs with this recommendation and its track record in addressing previous recommendations demonstrates commitment. e. The City works closely with its auditor to ensure revised accounting standard requirements are properly applied in the financial statements.

Recommendation	City Comment
<p>3. The Department of Local Government, Sport and Cultural Industries should provide guidance to assist entities with understanding the requirements of and interpreting the Australian Accounting Standards Board (AASB) accounting requirements to ensure greater accounting consistency across the sector, including recognising provisions for the rehabilitation of landfills and other contaminated sites (page 30).</p>	<p>City concurs with recommendation.</p> <p>It should be noted that the City developed a comprehensive financial model several years ago for recognising its landfill rehabilitation provision.</p> <p>However, any guidance from the Department of Local Government would also be welcomed.</p>
<p>4. The Department of Local Government, Sport and Cultural Industries should continue to work with local government stakeholders towards the introduction of model financial statements for the 2022-23 financial year (page 41).</p>	<p>City concurs with recommendation and notes model financial statements have been developed and will apply for the 2022-23 financial year. The City favourably reviewed the proposed model template and looks forward to its application.</p>

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 Local Government financial audits each year serves to potentially reduce financial management risks for the City and improve its operating environment and governance frameworks.

Advice to Proponent(s)/Submitters

N/A

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

Nil



Report 5: 2022-23 | 17 August 2022

FINANCIAL AUDIT RESULTS

Local Government 2020-21



**Office of the Auditor General
Western Australia**

Audit team:

Grant Robinson
Lyndsay Fairclough
Financial 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.

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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: Tyler Olson/shutterstock.com

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

**Financial Audit Results –
Local Government 2020-21**

Report 5: 2022-23
17 August 2022

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**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

FINANCIAL AUDIT RESULTS – LOCAL GOVERNMENT 2020-21

Under section 24 of the *Auditor General Act 2006*, this report covers the final year of a four year transition for my Office to conduct the annual financial audits of the local government sector, following proclamation of the *Local Government Amendment (Auditing) Act 2017*.

This report on the 2020-21 financial audits of 132 of the applicable 148 local government entities includes:

- results of the audits of local government entities' annual financial reports and their compliance with applicable legislation for the financial year ending 30 June 2021
- issues identified during these annual audits that are significant enough to bring to the attention of the Parliament.

I wish to acknowledge the assistance provided by the councils, chief executive officers, finance officers and others, including my staff and contract audit firms, throughout the financial audit program and in finalising this report.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER
AUDITOR GENERAL
17 August 2022

Contents

Auditor General's overview.....	7
Executive summary	8
Review of the four-year transition	8
Introduction	10
Year at a glance	11
Recommendations.....	13
Timeliness and quality of financial reporting	14
Reporting requirements.....	14
Review of financial reports submitted for audit	14
Recommendation	16
Summary of audit opinions	17
Two disclaimers of opinion for 2019-20	17
Response from Shire of Yalgoo.....	18
Two qualified audit opinions for 2020-21	18
Twenty-four entities received emphasis of matter paragraphs.....	18
Seventy-five entities had 193 material matters of non-compliance with legislation	19
Adverse trends in the financial position of 109 entities	20
We issued 275 audit certifications	20
Control weaknesses	22
Management controls.....	22
Recommendation	27
Information system controls.....	28
Issues impacting entity reporting	29
Rehabilitation of landfill sites	29
Recommendation	30
Valuation of assets.....	30
Developer contributions – Accounting for cash in lieu of public open space	31
Implementation of Service Concession Grantors Standard AASB 1059	32
Other changes to accounting standards	33

Impact of emergencies	34
COVID-19	34
Cyclone Seroja	37
Opportunities for the DLGSC to improve the efficiency of financial reporting	38
Quality and timeliness	38
Response from the DLGSC	39
Review of financial ratios	39
Response from the DLGSC	40
Reduced disclosure reporting by entities	40
Response from the DLGSC	41
Local Government Regulations Amendment (Financial Management and Audit) Regulations 2022	41
Recommendation	41
Appendix 1: Status and timeliness of 2020-21 audits	42
Appendix 2: 2019-20 disclaimers of opinion	48
Appendix 3: 2020-21 qualified opinions	49
Appendix 4: Emphasis of matter paragraphs included in auditor's reports	50
Appendix 5: Material matters of non-compliance with legislation	54
Appendix 6: Certifications issued	57
Appendix 7: Other opinions and certifications issued since 18 November 2021	62

Auditor General's overview



The 2020-21 financial year marked the end of a four-year transition of local government financial auditing to my Office. The transition has brought many challenges as local governments and regional councils (entities) adjusted to our robust audits and we have learnt about the intricacies of the sector. Despite the challenges, it has been rewarding to facilitate financial reporting improvements and increase transparency of this important layer of government which impacts all West Australians. I have included a brief review of the transition at the beginning of this report.

For the 2020-21 audit cycle, we have completed 132 of 148 audits by 30 June 2022, with 16 outstanding. We have seen a demonstrated effort by the sector to improve the quality and timeliness of their annual financial reports and pleasingly reported a 15% decrease in weaknesses in financial management controls. This follows a 12% decrease the year before. To see this reduction in management control issues, across a larger number of audited entities, shows a comprehensive response by the sector to improve their current practices and strengthen the integrity of their financial reporting environment.

However, two entities received a qualified opinion on their financial reports and there may be further qualifications on the opinions not yet issued. We also reported a higher rate of material non-compliance and information system control weaknesses than previously.

In this report I have also included previously unreported outstanding opinions from 2019-20 for the Shires of Wiluna and Yalgoo. For both entities I issued a disclaimer of opinion as I was unable to obtain sufficient appropriate audit evidence on their books and records because of deficiencies in their internal controls and record keeping. A disclaimer of opinion is a serious matter for my Office as there is a missed opportunity for assurance over financial accountability and continuous improvement. This leads to a lack of confidence in the appropriate use of public monies.

To support continuous improvement in the local government sector, I encourage entities to review the findings of their audits, as well as this audit results report. Each entity should consider our recommendations in the context of their own operating environments and governance frameworks.

I note the newfound willingness and leadership of the Department of Local Government, Sport and Cultural Industries to enhance financial reporting, reduce complexity and cost, and enable improved governance for the sector. This report also outlines its progress on our previous recommendations.

Finally, I wish to acknowledge my incredibly hardworking staff, our contract audit firm partners and staff in the audited entities for their dedication to this year's audit process. Your professionalism and cooperation in working through uncommon challenges to complete the audits is appreciated.

Executive summary

Review of the four-year transition

The 2020-21 financial audit was the first year the Auditor General had responsibility for all 148 local government audits, marking the end of the four-year transition provided in the *Local Government Amendment (Auditing) Act 2017*.

A challenging transition

The transition has not been easy for the Office of the Auditor General (OAG) or entities, but Parliament was correct to acknowledge that change and improvement was needed for the sector. In too many cases, the quality of both financial reporting and audit was not what ratepayers and communities would rightly expect.

Our audits have brought greater rigour, scrutiny and sector-wide oversight. While challenging for many local governments and regional councils (entities), they have responded positively, particularly when they have understood that this helps them provide better transparency, accountability and financial management.

How challenging entities have found it to adapt to our requirements and approach was not predictable. Many smaller entities, who we might have expected to struggle, have adapted relatively easily while some of the larger ones with greater capacity have found it difficult. This has been particularly interesting given that all entities, regardless of size and complexity have to comply with the same legislative and regulatory framework.

Setting the baseline

As is often the case, the initial stages of reform have revealed many of the issues that need fixing. For the local government sector this includes the quality and timeliness of financial reporting and the need to aim for better practice, not just meet minimum levels of compliance. Our office has prepared guidance on preparing financial statements¹ and other topics² which entities have been encouraged to use.

Achieving consistency in some key areas underpins ongoing improvement. One area we continue to report on each year³ is inconsistencies in property and asset valuation methodologies. Entities can see significant valuation swings depending on the valuer they appoint and the assumptions the valuer makes. While regulation changes mean a formal valuation is no longer required each year, entities still need to ensure their assets are recorded at fair value. Forthcoming guidance from the Australian Accounting Standards Board and in turn the Department of Local Government, Sport and Cultural Industries (DLGSC) may help.

Through the transition we have come to understand much better the extent of reporting and compliance required of entities, in some cases exceeding that required of the State government sector. We have advocated to, and worked with, the DLGSC for a reduction in these requirements and are pleased new model financial statements, with decreased reporting but without a loss of key disclosures, will be available for entities in 2022-23. We will continue to liaise with the DLGSC on other proposed reforms that aim to increase accountability, transparency and efficiency for the sector.

¹ Office of the Auditor General, [Western Australian Public Sector Financial Statements – Better Practice Guide](#), OAG, Perth, 2021.

² Office of the Auditor General, [Better Practice Guidance](#), OAG, accessed August 2022.

³ Office of the Auditor General, [Audit Results Report – Annual 2017-18 Financial Audits of Local Government Entities](#), OAG, Perth, 2019, p. 20.

The transition has also identified areas of improvement for our Office. Specifically, we have had to increase the training of our employees and contract audit firms to adequately understand the local government environment, which differs in some significant ways to the State and tertiary sectors. We also intend to increase the time our auditors spend onsite to further improve the engagement, efficiency and timeliness of audits.

We are also determined not to allow any overruns from our State sector audits to impact our delivery of local government audits, as it did for the 2020-21 audit cycle (due to a record number of State government entity audit qualifications). This means if State entities are not audit-ready or we encounter delays undertaking their audits, our teams will move on to the local government program as scheduled, even if State entities are not finalised. Our resolve on this matter will be tested during the 2021-22 audits, but we look forward to reporting back to the Parliament and all our audited entities on how this approach unfolds.

Seeing results

While the timeliness and quality of annual financial reports have been significant issues through the transition, there are signs of improvement. The reduction since 2018-19 in financial management control weaknesses shows a clear effort by entities to improve their current practices and strengthen the integrity of their financial reporting environment. Although the upward trend in material matters on non-compliance indicates there is still improvement needed. The following table shows entities' audit results over the past four years.

Audit year	2017-18	2018-19	2019-20	2020-21
Number of entities subject to OAG audit	46	112	132	148
Clear audit opinions	44	107	129	130*
Qualified opinions	2	5	1	2*
Disclaimers of opinion	0	0	2	0*
Material matters of non-compliance	36	93	101	193*
Management control issues	198	802	704	601*

Source: OAG

* Some 2020-21 audits are still ongoing and therefore these results are for 132 entities only.

Table 1: Audit results for four year transition period

Understanding of the significant role of audit committees in the annual reporting and audit process has also improved. Better informed and active audit committees are now more suitably equipped to quality review the financial report and assess the accountability and integrity of entities' reporting, control environment and risk management practices.

Where to from here

There is still a long way to go but we are committed to working with entities, the DLGSC and sector associations⁴ to continue improving the sector and our own processes to aid timely reporting to the community and Parliament.

From the 2021-22 financial year audits we will recognise the top entities who demonstrate best practice in the sector, as we do for the State and tertiary sectors. Our best practice assessment criteria include:

⁴ Western Australian Local Government Association (WALGA) and Local Government Professionals Australia WA.

- clear opinions on financial reports and controls
- the number and significance of control weaknesses raised in management letters
- good quality financial reports, supported by reliable working papers and submitted for audit within the agreed timeframe
- management resolution of accounting standards and presentation issues
- availability of key staff during the audit process.

For 2020-21, OAG staff performed 21 audits in-house, with the other 127 performed by contract audit firms on our behalf. We expect to increase the number of audits we perform in-house over time. However, a large proportion will continue to be performed by our accredited contract audit firms. These are periodically re-tendered to provide open and fair competition and to ensure value for money.

Introduction

This report contains findings from our 2020-21 financial audits of the local government sector. It includes the results for 132 of the 148 entities (Appendix 1), with the remaining 16 entities' results to be tabled in Parliament once their audits are completed.

Our annual financial audits focus on providing assurance over an entity's financial report. The Auditor General provides an opinion on the report which can be:

- clear – this indicates satisfactory financial controls and that the financial report is based on proper accounts, presented fairly, complies with relevant legislation and applicable accounting standards, and fairly represents performance during the year and the financial position at year end
- clear with an emphasis of matter – this brings attention to a matter disclosed in the entity's financial report but is not significant enough to warrant a qualified opinion
- qualified – these opinions are given when the audit identifies that the financial report is likely to be misleading to users, controls were inadequate or there was a material conflict with applicable financial reporting frameworks
- disclaimer of opinion – issued when the auditor is unable to form an opinion due to insufficient evidence being available. This is the most serious audit opinion and is only issued after we have exhausted our efforts to achieve the desired audit objectives.

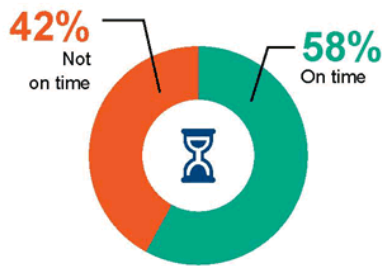
During an audit we also make recommendations to entities on relevant matters of compliance, financial management and information system controls. A summary of our findings is included in this report.

Also included are matters we have noted which have or may impact an entity's financial report. This year this includes how entities account for the rehabilitation of landfill sites, changes to the accounting treatment for cash in lieu of public open space from developer contributions, inconsistencies in how entities value assets and changes to accounting standards.

The appendix includes other opinions and certifications issued for the State government sector since 18 November 2021.

Year at a glance

Auditing local government



Audits completed by 31 December



148 local government entities



132 audits finalised and the results included in this report



21 entities audited by OAG staff



127 entities audited by contracted audit firms



The 132 entities with finalised audits had:

\$45 billion of total reported assets



\$3.8 billion in total operating revenue

2.2 billion in rates

\$958 million in fees and charges

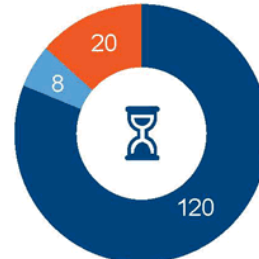
Quality and timeliness of financial reports (page 14)

Quality

Roughly half of the entities submitted financial statements for audit that were of a reasonable standard and required minimal revisions or adjustments. However, the remaining half were found to have numerous errors and disclosure requirements were unmet.

Timeliness

- Submitted to OAG by 30 September
- Received an extension and met deadline
- Did not meet 30 September or extension deadline



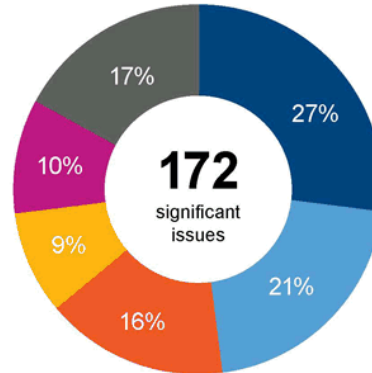
Audit results

2 qualified opinions (page 18)	16 opinions outstanding (page 18)	193 matters of non-compliance (page 19)	601 management control issues (page 22)
130 clear opinions (page 17)	2 disclaimers of opinion for 2019-20 (page 17)	275 certifications (page 20)	358 information system control weaknesses (page 28)

601 management control issues
(page 22)

During 2020-21, we alerted 126 entities to control weaknesses that needed their attention. One hundred and seventy-two were rated as significant, 359 moderate and 70 minor.

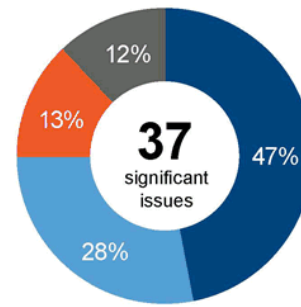
- Expenditure
- Financial management
- Payroll and human resources
- Asset management
- Revenue
- Other



193 Material matters of non compliance with legislation (page 19)



358 information system control weaknesses (page 28)



- Information security
- IT operations
- Business continuity
- Other

Issues impacting entity reporting



Rehabilitation of landfill sites (page 29)



Valuation of assets (page 30)



Developer contributions – Accounting for cash in lieu of public open space (page 31)



Accounting standard changes (page 32)

Recommendations

1. We encourage entities to make use of our *WA Public Sector Financial Statements – Better Practice Guide* (available at audit.wa.gov.au) to improve their financial management and reporting practices, processes and procedures (page 16).
2. Local government entities should ensure they maintain the integrity of their financial control environment by:
 - a. periodically reviewing and updating all financial, asset, human resources, governance, information systems and other management policies and procedures and communicating these to staff
 - b. conducting ongoing reviews and improvement of internal control systems in response to regular risk assessments
 - c. regularly monitoring compliance with relevant legislation
 - d. promptly addressing control weaknesses brought to their attention by our audits and other audit and review mechanisms
 - e. ensuring they consider new and revised accounting standards for their impact on financial operations to prepare a compliant financial report at year end (page 27).
3. The Department of Local Government, Sport and Cultural Industries should provide guidance to assist entities with understanding the requirements of and interpreting the Australian Accounting Standards Board (AASB) accounting requirements to ensure greater accounting consistency across the sector, including recognising provisions for the rehabilitation of landfills and other contaminated sites (page 30).
4. The Department of Local Government, Sport and Cultural Industries should continue to work with local government stakeholders towards the introduction of model financial statements for the 2022-23 financial year (page 41).

Timeliness and quality of financial reporting

Reporting requirements

Each entity is required to prepare an annual financial report that includes:

- a Statement of Financial Position, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows
- a Rate Setting Statement
- seven financial ratios required under section 50(1) of the Local Government (Financial Management) Regulations 1996 (FM Regulations)
- other note disclosures such as trading undertakings and major land transactions.

We have previously recognised that the quantity of detail reported in some aspects is onerous and exceeds that reported by most Western Australian (WA) State government entities and by local governments in other jurisdictions. From page 38 we have summarised DLGSC's progress with some reforms in this regard including the recent changes to the Local Government Regulations Amendment (Financial Management and Audit) Regulations 2022, gazetted on 17 June 2022.

Review of financial reports submitted for audit

Timeliness

Under section 6.4(3) of the *Local Government Act 1995* (LG Act), entities must submit their annual financial reports to the OAG for audit by the statutory deadline of 30 September. Of the 148 entities:

- 120 met the 30 September deadline
- 13 did not
- 17 received approval from the Minister to extend their submission deadline, of these:
 - 8 met the extended deadline
 - 7 did not
 - 2 did not require the extension as they met the 30 September deadline and are included in the 120 figure above.

Further details of entities' timeliness are provided in Appendix 1. Failure to provide good quality financial statements in a timely manner causes delays in the start and therefore the finalisation of audits.

We completed 86 of 148 audits (58%) by 31 December 2021 (compared to 65 of 132 audits (49%) by the same time last year) as required by section 7.9 of the LG Act. While this is an improvement from the previous year, we again encountered issues with the quality and timeliness of information provided by entities. Some entities experienced problems with insufficient evidence to support the financial report and numerous errors requiring correction. We also noted resourcing constraints impacting the sector, most notably in regional entities, which undoubtedly added to the challenge. Finally, we acknowledge the impact of delayed audit completions in numerous State sector entities on our ability to commence some local government entity audits.

Quality

We rate the quality of entities' financial statements that they submit for audit. Roughly half had statements that were of a reasonable standard and required minimal revisions or adjustments.

However, the remaining entities:

- had poor record keeping practices which delayed providing the necessary information for audit
- had numerous errors in their financial statements and disclosure requirements were not met
- experienced finance staff turnover and attrition during crucial times in the financial year, or key personnel were not available to respond to the auditors at key times as they had taken leave.

We identified numerous errors that were corrected by the entities during the audit process. These errors included:

- incorrect valuation method used
- incorrect revenue recognition of funds received in advance
- bank reconciliations for the municipal account not reconciled, resulting in back dated payments not being identified in a timely manner
- incorrect recognition of borrowings and cash and cash equivalents
- land assets not held at their fair value with revaluation recognised through revaluation reserve
- not correctly accounting for their share of investment in associate
- overstatement of employee benefits and misclassification between the current and non-current portion of long service leave provisions.

Also disappointing was the number of entities submitting many versions of their financial statements to us during the audit process. This results in significant additional work for both the entity and the auditor, and delays the finalisation of the audit. For example, one entity submitted 21 versions of its financial statements.

To ensure timely and accurate financial reports it is important that management in each reporting entity keeps proper accounts and records. Management should undertake appropriate oversight reviews of systems and processes throughout the financial year and after year end to improve the quality of their financial reporting.

To assist public sector entities to assess their financial management and reporting practices, our Office tabled the *Western Australian Public Sector Financial Statements – Better Practice Guide*. This practical guide and toolkit set out better practice principles which, when applied, support a strong governance framework and an efficient and effective financial statement preparation process. While the guide is not prescriptive or obligatory, it should assist entities to implement better practices, processes and procedures, and achieve more efficient and timely financial reporting for their entity.

Each year when we table our annual audit results report of State government entities, we assess them on their financial reporting and financial controls. We then recognise those State entities that achieve good practice by assessing the number and significance of control

weaknesses, the quality of their financial statements, audit readiness, management resolution of accounting standards and the availability of key staff during the audit process.

In 2021-22, we will examine the local government sector and recognise the top best practice entities in our annual audit results report. On page 10 we have outlined our assessment criteria. We hope that reporting top achieving entities from across the sector will increase the effectiveness and efficiency of the financial statement preparation process and contribute to improving the quality of financial reports submitted for audit.

Recommendation

1. We encourage entities to make use of our *WA Public Sector Financial Statements – Better Practice Guide* to improve their financial management and reporting practices, processes and procedures.

Summary of audit opinions

For the financial year ending 30 June 2021 we issued clear auditor's reports for 130 entities by 30 June 2022. Two audit opinions were modified (qualified), while we included emphasis of matter paragraphs in the audit reports of 24 entities.

The auditor's report includes:

- the audit opinion on the annual financial report
- any significant non-compliance in relation to the financial report or other financial management practices
- any material matters that indicate significant adverse trends in the financial position of the entity
- other matters the auditors deem necessary to highlight.

Under the LG Act, an entity's chief executive officer (CEO) is required to publish its annual report, including the audited financial report and the auditor's report, on the entity's website within 14 days of the annual report being accepted by the entity's council. Appendix 1 outlines the date we issued each entity's 2020-21 auditor's report.

We also finalised the 2019-20 auditor's report for two entities.

Two disclaimers of opinion for 2019-20

On 16 June 2021, we tabled the results of 117 entities' 2019-20 financial audits in Parliament. On 24 November 2021, we reported a further 13 entities' results in our State government entities audit report. At that time, results remained outstanding for the Shires of Wiluna and Yalgoo. We were unable to express an opinion on their financial audit reports and have now issued them a disclaimer of opinion.

For both entities, we were unable to obtain sufficient appropriate audit evidence on the books and records of the Shires. This was due to numerous significant deficiencies in the Shires' internal controls and in some cases, records not being adequately maintained. See Appendix 2 for the full details of the disclaimers.

The absence of sufficient appropriate evidence is a significant impediment for the auditor and a serious matter for both the auditor and those who rely on the auditor's opinion. If an auditor is unable to obtain the required evidence, they have few options. One option is to issue a disclaimer of opinion.

Such an opinion is only issued after we have exhausted our efforts to achieve the desired audit objectives. It is the first time this Office has issued such an opinion for a local government entity since becoming responsible for auditing the sector in 2017. It is also the first issued by our Office on a financial report for any WA government entity in 25 years.

A disclaimer of opinion on financial statements is a serious matter as we were unable to provide assurance over financial accountability. This can lead to a lack of confidence in the appropriate use of public monies.

Given the nature and timing of these disclaimers of opinion it is, regrettably, our expectation that issues requiring these disclaimed audit opinions may continue into 2021 and 2022 in some manner. However, we are aware that both entities have been working to address these concerns since the matters were first raised.

Response from Shire of Yalgoo

The Shire acknowledges the effort of the OAG in undertaking the 2019-2020 audit. We also confirm that we recognise the seriousness of the issues raised by the audit and give our assurance that a plan of action has already been implemented. We continue to do work under that plan. The Shire would also like to identify a number of factors which influenced the audit result, including:

- resourcing constraints
- changes of CEO
- communication between Shire and audit team
- timing of release of audit report.

We are conscious that the existence of these factors does not amount to an excuse for the deficiencies identified. On the other hand, we hope their existence will go some way to helping explain how those factors, rather than a culture of disregard for the need to ensure proper controls and compliance, contributed to the audit result.

17 June 2022

Two qualified audit opinions for 2020-21

We issue a qualified opinion in our auditor's report on an annual financial report if we consider it is necessary to alert readers to material inaccuracies or limitations in the financial report that could mislead readers.

In 2020-21, two entities received a qualified audit opinion. This is an improvement from four qualifications issued in 2019-20 and six in 2018-19.

The Shires of Goomalling and Sandstone received qualified opinions because their infrastructure assets had not been valued with sufficient regularity and therefore, we were unable to determine if they were fairly stated. For the full details of the qualified opinions see Appendix 3.

Audits in progress

The 16 audits still being finalised may result in modified opinions. Generally, audits in progress relate to:

- entities having more significant or complex issues to be resolved from a financial reporting and auditing perspective
- entities not having the in-house expertise needed to manage their financial reporting.

While some entities collaborate and seek help to overcome these issues, this is often informal and ad-hoc.

Twenty-four entities received emphasis of matter paragraphs

Under Australian Auditing Standards, if a matter is appropriately presented or disclosed in the financial report, but in our judgement is of such importance that it should be drawn to the

attention of readers, we may include an emphasis of matter (EoM) paragraph in our auditor's report.

In 2020-21, 25 EoM paragraphs have been included to bring to the reader's attention to:

- restatements of comparative figures or balances (11 entities)
- restatements and guarantee payments (four entities)
- changes to the basis of accounting used by the entity (six entities)
- the recording of a joint venture (two entities)
- a contingent liability (one entity)
- an event occurring after the end of the reporting period (one entity).

A full description of these matters is at Appendix 4.

In previous years, we included an EoM in all entities' auditor's reports to draw attention to their previous recognition of some categories of land, including land under roads, at zero cost.

Seventy-five entities had 193 material matters of non-compliance with legislation

We reported 193 matters of non-compliance to 75 entities. Under Regulation 10(3)(b) of the Local Government (Audit) Regulations 1996 (LG Audit Regulations), we are required to report any matters indicating that an entity is non-compliant with:

- part 6 of the LG Act
- FM Regulations
- applicable financial controls in any other written law.

The matters may relate to the financial report or to other financial management matters.

The most commonly reported matters related to:

- financial ratios not being reported (28 entities)
- a lack of evidence that enough quotations were obtained to test the market or documentation to explain why other quotes were not sought (22 entities)
- no evidence of independent review and approval of journal postings to the financial ledger (13 entities)
- a financial management review was not completed every three years as required (13 entities)
- changes made to the supplier master files were not independently reviewed and approved (12 entities)
- bank reconciliation processes were incomplete (12 entities).

Other matters included procurement without purchase orders, incomplete monthly reconciliations of fixed assets, payroll and employment non-compliance, and purchase orders raised, approved and paid by the same person. For the convenience of Parliament and the public, we have summarised the noteworthy matters in more detail at Appendix 5.

In determining which matters to examine through audit procedures (on a risk-based sample and rotational basis) and report, we apply the principles of materiality, as required by Auditing Standard ASA 320 *Materiality in Planning and Performing an Audit*. Factors that we consider include the extent and frequency of the non-compliance, and its effect or potential effect.

We also consider Regulation 5(1) of the FM Regulations to be particularly important because failure to effectively apply those requirements can result in significant financial loss, inefficiency, financial misreporting or fraud.

If we find matters of non-compliance at an entity, we will report this in the auditor's report which becomes part of their annual report published on their website. There was no discernible trend regarding the type or size of entity to which these findings relate.

Adverse trends in the financial position of 109 entities

We conducted a high-level assessment of whether the seven financial ratios reported in each entity's financial report achieved the standards set by the DLGSC. This year, we reported that 156 ratios at 109 entities indicated adverse trends of which the asset sustainability and the operating surplus ratios were the most commonly reported as adverse. Last year, for the 2019-20 audits, the comparative figures were 139 ratios with adverse trends at 89 entities. Entities report their ratios for the current year and the preceding three years. Our trend analysis is therefore limited to these four years.

We are required by Regulation 10(3)(a) of the LG Audit Regulations to report 'any material matters that in the opinion of the auditor indicate significant adverse trends in the financial position or the financial management practices of the local government'. When determining if a trend was significant and adverse, in some instances we allowed for a ratio to be slightly lower than the DLGSC standard. We allowed this in recognition that failing to meet some standards is more significant and representative of an entity's financial position than failing to meet others.

Our financial audit assessments of the ratios are conducted objectively on the audited figures from the financial report on a comparable and consistent basis. Our assessments do not consider other aspects of the entity's finances or the inter-relationships between the ratios. These considerations are outside the scope of the legislative audit requirement of Regulation 10(3)(a) and more relevant to a performance audit into adverse trends.

We issued 275 audit certifications

In addition to the auditor's reports on annual financial statements, we also conduct audit work to certify other financial information produced by entities. These audit certifications enable entities to meet the conditions of State or Commonwealth funding or specific grant requirements or legislation (acquittals). Our audit certification of these statements may be required to enable entities to receive ongoing funding under existing agreements or to apply for new funding.

For the 2020-21 audit cycle we are responsible for conducting 139 certifications for the Local Roads and Community Infrastructure Program (LRCI Program). The \$3 billion Commonwealth-funded program supports entities to deliver priority local road and community infrastructure projects across Australia.

Under the LRCI Program, entities who are eligible for funding must provide the Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts with an audited 2020-21 annual report by 31 October 2021. This must be audited by an appropriate auditor.

As defined by the *National Land Transport Act 2014*, our Office is the appropriate auditor given entities' accounts are required by law to be audited by the Auditor General of a State.

Appendix 6 lists the 275 certifications we have issued for 2020-21 and the date of issue including:

- 11 claims by administrative authorities for pensioner deferments under the *Rates and Charges (Rebates and Deferments) Act 1992*
- 136 statements acquitting Roads to Recovery funding under the *National Land Transport Act 2014*
- 125 statements acquitting the LRCI Program funding (14 certifications outstanding)
- three other certifications for projects by entities.

Control weaknesses

Management controls

We report to entity CEOs on all control weaknesses relating to expenditure, revenue, financial management, asset management and human resources. Control weaknesses that represent matters of material non-compliance form part of the overall auditor’s report that we provide under section 7.12AD of the LG Act to the mayor, president or chairperson, the CEO and the Minister for Local Government.

Our management letters provide a rating for each matter reported. We rate matters according to their potential impact and base our ratings on the audit team’s assessment of risks and concerns about the probability and/or consequence of adverse outcomes if action is not taken. We consider the:

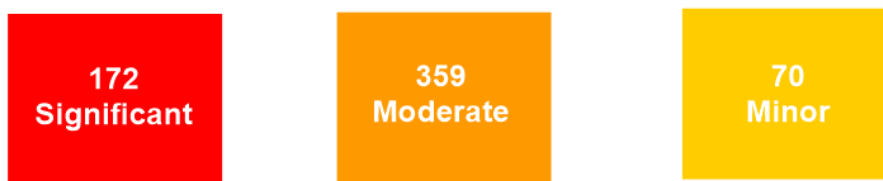
- quantitative impact – for example, financial loss from error or fraud
- qualitative impact – for example, inefficiency, non-compliance, poor service to the public or loss of public confidence.

Risk category	Audit impact
Significant	Finding is potentially a significant risk if not addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
Moderate	Finding is of sufficient concern to warrant action being taken by the entity as soon as practicable.
Minor	Finding is not of primary concern, but still warrants action being taken.

Source: OAG

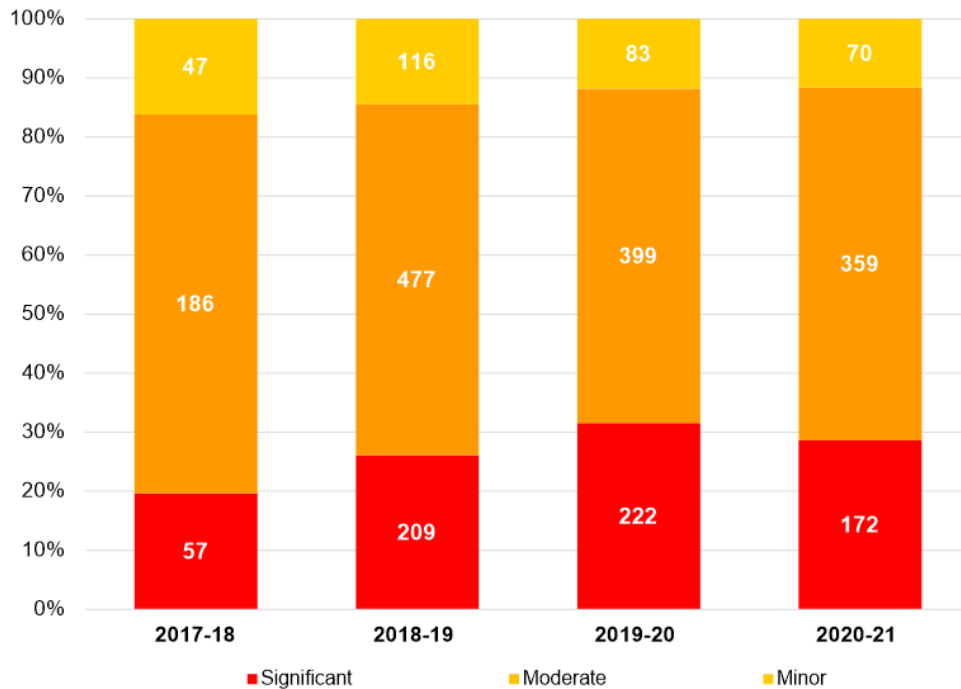
Table 2: Risk categories for matters reported to management

During 2020-21, we alerted 126 entities to control weaknesses that needed their attention. In total we reported 601 control weaknesses across the three risk categories as shown in Figure 1. This is a decrease compared to the figures from 2019-20 where we reported 704 control weakness of which 222 were significant, 399 moderate and 83 were minor findings.



Source: OAG

Figure 1: Number of financial and management control findings by risk category for 2020-21



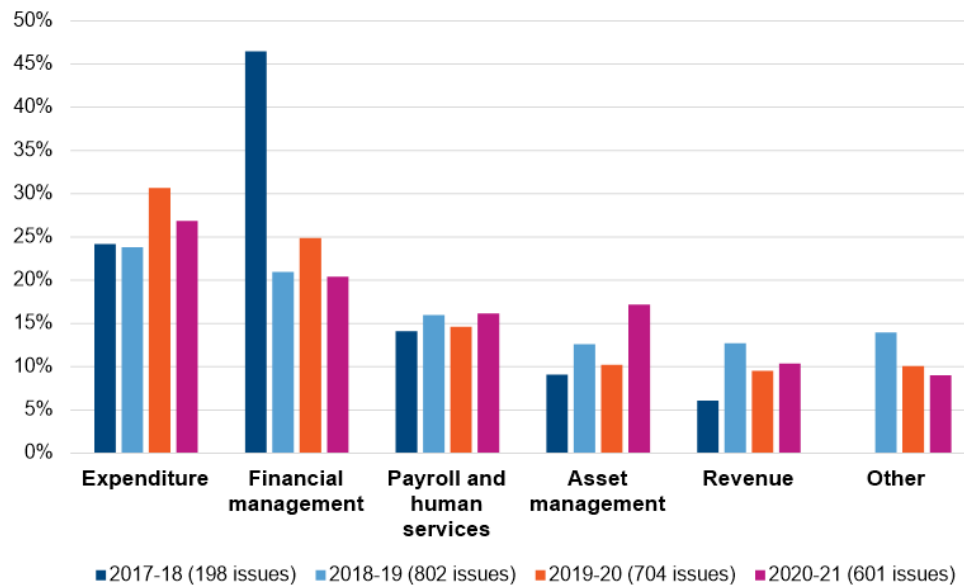
Source: OAG

Figure 2: Proportion of control weaknesses reported to management in each risk category and comparative ratings of the control weaknesses

Figure 2 shows the number of weaknesses in each risk category for the differing number of entities we audited during our first four years of local government auditing and the comparative proportion of weaknesses in each risk category. The chart shows that the number of control weaknesses across all ratings has decreased for 2020-21, noting that each year’s figures represent findings across an increasing population of audited entities during the transition period.

However, we found that 95 control weakness (15.8%) at 39 entities were unresolved from the prior year. This proportion compares with 2019-20 where 15% of issues were unresolved from the prior year. It is important that these issues are addressed promptly and requires entities to improve policies, practices and procedures to maintain or enhance the integrity of financial reporting.

The 601 control weakness identified in 2020-21 are presented in their different financial management control categories in Figure 3. This figure also shows that expenditure and financial management controls continue to represent the highest proportion of weaknesses across the financial control environment. However, it was pleasing to see that the control weaknesses relating to expenditure, financial management, and payroll and human resources have decreased for 2020-21. This is a positive trend. An increase in audit findings related to asset management suggests greater focus may also be required by entities on the controls around this aspect of financial management.



Source: OAG

Note: In 2017-19, no control weaknesses were reported in the Other category.

Figure 3: Financial and management control weaknesses reported to entities

Following are examples of control weaknesses identified in the major categories of audit findings.

Expenditure

We reported that good procurement procedures, such as obtaining quotes and completing purchase orders to start the ordering process and accountability trail, were not routinely practiced. In summary:

- We found purchase order control weaknesses at 33 entities. Purchase orders were often raised after the goods had been supplied or after the supplier's invoice had been received. The lack of adequate controls over purchase ordering increases the risk of inappropriate purchases or the entity being committed to pay for purchases made by officers who do not have authority or who have exceeded their delegated purchase limits.
- At 22 entities we continued to find instances where quotes were not obtained as required by the entities' policy guidelines. There were also instances where evidence of quotes was not kept. This increases the risk of favouring specific suppliers and/or not obtaining value for money.
- At 15 entities we reported that changes were made to the supplier master file without appropriate evidence of authorisation or there was no independent review to confirm checking for related party interests, authorisation, completeness and accuracy. These review procedures are essential as technology has increased the risk of fraud.
- We identified credit card control weaknesses at 14 entities. These included instances such as:

- transactions not listed separately in the payments submitted to council each month
- certain staff allocated a credit card who had not signed a credit card holder agreement
- no evidence of independent review for staff credit card monthly expenditure
- receipts not available for certain credit card transactions.
- In some entities there was not adequate separation of tasks between ordering and receiving goods. Without this segregation, the entity needs other controls to ensure that all payments for goods are reviewed and authorised by an independent officer.

Financial management

The accounting procedures and practices of the financial management team should include appropriate controls for preparing the entity's financial report and mandatory annual reporting requirements.

- At 27 entities we found that bank reconciliations were either not routinely prepared on a monthly basis or were not reviewed by a second officer. The bank reconciliation is a key control. If not performed regularly and independently reviewed, there is a risk of erroneous or unusual (including fraudulent) reconciling items not being detected and investigated in a timely manner.
- At 17 entities we found instances where journal entries were made without supporting documentation or were not reviewed by an independent officer. These can represent significant adjustments to previously approved accounting transactions. Unauthorised journals could result in errors in financial reports or fraud. They should therefore be clearly explained and subject to independent review.
- At 15 entities we found a lack of review of policies and procedures.
- At 11 entities we found that access to the financial management, payroll and human resources systems was not restricted to appropriate staff. In some instances, we considered more staff than necessary had passwords to access key systems. Access privileges need to be monitored on a regular basis by a senior staff member.

Payroll and human resources

Payroll and human resource management are essential elements of any employer's business. During our interim and final audits of entities we reported:

- Across 20 entities we found some employees were not taking their annual and long service leave entitlements and therefore accumulating excessive leave balances. Entities should have a leave management plan to ensure suitable staff can undertake the roles of key staff while they are on leave and to continue to deliver the entity's required services. Infrequent taking of leave and associated rotation of staff roles increase the likelihood of fraud remaining undetected.
- At 12 entities we found commencement and termination processes were not completed promptly to ensure timely and accurate processing and payment of staff. Evidence needs to be retained of all employment contracts, which should be signed by both parties on execution.
- At 12 entities we found monthly payroll reconciliations were not prepared in a timely manner and independently reviewed, increasing the risk of errors and/or potential fraud remaining undetected and misstated financial statements.

- At 11 entities we found instances where changes made to employee master files were either not supported by appropriate authorisation from the employee or not independently reviewed for accuracy and completeness. This is important to reduce the risk of payroll errors or fraud.

Asset management

We identified several weaknesses in the controls over assets. These included:

- a lack of evidence of review of fixed asset reconciliations at 14 entities
- asset management plans not completed or sufficiently updated at eight entities. This may impact the strategic planning process and is likely to result in misstatement of the asset renewal funding ratio in the financial report
- no asset stocktake policy or procedures in place at seven entities. The absence of a periodic asset stocktake means that discrepancies between the accounting and physical records will not be detected and corrected on a timely basis. This could result in failure to detect theft or loss and/or a misstatement of asset balances in the annual financial report
- a lack of comprehensive asset management procedures to manage non-current assets at six entities. Good policies and procedures provide essential guidance for staff to manage an entity's assets in accordance with management's expectations. Lack of formal and comprehensive policies and procedures that are readily available to staff increases the risk of mismanagement and recording of assets.

Other asset issues we found included:

- the entity not performing an assessment to determine the correct classification of vested improvements on vested land required to be separately classified as right-of-use assets
- asset revaluations not completed in a timely manner
- no documented inventory control policy and procedure for employees to follow to ensure that inventory is physically safeguarded and all movements are recorded accurately and completely in the accounting records
- incorrect application of the useful life of assets in depreciation calculations which could result in an over/understatement of the depreciation and hence of the carrying value of the assets in the financial statements.

Revenue

Good controls over revenue help to ensure that all monies due to the entity are accurately charged, collected and reported in the financial statements. During our interim and final audits, we reported:

- charges being raised prior to a completed review of the rates billing verification register
- fees were not correctly recorded in the financial system and customers were charged the incorrect fee
- no register of infringements issued by the entity
- interim rate notices had not been issued throughout the year by the entity
- rateable values reconciliation not completed

- a lack of a formal process to assess the revenue recognition criteria for new grant funding received
- revenue not recognised in accordance with AASB 15 or AASB 1058. As application of these standards may result in delayed income recognition, the entity's revenue may be overstated for the 2020-21 financial year.

Recommendation

2. Local government entities should ensure they maintain the integrity of their financial control environment by:
 - a. periodically reviewing and updating all financial, asset, human resources, governance, information systems and other management policies and procedures and communicating these to staff
 - b. conducting ongoing reviews and improvement of internal control systems in response to regular risk assessments
 - c. regularly monitoring compliance with relevant legislation
 - d. promptly addressing control weaknesses brought to their attention by our audits, and other audit and review mechanisms
 - e. maintain currency with new and revised accounting standards for their impact on financial operations in order to prepare a compliant financial report at year end.

Information system controls

In 2020-21, we reported 358 information system control weaknesses to 45 entities, with 10% (37) of these rated as significant and 71% (254) as moderate. Last year we reported 328 control weaknesses to 50 entities. As these weaknesses could significantly compromise the confidentiality, integrity and availability of information systems, entities should act promptly to resolve them.

Entities rely on information systems to prepare their financial statements and to deliver a wide range of services to their communities. It is important that entities implement appropriate controls to maintain reliable, secure and resilient information systems.

Audits of general computer controls help entities measure and improve the effectiveness and reliability of services and financial reporting. These audits are performed as an integral part of, and inform, our financial audit program

Our capability assessments at 12 of the 45 entities show that none met our expectations across all six control categories and 68% of the audit results were below our minimum benchmark. Information and cyber security remain significant risks again this year and need urgent attention. Compared to 2019-20, there have been some improvements in change control but very little progress in management of information technology (IT) risks, physical security and IT operations. Entities need to improve in all six control categories.

Of the weaknesses identified in 2020-21:

- 47% related to information security issues. These included system and network vulnerabilities, and unauthorised and inappropriate access
- 28% related to IT operations issues. In particular, there were issues in inadequate monitoring and logging of user activity, poor handling of information and lack of review of user access privileges
- 13% related to business continuity. For example, disaster recovery and business continuity plans were lacking or out-of-date
- 12% related to inappropriate IT risk management, poor environmental controls for the server room and a lack of change management controls.

The information provided above is included in our *Information Systems Audit Report 2022 – Local Government Entities*, tabled on 28 June 2022. Further details of the information systems audit work and case studies are included in that report.

Issues impacting entity reporting

Rehabilitation of landfill sites

Issue

Many entities have landfill sites which they manage. Depending on the size and scale of these sites, there are different requirements to rehabilitate them. Where entities have an obligation to remediate the landfill site, they should include the rehabilitation costs as a provision in their financial report. The absence of a rehabilitation plan and cost estimate does not remove the need to record a provision.

From the time it is evident that recognising a liability is required, to actually reporting one, a process of planning is needed, and this can take a while. In the meantime, readers should be alerted to the fact that a liability will be created by the entity showing a contingent liability in their financial reports. This is shown in the example below.

What we found

We've found that some entities are not including these provisions for rehabilitation and others that are, are accounting for them differently. There is a possible role for the DLGSC to provide guidance in this area to ensure entities are correctly accounting for rehabilitation provisions.

Example: City of Kalgoorlie-Boulder

The City has operated the Yarri Road Refuse Facility in east Kalgoorlie since 1993. The site operates under a Class II landfill license under Part V of the *Environmental Protection Act 1986* which requires licensing.

The City has never previously recognised a provision for landfill rehabilitation. It has disclosed a contingent liability for at least the three previous annual financial reports to fully restore the site at the end of its useful life. The City was also undertaking work to establish the scope and estimate the cost of the restoration, which was unable to be reliably estimated in previous financial reports.

During the 2020-21 period, the City engaged a third-party expert to prepare a closure and post-closure management plan and provide a comprehensive estimation of the future costs for the site closure, capping, restoration and monitoring activities. The plan was finalised in March 2021 and a landfill rehabilitation provision of \$28.8 million was recognised.



Source: OAG

Figure 4: Broome landfill

Recommendation

3. The Department of Local Government, Sport and Cultural Industries should provide guidance to assist entities with understanding the requirements of and interpreting the AASB accounting requirements to ensure greater accounting consistency across the sector, including recognising provisions for the rehabilitation of landfills and other contaminated sites.

Valuation of assets

Issue

As reported in previous years, we have concerns about inconsistencies in the valuation of property and infrastructure in the local government sector, including the variety of valuation methods used, especially for land assets with restricted use.

Valuation concerns arise from entities engaging different valuers who use different methods or interpret some principles of the Australian Accounting Standards differently. Consequently, entities can see significant valuation swings when they change their valuer, depending on which assumptions the valuer uses. Most entities revalued their restricted land assets in 2017 or 2018 in accordance with the FM Regulations. Their next three to five yearly valuations are due at the latest by 2022 or 2023.

As mentioned last year, the AASB and the International Public Sector Accounting Standards Board have projects underway relating to fair value of public assets. Our Office will work with other audit offices to prepare a submission to these fair value projects and with the DLGSC on the audit impacts of any changes.

Even though a formal valuation is not required to be undertaken every year, the requirement for such assets to be at fair value remains. Thus, each entity needs to do enough, at a minimum, to be able to conclude that the carrying value at the reporting period approximates its fair value. This would entail, amongst other things, condition assessments, assessing recent pricing movements in materials and labour, and other relevant material factors.

What we found

A few examples of entities experiencing some valuation issues were:

- City of Albany – the City has no formal process for assessing the valuation of infrastructure assets, land and buildings in financial years between the formal valuation assessments required by the FM Regulations. Without this, an asset may not be correctly recorded at fair value in accordance with AASB 116 and AASB 13. The City was notified of the finding during an interim audit and completed an assessment as part of its end of financial year procedures.
- City of Subiaco – the City's investment property increased by \$12.3 million (11%) compared to the prior year due to a revaluation to fair value at 30 June 2021 based on an independent valuation of \$125 million, which resulted in a net gain of \$29 million. The City also reported an increase to Revaluation Surplus of \$35.8 million (28%) compared to the prior year.
- Town of Cottesloe – during 2020-21, an independent valuation of land and buildings resulted in a decrease in fair value of \$20.5 million compared to the prior year. This related to an interest the Town has in the Wearne Hostel (refer below).

- Four entities hold an equal share in the Wearne Hostel site at 1 Gibney Street, Cottesloe but value it differently. We found one valuation almost double that of the other. The Towns of Claremont and Mosman Park have valued their respective interests separately without restrictions, while the Shire of Peppermint Grove and Town of Cottesloe have valued with restrictions (i.e. title showing zoning for use only as an aged care facility), resulting in a much lower valuation. We acknowledged the inconsistency in financial reporting for the same asset but accepted both valuations (restricted and unrestricted) as they are currently permissible under the relevant accounting standard and DLGSC financial reporting framework.

Developer contributions – Accounting for cash in lieu of public open space

Issue

When subdividing residential land in WA, a minimum of 10% of the gross subdivisible area must be given up free of cost by the landowner for public open space. The landowner can make a cash payment to an entity in lieu of all or part of the public open space contribution, which must be agreed by the entity and approved by the Western Australian Planning Commission.

Amendments to section 154 of the *Planning and Development Act 2005* (PD Act) changed the accounting treatment for cash in lieu of public open space contributions received on or after 12 September 2020. Entities receiving any cash in lieu funds should now place them in a reserve account for each subdivision within the municipal account, in accordance with section 6.11 of the LG Act.

The account should clearly set out the purpose for which the money is held, the landholding from which it was obtained and the date on which it was paid to the entity. Section 154(3) of the PD Act also requires interest earned on any invested funds to be applied to the respective reserve account.

The DLGSC provided guidance to entities on the accounting treatment for cash in lieu received on or after 12 September 2020, from 10 April 2006 until 11 September 2020, and prior to 10 April 2006. One entity sought its own legal advice.



Source: bmphotographer/shutterstock.com

Figure 5: Park and playground in a suburban area of Perth

What we found

While some entities were not prepared, the majority of affected entities accounted for the funds appropriately and complied with revised legislative requirements.

Some entities had differing treatments, for example:

- We noted that money paid to the City of Albany in lieu of open space, post 12 September 2020 and amounting to \$30,000, was not placed in a reserve account in accordance with section 6.11 of the LG Act. On being notified of the finding during the interim audit, the City rectified this as part of their annual procedures, had a newly created public open space reserve account endorsed by Council and correctly reported the received funds in the annual financial statements for the year ended 30 June 2021.
- The City of Cockburn, on obtaining legal advice, chose to adopt a different accounting treatment than recommended by the DLGSC. It accounted for all cash in lieu of public open space in the municipal fund, rather than some in trust and some in the municipal fund.
- We found the accounting for cash in lieu by the City of Greater Geraldton is classified in accordance with the PD Act, with an exception that funds amounting to \$378,000 should have been classified as trust rather than in reserves, as it was received between 10 April 2006 and 11 September 2020. We accepted this as reasonable and agreed with management on the classification of the funds.

Implementation of Service Concession Grantors Standard AASB 1059

Issue

Entities were required to apply a new standard, AASB 1059 *Service Concession Arrangements: Grantors*, for years beginning on or after 1 January 2020 (the 2020-21 reporting year). This standard is applicable to entities (grantors) that enter service concession arrangements with generally private sector operators.

It requires grantors to recognise a service concession asset and, where applicable, a service concession liability on the balance sheet. Alternatively, a service concession asset may result from the reclassification of an existing item of property, plant and equipment.

An arrangement within the scope of this standard typically involves an operator constructing the assets used to provide a public service or upgrading the assets (for example, by increasing their capacity) and operating and maintaining the assets for a specified period. Such arrangements are often referred to as public-private partnerships.

An example of a major service concession arrangement for WA local government is the Resource Recovery and Facility Agreement involving the Mindarie Regional Council, a regional entity, and its constituent member entities - the Cities of Perth, Stirling, Joondalup, Wanneroo and Vincent, and the Towns of Victoria Park and Cambridge.

Under this agreement the operator constructed and has the responsibility to manage the facility for the purpose of waste processing activities on behalf of the Mindarie Regional Council. The agreement was entered into for a 20-year term ending June 2030. On termination of the agreement, the Mindarie Regional Council would assume all rights and responsibilities in relation to the assets and liabilities of the Service Concession Arrangement.

What we found

For most entities there was no material impact to the financial statements in 2020-21.

Other changes to accounting standards

What we found

As we reported in November 2021⁵, the reporting of revenue and income by not-for-profit entities under AASB 15 and AASB 1058, which were applied from 1 July 2019, has brought challenges in interpretation and implementation. It is expected that the AASB will propose further guidance and examples in 2022 that have the potential to change current accounting practice.

⁵ Office of the Auditor General, [Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities](#), OAG, Perth, 2021, p 43.

Impact of emergencies

COVID-19

We have continued to note the impact of COVID-19 responses on entities' financial reporting processes and control environments. Part of our 2020-21 audits considered the impact faced by entities, given State and international border restrictions were in place during the financial year and in February, April and May 2021 the WA Government announced lockdowns and other restrictions in response to managing COVID-19 community transmission. Some of the impacts are summarised below.

Disruption of services and reduced revenue

Entities were faced with venue closures and restrictions for public and private gatherings resulting in event cancellations and reduced capacity. A few examples identified during our audits are listed below where entities experienced an impact to the community and disruption of services:

- City of Greater Geraldton – reported that Recreation and Culture income was down from \$4.2 million in the prior year to \$1.6 million in 2020-21 (62%). This decrease is mainly due to the recreation and culture sector being heavily impacted by COVID-19 restrictions including the stand down of theatre and events staff. The Queens Park Theatre was completely closed for the nine months to March 2021 with partial reopening from April to June 2021. All events and cultural projects at the City were either scaled back or not held due to State mandated restrictions.
- City of Melville — the City reported a 10% decrease in rates revenue for 2020-21 compared to the prior year. Rates concessions (approved by the Council in April 2020) applied in the 2020-21 budget under the COVID-19 Stimulus package amounted to approximately \$10 million. The City also reported a 56% decrease in interest earnings from \$4.4 million in the prior year to \$1.9 million in 2020-21. As part of section 6.45 of the LG Act modified under the Local Government (COVID-19 Response) Order 2020 to cushion ratepayers from the adverse economic effects of COVID-19, the City reduced interest rates to 2% on:
 - unpaid rates subject to an instalment program (previously 4%)
 - all unpaid rates and services (previously 8%)
 - unpaid underground power and streetscape charges (previously 4%).

This also led to a decrease in rates receivable balances at year end.

- The City of Rockingham – committed to a rate freeze for 2020-21 due to the COVID-19 pandemic. In addition, the City provided a concession totalling \$846,773. The concession was to ensure that residential properties were not charged more rates than they would have paid in 2019-20 due to the statutory Gross Rental Value revaluation the City was required to apply. The City also reduced interest rate charges on unpaid rates and other service charges and therefore reported a \$2.2 million (67%) decrease in interest earnings compared to the prior year. Payments by residents however have continued to be repaid in 2021 with a resulting effect of lower receivable balances compared to the prior year.
- City of Stirling – as part of the City's COVID-19 response in 2020-21, the Council committed to a one-off concession to ensure no ratepayer was asked to pay more than the previous year. The City also introduced rates smoothing in addition to its one, two

and four instalment options. In accordance with the Local Government (COVID-19 Response) Order 2020, the City did not charge

- interest where an owner selected to pay rates and service charges through an instalment option
- overdue interest to ratepayers with overdue rates and service charges.
- Shire of Harvey – reported a reduction in interest earnings from \$1.3 million in the prior year to \$395,000 in 2020-21 (69%) mostly due to the decrease in interest rates paired with a decrease in interest earnings from rates revenue due to rate relief from COVID-19.
- Shire of Ngaanyatjaraku – statutory environmental health functions such as food inspections were delayed as they were not deemed to be an essential service by the WA Police Force and G2G passes were not approved for the visiting environmental health officer. Indoor sport and recreation activities were cancelled and program changes were made to enable limited activities to provide food and essential services in compliance with COVID-19 directions.

Entities' expenses for directly managing the impact of COVID-19

Differentiating between COVID-19 specific expenditure and normal expenditure was difficult as entities generally did not separately account for these expenses. In general, entities did not report incurring any significant expenditure as potential extra expenses were offset by savings elsewhere. Some interesting examples are noted below:

- Shire of Broome – the Shire's current three year COVID-19 recovery plan focuses on significant infrastructure projects. The State and Commonwealth Governments have co-invested in most of these projects. The intent of the projects is to reinvigorate the region and stimulate the local economy (e.g. jobs and tourism) which will assist in COVID-19 recovery.
- Shire of Denmark – the Shire experienced challenges in securing contractors and equipment from interstate and intrastate due to COVID-19 restrictions. Cost of contractors, materials and supplies has risen on average 20% over the past 12 months. Due to significant increases in available State and Commonwealth funding, it is increasingly difficult to secure available contractors to complete works within funding condition timeframes. The impact of COVID-19 has fast-tracked the Shire to implement more services and application processes online for the community to access.
- Shire of Dowerin – while the financial impact of COVID-19 on the Shire was minimal throughout 2020-21, additional resources were allocated including:
 - staff resources to keep up-to-date with relevant information and mandates
 - preparing and implementing the Shire's COVID-19 plan and working-from-home processes
 - increased community communication and engagement
 - additional cleaning.

The Shire had also experienced delays in completion of road construction and building projects due to contractors not being available and an increased cost of materials, freight and contractors.

- Shire of Gnowangerup – the main impact for the Shire includes significantly reduced availability of contractors, particularly building-related trades, and reduced availability of

vehicles. This has impacted the Shire's ability to complete projects within timeframes and budgets. Some capital expenditure items in the current year budget will carry over to the new financial year as a result.

Stimulus or initiatives administered by entities

Below are some examples where entities played a role in distributing funds and providing relief to their communities in 2020-21:

- City of Gosnells – the City reported \$1.4 million in COVID-19 concessions for ratepayers and relief for lessees.
- City of Greater Geraldton – the City offered rent relief to some tenants who were badly affected by the pandemic. The rent relief was in line with the *Commercial Tenancies (COVID-19 Response) Act 2020* and was available to tenants that had experienced a reduction of revenue of at least 30% over the previous year. The relief was in two parts: a portion of the rent was to be waived and another portion was to be deferred.
- City of Kalamunda – a COVID-19 Crisis Relief Fund reserve was established by the City at the beginning of the financial year of \$1 million to provide innovation grants of up to \$5,000 and \$1,000 rate relief to each eligible ratepayer. However, only \$216,000 was paid out during the year to 30 June 2021. The balance of the fund was returned to the City's bank account and the Crisis Relief Fund reserve was closed with the Council's approval. The City also offered a total of \$22,000 in rates exemptions under its COVID-19 financial hardship policy for the year ended 30 June 2021.
- City of Karratha – the City received a one-off contribution of \$1 million from Rio Tinto for COVID-19 recovery which was used to support the City's business and community funding packages. This included Try Local Vouchers, sporting group grants, tourism operator incentives, health fee waivers, business grants and Meet the Street funding. In addition, the City provided a number of other COVID-19 business and community support initiatives such as a freeze on rate and fee increases, deferral of rate collection, financial hardship support and lease fee relief.
- City of Subiaco – in response to the pandemic, the City resolved through its annual budget 2020-21 to provide a one-off contribution of \$2 million against total rates levied. This contribution was funded through a transfer from the Capital Investment Reserve. The \$2 million contribution to rates was applied proportionately to the number of rates levied per property, including properties paying minimum rates.
- Shire of Dalwallinu – the Shire adopted a financial hardship policy during 2019-20 to assist the community members who may have been affected by the COVID-19 pandemic. This policy was amended during 2020-21 to also include other unexpected items that may result in payment difficulties.
- Shire of Dandaragan – the Shire implemented a range of measures to respond to the challenges of COVID-19 including removing or heavily discounting interest charges on rates and debts, deferring community group loans and providing \$5,000 cash grants to community groups to enhance their facilities. A significant increase in infrastructure investment was undertaken targeting civil works that could employ the local workforce, in particular deckhands, who were impacted by disruption to the crayfishing industry. A COVID-19 community building program was established to support those at high risk including seniors, people with a disability or underlying health issue, people from culturally and linguistically diverse backgrounds, and indigenous people. The Shire also developed a COVID-19 webpage providing information and tools for its community such as the COVID-Readiness Household Plan.

Future potential effect of COVID-19

As responses to COVID-19 continue to impact well beyond this reporting period and constrain the functions and responsibilities of entity operations, the risk increases that other critical areas may not receive the focus or priority they deserve. We encourage staff and management to be mindful of gaps where more visible financial and operational controls may cease to operate effectively, including in altered work arrangements such as staff working from home.

Cyclone Seroja

On 11 April 2021, Cyclone Seroja intensified into a category 3 tropical cyclone and crossed the WA coast just south of Kalbarri. Impacts to Kalbarri and the nearby town of Northampton were severe, with many locations recording maximum wind gusts more than 170 km/h. Many buildings and roads sustained significant structural damage or were destroyed. An emergency situation was declared at 3.50 pm on 11 April for 45 local government areas. Services were disrupted, facilities were closed and significant damage occurred to critical infrastructure. Secondary impacts included loss of power and communications for an extended period, and a primary focus for affected communities on repair and recovery.

Examples of the financial implications arising from this emergency event in the region are as follows:

- Shire of Mingenew – at its May 2021 Ordinary Council Meeting, Council voted unanimously to waive a range of building and planning application fees to assist those impacted to rebuild, and waived some planning requirements for temporary buildings at its August 2021 Ordinary Meeting.
- Shire of Northampton – cyclone damage led to a write-down of Property, Plant and Equipment of \$1.1 million and Infrastructure of \$178,000 for the 2020-21 financial year. Additional funding of \$500,000 was received from the Local Government Insurance Scheme for operational repairs, and materials and contracts costs increased by \$1 million from \$2.3 million in the prior year to \$3.3 million in 2020-21 due to additional work required to restore the Shire's townsites.
- Shire of Chapman Valley – damages to the Shire's assets were not extensive. However, the cyclone impacted staff resources due to time taken away from core business to attend to local recovery initiatives. During the financial year the Shire restored some properties and certain work had to be carried forward to financial year 2021-22.
- City of Greater Geraldton arranged additional resources immediately following the cyclone to aid clean-up efforts. The City also spent more than \$500,000 on clearing vegetation and concentrated on rural road maintenance and removing and mulching fallen vegetation.
- Shire of Morawa experienced 202 requests for emergency welfare assistance, with 104 homes damaged and 23 primary producer properties impacted. The council spent \$141,962 in the immediate response to the cyclone with the majority being for the clearing of roads, removing fallen trees and town clean-up.

Opportunities for the DLGSC to improve the efficiency of financial reporting

Our audits have once again highlighted the need for the DLGSC to provide centralised professional support to assist entities to fulfil their financial reporting requirements. We have previously raised the need for the DLGSC to provide professional advice on preparing for changes in accounting standards and legislation. This would be both financially beneficial and time efficient for all entities. This section includes updated information on the steps the DLGSC is taking to enhance financial reporting, reduce complexity and costs, and enable improved governance. It is important to note that while some of these issues may relate to all entities, others may only be applicable to some.

Quality and timeliness

In 2019-20, and in prior reports, we reported that many entities would benefit from centralised support from the DLGSC similar to that provided to State government entities by the Department of Treasury through the Treasurer's Instructions. This would help to improve the overall quality of the sector's financial reports and also reduce the reporting burden on smaller entities. We identified the need for actions such as:

- decluttering entities' financial reports
- implementing tiered reporting for entities that differ in the size or complexity of their operations
- providing a model financial report with current sample notes
- providing technical and accounting standards support to entities through a help desk.

Further, we suggested the DLGSC's support should pursue timely regulation amendments and provide suitable guidance to assist entities to update their accounting practices. This would help ensure that their future reporting is compliant with all current accounting standards and improve the financial report framework.

While our Office produced the *Western Australian Public Sector Financial Statements – Better Practice Guide* to assist entities to implement better practices for more efficient and timely financial reporting, centralised assistance offered by the DLGSC will achieve consistency, improve financial reporting standards and could offer practical accounting assistance.

Response from the DLGSC

DLGSC has made significant progress towards addressing the recommendations via its local government model financial statements project which commenced in September 2021. DLGSC expects to fully address all recommendations by the end of financial year 2022-23. This has been largely driven by DLGSC's commitment to deliver efficiencies and better financial reporting outcomes for the local government sector. As a result, DLGSC has met and is on track to meet several critical milestones, including:

- delivery of the first tranche of decluttered financial reports for 2021-22 by 1 July 2022. The required amendments to the FM Regulations and LG Audit Regulations were gazetted on 17 June 2022
- delivery of a further second tranche of decluttered financial reports for 2022-23 by 28 April 2023
- implementing reduced financial reporting for smaller entities for the financial year 2022-23, onwards
- providing model financial statements templates with guidelines for the financial year 2022-23, onwards
- providing technical and accounting standards support from June 2022 via a dedicated email support line.

Review of financial ratios

We are required by Regulation 10(3)(a) of the LG Audit Regulations to report 'any material matters that in the opinion of the auditor indicate significant adverse trends in the financial position or the financial management practices of the local government'.

It has been our view since becoming the auditor for the sector that the annual financial report audit does not provide the opportunity for a thorough assessment of any adverse trends that may be apparent from the ratios. We have also previously supported the need for the DLGSC to develop more thorough and balanced performance assessment criteria to replace the existing reporting and audit of seven financial ratios and any adverse trends in these ratios.

In 2019-20, we also reported that the Western Australian Local Government Association (WALGA) had recommended changes to the ratios in its Local Government Financial Ratios Report provided to the WALGA State Council Meeting on 5 May 2021. The report included recommendations for prescribed ratios and other financial reporting related matters. Along with ratio changes, the group also recommended the DLGSC prepare a model set of financial statements and annual budget statements in consultation with the local government sector.

Response from the DLGSC

The DLGSC has taken on board the OAG's views and recognised the contributions of key stakeholders in respect of the financial ratios and their intended purpose and outcomes. The DLGSC's approach to financial reporting of ratios has been largely underpinned by the OAG recommendations and the need to bring local government financial reporting in line with better practice frameworks.

While the DLGSC has taken action to remove the reporting of financial ratios from the 2021-22 annual financial report, and the audit reporting of significant adverse trends and attestation of ratios, it is still committed to ensuring reliable information on local government financial and sustainability measures is available.

The DLGSC is undertaking a comprehensive review of the current financial health indicator, taking into consideration WALGA's Financial Ratios Working Group recommendations. The review will assess the appropriateness of the current financial ratios and recommend a set of financial and sustainability measures that are evidence based and fit for purpose. This will then inform the information reported via the MyCouncil website.

The Western Australian Treasury Corporation (WATC) was engaged in late March 2022 to undertake a review of the financial health indicator to identify the most appropriate ratios to underpin it. A stakeholder group consisting of WATC, the DLGSC, WALGA, LG Professionals WA and a local government finance consultant has been established to help inform the review. Targeted stakeholder engagement is to be undertaken in due course for input and feedback on the proposed ratios and methods used to underpin the new financial health indicator.

The scope prepared for WATC requests that a report and new financial health indicator product is provided to the DLGSC by 31 August 2022. The DLGSC will then review the outcomes of the report before implementing the changes for the MyCouncil website in 2023.

Reduced disclosure reporting by entities

The quantity of information that is reported in the annual financial reports of entities is onerous and exceeds that reported by most State government entities. Entities also include several disclosures that are not common practice in other Australian states. This contributes to the time and cost to prepare and audit annual financial reports.

In 2019-20, we reported that opportunities still exist to introduce a tiered reporting structure and reduce the amount of detail in entity financial reports without impacting the usefulness and completeness for users. While the FM Regulations do not provide entities as much opportunity to reduce financial report disclosures as State government entities, we continue to encourage efforts to streamline financial framework obligations, particularly for small and medium sized entities, wherever it does not impair accountability and transparency.

Response from the DLGSC

The DLGSC fully recognises the need for tiered reporting based on complexity and size of entities, while still meeting the needs of the users of financial reports. The DLGSC has developed model financial statement templates based on Salaries and Allowances Tribunal banding.

The model financial statement template for Band 1 and 2 entities significantly reduces the existing level of disclosures required to be audited. Our recommendations to the Parliamentary Select Committee into Local Government have largely guided the DLGSC in the removal of the disclosures.

The Band 3 and 4 entity model financial statement template is also streamlined and removes further disclosures without compromising the accountability and transparency of financial reporting. The DLGSC has been working closely with the OAG to ensure critical information and compliance with Accounting Standards is retained. After sector consultation, it was agreed that the model financial statements for both Band 1 and 2, and Band 3 and 4 should be introduced from the 2022-23 financial year onwards.

Local Government Regulations Amendment (Financial Management and Audit) Regulations 2022

The first component of regulatory amendments to enable the model financial statements, the *Local Government Regulations Amendment (Financial Management and Audit) Regulations 2022*, were gazetted on 17 June 2022.

Key changes which are welcomed by our Office include the removal of the requirement for an annual financial report by an entity to include:

- financial ratios
- an auditor's opinion on financial ratios, significant adverse trends and matters of non-compliance.

The changes made to the FM Regulations will reduce local government reporting requirements and the scope of audit reports and come into effect from 1 July 2022. As some 2021-21 audits are still in train, transitional provisions apply to financial reports in relation to 30 June 2021 whose audits are yet to be finalised.

Recommendation







4. The Department of Local Government, Sport and Cultural Industries should continue to work with local government stakeholders towards the introduction of model financial statements for the 2022-23 financial year.

































Appendix 1: Status and timeliness of 2020-21 audits

We completed 132 of the 148 audits for 2020-21 by 30 June 2022. All entities are listed in alphabetical order below, as well as the type of audit opinion they received, when they received it and the timeliness of providing their financial statement to us for audit.

Timeliness of financial statements does not indicate quality. Roughly half of the entities' financial statements submitted to us for audit were not of a reasonable standard and required revisions or adjustments due to errors or disclosure requirements not being met. In some cases more than a dozen versions of financial statements were submitted to our audit teams, with changes or availability of staff or information also impacting timelines. More information on issues around quality and timeliness is provided on pages 14 and 15.

Key

Type of audit opinion		Financial statement (FS) timeliness	
Clear opinion		Received by the statutory deadline of 30 September 2021	
Clear opinion with emphasis of matter		Extension to the statutory deadline was granted and met	
Qualified or a disclaimer of opinion		Extension or statutory deadline was not met	

Entity	Type of opinion	Opinion issued	FS timeliness
Bunbury-Harvey Regional Council		14/12/2021	
City of Albany		3/12/2021	
City of Armadale		15/03/2022	
City of Bayswater	Audit in progress		
City of Belmont		17/02/2022	
City of Bunbury		7/12/2021	
City of Busselton		15/11/2021	
City of Canning		30/11/2021	
City of Cockburn		30/11/2021	
City of Fremantle	Audit in progress		
City of Gosnells		10/12/2021	
City of Greater Geraldton		9/12/2021	
City of Joondalup		14/12/2021	
City of Kalamunda		22/11/2021	
City of Kalgoorlie-Boulder		4/05/2022	
City of Karratha		8/03/2022	
City of Kwinana		9/12/2021	

Entity	Type of opinion	Opinion issued	FS timeliness
City of Mandurah	✓	17/12/2021	🕒
City of Melville	✓	9/12/2021	🕒
City of Nedlands	✓	30/11/2021	🕒
City of Perth	✓	23/03/2022	🕒
City of Rockingham	✓	23/11/2021	🕒
City of South Perth	✓	19/11/2021	🕒
City of Stirling	✓	23/12/2021	🕒
City of Subiaco	✓	17/11/2021	🕒
City of Swan	✓	24/11/2021	🕒
City of Vincent	✓	15/12/2021	🕒
City of Wanneroo	✓	17/12/2021	🕒
Eastern Metropolitan Regional Council	✓	17/11/2021	🕒
Mindarie Regional Council	✓	14/01/2022	🕒
Murchison Regional Vermin Council	✓	22/11/2021	🕒
Pilbara Regional Council	✓	28/04/2022	🕒
Rivers Regional Council	✓	30/09/2021	🕒
Shire of Ashburton	Audit in progress		🕒
Shire of Augusta-Margaret River	✓	6/12/2021	🕒
Shire of Beverley	✓	22/02/2022	🕒
Shire of Boddington	✓	7/04/2022	🕒
Shire of Boyup Brook	Audit in progress		🕒
Shire of Bridgetown-Greenbushes	✓	23/11/2021	🕒
Shire of Brookton	✓	30/03/2022	🕒
Shire of Broome	✓	3/12/2021	🕒
Shire of Broomehill-Tambellup	Audit in progress		🕒
Shire of Bruce Rock	✓	16/12/2021	🕒
Shire of Capel	✓	3/03/2022	🕒
Shire of Carnamah	✓	12/04/2022	🕒
Shire of Carnarvon	Audit in progress		🕒
Shire of Chapman Valley	✓	7/12/2021	🕒

Entity	Type of opinion	Opinion issued	FS timeliness
Shire of Chittering		18/02/2022	
Shire of Christmas Island		14/03/2022	
Shire of Cocos (Keeling) Islands		8/04/2022	
Shire of Collie		16/02/2022	
Shire of Coolgardie		17/12/2021	
Shire of Coorow		10/03/2022	
Shire of Corrigin		16/12/2021	
Shire of Cranbrook		9/12/2021	
Shire of Cuballing		22/12/2021	
Shire of Cue		6/05/2022	
Shire of Cunderdin		18/02/2022	
Shire of Dalwallinu		16/12/2021	
Shire of Dandaragan		16/12/2021	
Shire of Dardanup		8/12/2021	
Shire of Denmark		2/12/2021	
Shire of Derby-West Kimberley	Audit in progress		
Shire of Donnybrook-Balingup		23/02/2022	
Shire of Dowerin		17/02/2022	
Shire of Dumbleyung		17/03/2022	
Shire of Dundas		6/04/2022	
Shire of East Pilbara		30/03/2022	
Shire of Esperance		10/11/2021	
Shire of Exmouth		17/11/2021	
Shire of Gingin		29/06/2022	
Shire of Gnowangerup		22/12/2021	
Shire of Goomalling	Qualified	22/12/2021	
Shire of Halls Creek		18/03/2022	
Shire of Harvey		20/12/2021	
Shire of Irwin		28/03/2022	
Shire of Jerramungup		14/12/2021	
Shire of Katanning		21/12/2021	

Entity	Type of opinion	Opinion issued	FS timeliness
Shire of Kellerberrin	✓	8/12/2021	🟢
Shire of Kent	✓	15/03/2022	🟢
Shire of Kojonup	✓	17/06/2022	🟢
Shire of Kondinin	✓	21/12/2021	🟢
Shire of Koorda	✓	25/02/2022	🟢
Shire of Kulin	✓	23/02/2022	🟢
Shire of Lake Grace	✓	18/03/2022	🟢
Shire of Laverton	✓	17/02/2022	🟢
Shire of Leonora	✓	8/12/2021	🔴
Shire of Manjimup	✓	29/11/2021	🟢
Shire of Meekatharra	⚠	3/12/2021	🟢
Shire of Menzies	✓	15/12/2021	🟢
Shire of Merredin	Audit in progress		🔴
Shire of Mingenew	⚠	10/12/2021	🟢
Shire of Moora	Audit in progress		🟢
Shire of Morawa	✓	21/12/2021	🟢
Shire of Mount Magnet	✓	4/03/2022	🟢
Shire of Mount Marshall	✓	6/12/2021	🟢
Shire of Mukinbudin	✓	17/12/2021	🔴
Shire of Mundaring	✓	10/12/2021	🟢
Shire of Murchison	Audit in progress		🔴
Shire of Murray	✓	15/02/2022	🟡
Shire of Nannup	✓	18/02/2022	🟡
Shire of Narembeen	✓	15/12/2021	🔴
Shire of Narrogin	✓	22/12/2021	🟢
Shire of Ngaanyatjaraku	✓	30/11/2021	🟢
Shire of Northam	✓	7/12/2021	🟢
Shire of Northampton	✓	17/12/2021	🟢
Shire of Nungarin	✓	16/12/2021	🟢
Shire of Peppermint Grove	✓	22/12/2021	🟢
Shire of Perenjori	✓	7/04/2022	🟢

Entity	Type of opinion	Opinion issued	FS timeliness
Shire of Pingelly		17/12/2021	
Shire of Plantagenet		16/12/2021	
Shire of Quairading		17/02/2022	
Shire of Ravensthorpe	Audit in progress		
Shire of Sandstone	Qualified	31/05/2022	
Shire of Serpentine-Jarrahdale		22/12/2021	
Shire of Shark Bay		5/04/2022	
Shire of Tammin		7/12/2021	
Shire of Three Springs		22/03/2022	
Shire of Toodyay	Audit in progress		
Shire of Trayning		23/11/2021	
Shire of Upper Gascoyne		11/11/2021	
Shire of Victoria Plains		23/03/2022	
Shire of Wagin		10/11/2021	
Shire of Wandering		22/12/2021	
Shire of Waroona		22/12/2021	
Shire of West Arthur		2/03/2022	
Shire of Westonia		16/12/2021	
Shire of Wickopin		9/03/2022	
Shire of Williams		18/11/2021	
Shire of Wiluna	Audit in progress		
Shire of Wongan-Ballidu		21/12/2021	
Shire of Woodanilling	Audit in progress		
Shire of Wyalkatchem		19/11/2021	
Shire of Wyndam-East Kimberley		22/02/2022	
Shire of Yalgoo	Audit in progress		
Shire of Yilgarn		16/12/2021	
Shire of York		16/12/2021	
Southern Metropolitan Regional Council		15/12/2021	
Tamala Park Regional Council		14/10/2021	
Town of Bassendean		15/12/2021	

Entity	Type of opinion	Opinion issued	FS timeliness
Town of Cambridge	Audit in progress		
Town of Claremont		22/12/2021	
Town of Cottesloe		16/12/2021	
Town of East Fremantle		14/12/2021	
Town of Mosman Park		3/12/2021	
Town of Port Hedland		9/12/2021	
Town of Victoria Park		20/01/2022	
Western Metropolitan Regional Council		18/10/2021	

Source: OAG

Appendix 2: 2019-20 disclaimers of opinion

Entity and opinion	Opinion issued
<p>Shire of Wiluna – Disclaimer of opinion</p> <p>It has not been possible to obtain sufficient appropriate audit evidence on the books and records of the Shire. This lack of evidence arises from numerous significant deficiencies in the internal controls implemented by the Shire and, in some cases, the necessary records not being adequately maintained.</p> <p>As a result of this matter, we are unable to determine if any adjustments might have been found necessary to the elements making up the Statement of Financial Position as at 30 June 2020, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended and related notes and disclosures.</p> <p>A qualified opinion was also issued for the year ended 30 June 2019 on the completeness of bank accounts for that year because we were unable to obtain a bank confirmation from a financial institution where at least one account was held for that year.</p>	22/12/2021
<p>Shire of Yalgoo – Disclaimer of opinion</p> <p>We were unable to obtain sufficient appropriate audit evidence on the books and records of the Shire. This lack of evidence arises from numerous significant deficiencies in the internal controls implemented by the Shire and in some cases the necessary records not being maintained.</p> <p>As a result of this matter, we are unable to determine if any adjustments might have been found necessary to the elements making up the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, related notes and disclosures and the Statement by the Chief Executive Officer.</p>	3/03/2022

Source: OAG

Appendix 3: 2020-21 qualified opinions

Entity and opinion	Opinion issued
<p>Shire of Goomalling – Qualified opinion</p> <p>The Shire of Goomalling was issued a qualified opinion as the Shire's infrastructure assets were last valued in June 2015 for roads, drainage and footpaths and June 2016 for sewerage and other infrastructure. Because these infrastructure assets have not been revalued with sufficient regularity or in accordance with Regulation 17A(4)(b) of the FM Regulations, we were unable to determine if infrastructure assets reported in Note 9 of the annual financial report at \$43,394,718 and \$38,841,166 at 30 June 2021 and 30 June 2020 respectively are stated at fair value in the Statement of Financial Position.</p> <p>Additionally, we were unable to determine where there may be any consequential impact on the related balances, amounts and disclosures of depreciation on non-current assets, revaluation surplus in the Statement of Financial Position and Statement of Comprehensive Income and Note 19 Total Assets Classified by Function and Activity, or if any adjustments to these amounts are necessary.</p> <p>We also issued a qualified opinion for the year ended 30 June 2020 in relation to this matter.</p>	22/12/2021
<p>Shire of Sandstone – Qualified opinion</p> <p>The Shire of Sandstone was issued a qualified opinion as the Shire's roads and footpaths infrastructure, reported at values as at 30 June 2021 of \$37,755,629 (2020: \$36,803,492) and \$71,845 (2020: \$75,711) respectively in Note 9 of the annual financial report, were last valued in June 2014. Because the assets have not been revalued with sufficient regularity or in accordance with Regulation 17A(4)(b) of the FM Regulations, we were unable to determine if infrastructure as at 30 June 2021 of \$39,718,887 (2020: \$38,820,445) in the Statement of Financial Position is fairly stated. Additionally, we were unable to determine if any adjustments are necessary to the related balances and disclosures of revaluation surplus in the Statement of Financial Position and Statement of Changes in Equity and Note 11, Other Comprehensive Income in the Statement of Comprehensive Income and Note 17 Total Assets Classified by Function and Activity, as it was impracticable to do so.</p> <p>We also issued a qualified opinion for the year ended 30 June 2020 in relation to this matter.</p>	31/05/2022

Source: OAG

Appendix 4: Emphasis of matter paragraphs included in auditor's reports

The following list describes the matters that we highlighted through EoM paragraphs in 2021 audit reports:

Entity	Description of emphasis of matter paragraphs
City of Bunbury	Recording of joint venture – The City's opinion draws attention to Note 25 to the financial statements which states that the City's equity share in the Investment in Associate is still being negotiated and therefore cannot be reliably estimated at this time. Consequently, the investment is not currently reflected in the financial statements. The opinion is not modified in respect of this matter.
City of Busselton	Restatement of comparative balances – Our EoM draws attention to the City's Note 33 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
City of Joondalup	Associate entity restatement and guarantee payment – Note 23 of the financial report (a) discloses the 2020 financial impact of the initial application of accounting standards AASB 1059 from the associate entity and (b) discloses a guarantee payment made by the City subsequent to the reporting date. The opinion is not modified in respect of this matter.
City of Kalgoorlie-Boulder	Restatement of comparative balances – The opinion draws attention to Note 34 to the financial report which states that the amounts reported in the previously issues 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
City of Perth	Associate entity restatement and guarantee payment – Note 32 of the financial report which (a) discloses the 2020 financial impact of the initial application of accounting standards AASB 1059 from the associated entity and (b) discloses a guarantee payment made by the City subsequent to reporting date. The opinion is not modified in respect of this matter.
City of Stirling	Associate entity restatement and guarantee payment – The City's opinion draws attention to Note 26 of the financial report which (a) discloses the 2020 financial impact of the initial application of accounting standards AASB 1059 from the associate entity and (b) discloses a guarantee payment made by the City subsequent to reporting date. The opinion is not modified in respect of this matter.
City of Vincent	Events occurring after the end of the reporting period – The City's opinion included an EoM drawing attention to Note 30 of the financial report, which discloses a payment made by the City subsequent to the reporting period. The opinion is not modified in respect of this matter. Restatement of comparative balances – The City's Opinion also includes an EoM drawing attention to Note 32 of the financial report which states that the amounts reported in the

Entity	Description of emphasis of matter paragraphs
	previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
City of Wanneroo	Associate entity restatement and guarantee payment – The City's opinion draws attention to Note 38 of the annual financial report, which discloses (a) the 2020 financial impact of the initial application of accounting standard AASB 1059 from the associate and (b) a guarantee payment made by the City subsequent to reporting date. The opinion is not modified in respect of this matter.
Mindarie Regional Council	Contingent liability – The Council's opinion included an EoM drawing attention to Note 34 which disclosed a contingent liability relating to the Tamala Park Waste Management Facility site. The opinion is not modified in respect of this matter.
Pilbara Regional Council	Basis of accounting – The Council's opinion draws attention to Note 1(a) of the annual financial report, which discloses that the Council has decided to wind up. Consequently, the annual financial report has been prepared on a liquidation basis. The opinion is not modified in respect of this matter.
Rivers Regional Council	Basis of accounting – The Council's opinion draws attention to Note 1(a) of the annual financial report, which discloses that the Council has decided to wind up after ministerial approval is received for the formation of a regional subsidiary. Consequently, the annual financial report has been prepared on a liquidation basis. The opinion is not modified in respect of this matter.
Shire of Carnamah	Restatement of comparative balances – The Shire's opinion draws attention to Note 24 (correction of error) and subsequently Note 27 (financial ratios) to the financial report which states that the amounts reported in the previously issued 30 June 2020 (including comparative figures) financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
Shire of Christmas Island	Restatement of comparative balances – The Shire's opinion draws attention to Note 29 of the financial statements which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
Shire of Cocos (Keeling) Islands	Restatement of comparative balances – The Shire's opinion draws attention to Note 25 of the financial report which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
Shire of Coorow	Restatement of comparative figures – The Shire's opinion draws attention to Note 31 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.

Entity	Description of emphasis of matter paragraphs
Shire of East Pilbara	Restatement of comparative figures – The Shire's opinion draws attention to Note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
Shire of Gingin	Restatement of comparative figures – The EoM paragraph draws attention to Note 30 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 annual financial report have been restated and disclosed as comparatives in this annual financial report. The opinion is not modified in respect of this matter.
Shire of Halls Creek	Restatement of comparative balances – The Shire's opinion draws attention to Note 26 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
Shire of Harvey	Recording of joint venture – The EoM paragraph draws attention to Note 26 to the financial statements which states that the Shire's equity share in the Investment in Associate is still being negotiated and therefore cannot be reliably estimated at this point of time. Consequently, the investment is not currently reflected in the financial statements. The opinion is not modified in respect of this matter.
Shire of Meekatharra	Basis of accounting – The EoM paragraph draws attention to Note 1 to the financial report, which describes the basis for accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 17A of the FM Regulations requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 Leases which would have required the entity to measure the vested improvements also at zero cost. The opinion is not modified in respect of this matter.
Shire of Mingenew	Basis of accounting – The Shire's opinion included an EoM drawing attention to Note 28 of the financial statements which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
Shire of Plantagenet	Restatement of comparative balances – The Shire's opinion draws attention to Note 29 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.
Tamala Park Regional Council	Basis of accounting – The Council's opinion draws attention to Notes 1 and 10 to the financial report, which describes the basis for accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Act. Regulation 17A of the

Entity	Description of emphasis of matter paragraphs
	FM Regulations requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 Leases which would have required the entity to measure the vested improvements also at zero cost. The opinion is not modified in respect of this matter.
Town of Victoria Park	Basis of accounting – The Town's opinion draws attention to Note 36 of the annual financial report, which (a) discloses the 2020 financial impact of the initial application of accounting standards AASB 1059 from the associate entity and (b) discloses a guarantee payment made by the Town subsequent to reporting date. The opinion is not modified in respect of these matters.

Source: OAG

Appendix 5: Material matters of non-compliance with legislation

Issue	Finding
Financial ratios not reported	<p>Twenty-eight entities did not report the Asset Renewal Funding Ratio, mostly for the three years, 2020, 2019 and 2018, in their annual financial report as required by FM Regulation 50(1)(c). Reasons for non-reporting included:</p> <ul style="list-style-type: none"> • management had not updated the asset management plan for a number of years • planned capital renewals and required capital expenditures were not estimated as required to support the long term financial plan and asset management plan respectively • management could not confirm the reliability of the available information on planned capital renewals and required capital expenditure • information on planned capital renewals and required capital expenditure over a 10 year period was not available.
Quotes not obtained or no evidence retained	<p>At 22 entities there was inadequate or no evidence that enough quotations were obtained to test the market and no documentation to explain why other quotes were not sought. This practice increases the likelihood of not receiving value for money in procurement and/or favouritism of suppliers.</p>
Controls over accounting journal entries	<p>At 13 entities we found that accounting journal entries were often posted to the financial ledger with no evidence of independent review and approval by another person. Accounting journals can represent significant adjustments to previously approved accounting transactions and could result in, for example, one type of expenditure being re-coded to another type of expenditure. If not closely controlled, unauthorised journals could result in errors in financial reports or fraud. Journals should therefore be subject to independent review.</p>
Financial management review not completed	<p>At 13 entities the Financial Management Review was not completed every three years as required by Regulation 5(2)(c) of the FM Regulations. This regulation requires the CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every three financial years) and report those reviews to the local government.</p>
Masterfile changes and access	<p>At 12 entities changes made to the supplier master files were not independently reviewed and approved by a staff member. This increases the risk of unauthorised changes to key information and may make fraud or error more difficult to detect.</p>
Bank reconciliation process incomplete	<p>At 12 entities bank reconciliation processes of their municipal, reserve and/or trust account were not prepared, had long</p>

Issue	Finding
	outstanding unreconciled items and/or there was no independent review by management.
Procurement without purchase orders	At seven entities purchase orders were not prepared or were prepared after the suppliers' invoices were received.
No fixed asset reconciliation	At seven entities monthly reconciliations of fixed assets were not completed for the majority of the financial year. This increased the risk of misstatements, fraud and errors not being detected in a timely manner.
Payroll and human resources findings	<p>Several findings of payroll and employment non-compliance were also reported at seven entities. Some examples include:</p> <ul style="list-style-type: none"> • a lack of segregation of duties as the staff member preparing the payroll and entering new employees into the system is also the first authoriser of payroll payments through the shire's bank account, increasing the risk of unauthorised or fraudulent transactions • payroll reconciliations not performed regularly to reconcile the payroll report to the general ledger • no formal policy or procedure in place to remove user access on termination of staff. This could lead to inappropriate access to shire information and possible financial loss to the shire if not addressed.
Procurement without appropriate segregation of duties	At five entities we identified the same officer requisitioned, approved and raised the purchase order then also approved the associated invoice payment for a significant proportion of sampled purchase transactions.
Review not performed of risk management, internal control and legislative compliance	At four entities a review of systems and procedures in relation to risk management, internal control and legislative compliance was not completed at least once every three years as required by LG Audit Regulation 17.
Depreciation	Three entities did not have adequate controls to determine if depreciation was being correctly calculated and recorded for certain infrastructure assets. This increased the risk of expenses being understated and assets being overstated.
Accessed monies in reserve to fund operations	At one entity, a review of the cash and cash equivalents account revealed that the entity has accessed monies in reserve accounts to fund its operations. This is a breach of section 6.11(2)(a) of the LG Act, which requires the entity to give one month's local public notice if the money in a reserve account is proposed to be used for another purpose.
Procurement without tender	At one entity, we identified no public tenders were invited for a contract with the value above \$250,000 as required by section 11(1) of the Local Government (Functions and General) Regulations 1996. This increases the likelihood of not receiving value for money in procurement, and/or favouritism of suppliers.
Records not presented to Council meetings as required by FM Regulations	At one entity the statements of financial activity for the months of October and December 2020 were not prepared and presented to Council as required by section 6.4 of the LG Act and Regulation 34(1) of the FM Regulations.

Issue	Finding
<p>Other procurement and miscellaneous findings</p>	<p>We reported other instances of non-compliance with procurement policies and procedures such as:</p> <ul style="list-style-type: none"> • credit card transactions were not separately listed in the payments submitted to council each month as required by Regulation 13(1) of the FM Regulations. We also found an instance where staff allocated a credit card did not sign the credit card acknowledgement form prior to using the card • insufficient documentation to demonstrate and evidence the on-going management of contract progress and supplier performance from contract award through to completion for its infrastructure projects • at one entity the purchasing policy is silent on declaring conflicts of interest in relation to open tenders. It has also not been reviewed since 2011. This entity’s buying goods and service’s manual, supporting the purchasing policy, has not been reviewed since 2012 • non-compliance with the <i>Unclaimed Money Act 1990</i> that requires monies over \$100 be transferred to the Department of Treasury if they have been held for six years without being returned to owners.
<p>General computer control findings</p>	<p>In depth findings of our information system audits at a selection of 45 entities are detailed in our <i>Information Systems Audit Report 2022 - Local Government Entities</i>, Report 22, tabled on 28 June 2022.</p> <p>In 2020-21, we reported 358 control weaknesses to 45 entities. Ten percent (37) of these rated as significant and 71% (254) as moderate. As these weaknesses could significantly compromise the confidentiality, integrity and availability of information systems, the entities should act promptly to resolve them.</p>

Source: OAG

Appendix 6: Certifications issued

In addition to annual auditor's reports, some entities needed to acquit moneys received from other sources under grant agreements or other legislation. We issued the following 275 certifications on statements of income and expenditure of entities, to help them discharge their financial reporting obligations, some being for Commonwealth grants.

Entity	Date certification issued	
	Roads to Recovery Funding under the <i>National Land Transport Act 2014</i>	Local Roads and Community Infrastructure Program
City of Albany	28/10/2021	29/10/2021
City of Armadale	16/11/2021	16/11/2021
City of Bayswater	29/10/2021	In progress
City of Belmont	26/10/2021	26/10/2021
City of Bunbury	29/10/2021	29/10/2021
City of Busselton	25/10/2021	26/10/2021
City of Canning	28/10/2021	28/10/2021
City of Cockburn	28/10/2021	29/10/2021
City of Fremantle	27/10/2021	In progress
City of Gosnells	29/10/2021	29/10/2021
City of Greater Geraldton	28/10/2021	28/10/2021
City of Joondalup	25/10/2021	26/10/2021
City of Kalamunda	26/10/2021	29/10/2021
City of Kalgoorlie-Boulder	21/03/2022	23/02/2022
City of Karratha	27/10/2021	27/10/2021
City of Kwinana	28/10/2021	29/10/2021
City of Mandurah	5/11/2021	5/11/2021
City of Melville	19/11/2021	19/11/2021
City of Nedlands	29/10/2021	In progress
City of Perth	26/10/2021	29/10/2021
City of Rockingham	29/10/2021	29/10/2021
City of South Perth	29/10/2021	1/11/2021
City of Subiaco	29/10/2021	29/10/2021
City of Stirling	8/10/2021	18/01/2021
City of Swan	29/10/2021	29/10/2021
City of Vincent	29/10/2021	28/10/2021
City of Wanneroo	28/10/2021	29/10/2021
Shire of Ashburton	7/12/2021	13/12/2021
Shire of Augusta-Margaret River	28/10/2021	18/02/2022
Shire of Beverley	28/10/2021	18/11/2021

Entity	Date certification issued	
	Roads to Recovery Funding under the <i>National Land Transport Act 2014</i>	Local Roads and Community Infrastructure Program
Shire of Boddington	2/02/2022	2/02/2022
Shire of Boyup Brook	29/10/2021	In progress
Shire of Bridgetown-Greenbushes	5/11/2021	22/11/2021
Shire of Brookton	5/11/2021	31/01/2022
Shire of Broome	26/10/2021	26/10/2021
Shire of Broomehill-Tambellup	In progress	In progress
Shire of Bruce Rock	27/10/2021	27/10/2021
Shire of Capel	8/12/2021	8/12/2021
Shire of Carnamah	29/10/2021	29/10/2021
Shire of Carnarvon	12/11/2021	16/11/2021
Shire of Chapman Valley	25/10/2021	28/10/2021
Shire of Chittering	26/05/2022	29/04/2022
Shire of Christmas Island	28/10/2021	18/11/2021
Shire of Cocos (Keeling Islands)	1/12/2021	7/12/2021
Shire of Collie	16/11/2021	18/11/2021
Shire of Coolgardie	14/12/2021	8/02/2022
Shire of Coorow	1/12/2021	16/11/2021
Shire of Corrigin	27/10/2021	27/10/2021
Shire of Cranbrook	26/10/2021	30/09/2021
Shire of Cuballing	28/10/2021	4/11/2021
Shire of Cue	11/11/2021	17/12/2021
Shire of Cunderdin	2/05/2022	2/03/2022
Shire of Dalwallinu	28/10/2021	8/03/2022
Shire of Dandaragan	29/10/2021	29/10/2021
Shire of Dardanup	27/04/2022	27/04/2022
Shire of Denmark	28/10/2021	29/10/2021
Shire of Derby-West Kimberley	30/03/2022	17/06/2022
Shire of Donnybrook-Balingup	9/11/2021	15/12/2021
Shire of Dowerin	11/11/2021	15/12/2021
Shire of Dumbleyung	26/10/2021	28/10/2021
Shire of Dundas	3/12/2021	6/05/2022
Shire of East Pilbara	3/05/2022	In progress
Shire of Esperance	23/03/2022	23/03/2022
Shire of Exmouth	25/10/2021	28/10/2021
Shire of Gingin	31/10/2021	22/11/2021

Entity	Date certification issued	
	Roads to Recovery Funding under the <i>National Land Transport Act 2014</i>	Local Roads and Community Infrastructure Program
Shire of Gnowangerup	29/10/2021	29/10/2021
Shire of Goomalling	29/10/2021	22/04/2022
Shire of Halls Creek	19/11/2021	29/10/2021
Shire of Harvey	1/11/2021	26/11/2021
Shire of Irwin	29/10/2021	26/10/2021
Shire of Jerramungup	12/10/2021	23/12/2021
Shire of Katanning	3/11/2021	22/12/2021
Shire of Kellerberrin	26/10/2021	23/08/2021
Shire of Kent	29/10/2021	26/10/2021
Shire of Kojonup	26/10/2021	28/10/2021
Shire of Kondinin	28/10/2021	29/10/2021
Shire of Koorda	5/11/2021	31/03/2022
Shire of Kulin	9/12/2021	6/12/2021
Shire of Lake Grace	29/10/2021	26/11/2021
Shire of Laverton	29/10/2021	13/12/2021
Shire of Leonora	26/10/2021	3/11/2021
Shire of Manjimup	28/10/2021	17/02/2022
Shire of Meekatharra	25/10/2021	27/10/2021
Shire of Menzies	21/12/2021	17/02/2022
Shire of Merredin	28/06/2022	29/06/2022
Shire of Mingenew	27/10/2021	29/10/2021
Shire of Moora	22/12/2021	In progress
Shire of Morawa	28/10/2021	28/10/2021
Shire of Mount Magnet	28/10/2021	29/10/2021
Shire of Mount Marshall	27/10/2021	27/10/2021
Shire of Mukinbudin	25/02/2022	25/02/2022
Shire of Mundaring	29/10/2021	13/12/2021
Shire of Murchison	22/03/2022	21/03/2022
Shire of Murray	28/10/2021	29/10/2021
Shire of Nannup	8/12/2021	In progress
Shire of Narembeen	28/10/2021	28/10/2021
Shire of Narrogin	26/10/2021	26/10/2021
Shire of Northam	3/11/2021	3/11/2021
Shire of Northampton	26/10/2021	1/12/2021
Shire of Nungarin	29/10/2021	29/10/2021

Entity	Date certification issued	
	Roads to Recovery Funding under the <i>National Land Transport Act 2014</i>	Local Roads and Community Infrastructure Program
Shire of Ngaanyatjaraku	28/10/2021	29/10/2021
Shire of Peppermint Grove	In progress	In progress
Shire of Perenjori	28/10/2021	28/10/2021
Shire of Pingelly	29/10/2021	29/10/2021
Shire of Plantagenet	26/10/2021	27/10/2021
Shire of Quairading	8/11/2021	25/03/2022
Shire of Ravensthorpe	21/12/2021	21/12/2021
Shire of Sandstone	3/11/2021	In progress
Shire of Serpentine-Jarrahdale	1/11/2021	1/11/2021
Shire of Shark Bay	25/10/2021	26/10/2021
Shire of Tammin	26/10/2021	29/10/2021
Shire of Three Springs	29/10/2021	2/11/2021
Shire of Toodyay	29/10/2021	29/10/2021
Shire of Trayning	27/10/2021	29/10/2021
Shire of Upper Gascoyne	27/10/2021	27/10/2021
Shire of Victoria Plains	17/11/2021	17/11/2021
Shire of Wagin	29/10/2021	31/03/2022
Shire of Wandering	3/11/2021	5/11/2021
Shire of Waroona	28/10/2021	28/10/2021
Shire of West Arthur	29/10/2021	29/10/2021
Shire of Westonia	27/10/2021	25/02/2022
Shire of Wickiepin	29/10/2021	16/05/2022
Shire of Williams	29/10/2021	23/12/2021
Shire of Wiluna	In progress	In progress
Shire of Wongan-Ballidu	29/10/2021	In progress
Shire of Woodanilling	23/02/2022	13/05/2022
Shire of Wyalkatchem	26/10/2021	28/10/2021
Shire of Yalgoo	22/03/2022	22/03/2022
Shire of Yilgarn	24/11/2021	23/11/2021
Shire of York	27/10/2021	27/10/2021
Shire of Wyndham-East Kimberley	6/05/2022	In progress
Town of Bassendean	29/10/2021	29/10/2021
Town of Cambridge	28/10/2021	1/11/2021
Town of Claremont	3/11/2021	10/11/2021
Town of Cottesloe	26/10/2021	21/12/2021

Entity	Date certification issued	
	Roads to Recovery Funding under the <i>National Land Transport Act 2014</i>	Local Roads and Community Infrastructure Program
Town of East Fremantle	8/10/2021	Deferred*
Town of Mosman Park	29/10/2021	29/10/2021
Town of Port Hedland	4/04/2022	28/02/2022
Town of Victoria Park	30/10/2021	30/10/2021

Source: OAG

* Approval obtained from the Commonwealth to defer certification of financial statements

Entity	Date certification issued
Claims by administrative authorities – Pensioner deferrals under the <i>Rates and Charges (Rebates and Deferrals) Act 1992</i>	
City of Belmont	2/03/2022
City of Busselton	1/11/2021
City of Joondalup	2/11/2021
City of Kalamunda	8/12/2021
City of South Perth	2/11/2021
City of Vincent	10/11/2021
Shire of Dandaragan	17/01/2022
Shire of Narrogin	25/02/2022
Shire of York	21/12/2021
Town of Cambridge	4/01/2022
Town of Mosman Park	15/12/2021

Source: OAG

Entity certification	Date certification issued
Other certifications	
City of Kalamunda – Development Contribution Area 1 – Forresterfield Light Industrial Area Stage 1	8/12/2021
Shire of Brookton – Drought Communities Programme - Extension	17/09/2021
Shire of Dandaragan – Jurien Bay Civic Centre Outgoings	20/01/2022

Source: OAG

Appendix 7: Other opinions and certifications issued since 18 November 2021

State government entity opinions

Entity	Opinion relates to	Opinion issued
Albany Cemetery Board	Audit report on the Statement of Financial Position at 30 June 2021	15/12/2021
Bunbury Cemetery Board	Audit report on the Statement of Financial Position at 30 June 2021	4/02/2022
Kalgoorlie-Boulder Cemetery Board	Audit report on the Statement of Financial Position at 30 June 2020	21/12/2021
Kalgoorlie-Boulder Cemetery Board	Audit report on the Statement of Financial Position at 30 June 2021	21/02/2022

Source: OAG

State government entity certifications

The following certifications were for the year ended 30 June 2021. The statements prepared by management were confirmed and no adverse reports were issued.

Entity	Certification relates to	Date issued
Commissioner of Main Roads	Statement of amounts expended or retained for expenditure under the Land Transport Infrastructure Projects (<i>National Land Transport Act 2014</i>).	10/12/2021
Commissioner of Main Roads	Statement of amounts expended or retained for expenditure under the National Partnership on Infrastructure Projects in Western Australia.	10/12/2021
Department of Local Government, Sport and Cultural Industries	Statement of payments made to Local Governments under the <i>Local Government (Financial Assistance) Act 1995</i> .	26/11/2021

Source: OAG

Royalties for Regions certifications

Entity	Royalties for Regions approved project	Date issued
Department of Primary Industries and Regional Development	Gascoyne Foodbowl Land Release	3/02/2022
Department of Treasury	Governance of Royalties for Regions Program	3/12/2021
WA Country Health Service	Albany Radiation Oncology	29/11/2021
	Bunbury Hospital Redevelopment	29/11/2021
	Carnarvon Residential Aged Care Facility	29/11/2021
	Collie Hospital Upgrade	29/11/2021

Entity	Royalties for Regions approved project	Date issued
	Derby Community Health Service	29/11/2021
	Digital Innovation, Transport and Access to Care	29/11/2021
	Dongara Aged Care	29/11/2021
	Country Health Innovation – Emergency and Acute Workforce	29/11/2021
	Expand the Ear Bus Program	29/11/2021
	Geraldton Health Campus Redevelopment	29/11/2021
	Kalgoorlie Health Campus Magnetic Resonance Imaging Suite	29/11/2021
	Karratha Health Campus	29/11/2021
	Kimberley Mobile Dialysis Unit	29/11/2021
	Meet and Greet Unit	29/11/2021
	Newman Health Service Redevelopment Project	29/11/2021
	Nickol Bay Hospital Site	29/11/2021
	Onslow Health Service Redevelopment Project	29/11/2021
	Pilbara Health Initiative Phase 3	29/11/2021
	Remote Indigenous Health Clinics	29/11/2021
	Renal Dialysis Services	29/11/2021
	Renal Hostels	29/11/2021
	Residential Aged and Dementia Care Investment Program	29/11/2021
	Southern Inland Health Initiative – Stream 2a, 3 and 4	29/11/2021
	Tom Price Hospital Redevelopment	29/11/2021

Source: OAG

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Auditor General's 2022-23 reports

Number	Title	Date tabled
4	Payments to Subcontractors Working on State Government Construction Projects	11 August 2022
3	Public Trustee's Administration of Trusts and Deceased Estates	10 August 2022
2	Financial Audit Results – Universities and TAFEs 2021	21 July 2022
1	Opinion on Ministerial Notification – Wooroloo Bushfire Inquiry	18 July 2022

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Office of the Auditor General
for Western Australia

12.3 Financial Management Reiview (FMR)

Author(s) Stuart Downing

Attachments 1. Financial Management Review (FMR) Report FY22 [↓](#)

Recommendation

That the Committee recommends Council:

- (1) RECEIVES the Financial Management Review (FMR) report for FY22, as attached to the Agenda.

Background

Under Local Government (Financial Management) Regulation 5(2)(c), the Chief Executive Officer (CEO) is required to regularly undertake reviews into the appropriateness and effectiveness of financial management systems and procedures established under Regulation 5(1).

The reviews need to be completed at least once in every three financial years, with the last review reported to Council in August 2019.

Following a procurement process, Moore Australia was engaged to undertake the Financial Management Review (FMR) on behalf of the CEO.

Moore Australia are a preeminent provider of accounting services to local government in WA and are a WALGA listed supplier for auditing services.

Moore Australia have substantial experience in completing FMR engagements for both metropolitan and regional local governments across the state and completed the City's previous review.

Submission

N/A

Report

The objective of the audit engagement was to assist the City's CEO discharge their responsibilities in respect to Regulation 5(2)(c) of the Local Government (Financial Management) Regulations.

These responsibilities require the CEO to review the appropriateness and effectiveness of the financial management systems and procedures established by the City to fulfill financial management duties.

These duties include:

- Collection of money owed
- Custody and security of money and investments held
- Rates
- Maintenance and security of financial records
- Accounting and controls for revenue and expenses
- Accounting and controls for assets and liabilities
- Authorisation of purchases
- Authorisation of payments
- Borrowings
- Maintenance and processing of payroll
- Stock controls and costing records
- Record keeping for financial records
- Preparation of budgets and budget reviews
- Preparation of financial reports.

The outcomes from the FMR serve the dual purpose of providing the CEO with assurance as to the performance of the City's control environment for financial management (for which the CEO is ultimately responsible) and identifying any gaps and opportunities for improvement in the systems and procedures.

Key Audit Results

24 financial management areas in total were examined during the conduct of the review, covering financial systems and processes over the period 1 July 2021 to 31 May 2022.

The review found the following 20 areas examined had effective controls and procedures appropriate for the City's current scope of operations, and there were no issues raised or noted for these areas:

- | | |
|---------------------------------------|---------------------------------------|
| • Purchases, Payments and Payables | • Delegations |
| • Rates | • Audit Committee |
| • Bank Reconciliations | • Insurance |
| • Trust Funds | • Borrowings |
| • Fees and Charges | • Storage of Documents/Record Keeping |
| • Cost and Administration Allocations | • IT Controls |
| • Minutes and Meetings | • Registers |
| • Financial Reports | • Investments |
| • Budget | • Credit Card Procedures |
| • Plan for the Future | • General Journals |

Another four areas examined had four specific matters noted for improvement (one with moderate risk rating and three with minor risk rating).

These are detailed in the table below with management comments provided:

Area	Rating	Matters Identified / Recommendations
Payroll	Moderate	<p>The system audit trail report for changes made to employee details, including bank details, is not generated and independently reviewed prior to processing the pay run.</p> <p>Recommendation</p> <p>To help ensure all changes to employee details in the system are correct and hence all payments are bona fide, the system's audit trail report showing all changes made to the system should be generated and reviewed by a senior staff member independent of processing at every payroll run.</p> <p>The independent review should seek to confirm the integrity of the changes/details in the system against appropriate authorisations and should be evidenced accordingly.</p> <p>Management Comments</p> <p>A significant number of changes are made to employee details each pay cycle with key changes (new employees, salary levels) made independent of payroll (by Human Resources) but vetted by payroll officers.</p> <p>The payroll team perform a comprehensive audit of the pay run prior to processing (line by line employee review with exception comments), and evidence of this audit check is provided for independent review by delegated senior officers as part of the pay run approval process.</p> <p>All employee bank detail changes need to be made via email, with payroll officers confirming validity by phoning employees.</p> <p>Following confirmation, payroll officers process the change to the employee record, very often having another officer check the accuracy of the change.</p> <p>Evidence of the requested change to bank details is held against the employee record.</p> <p>Going forward, email requests for bank detail changes will be included in the information pack for approval by senior officers, together with an audit listing of the changes made for the pay period.</p>
Inventory	Minor	<p>Whilst the reconciliation of the inventory system and the dip test were performed every month as required, it was noted that there was no evidence of review on those reconciliations by a senior staff member, independent of</p>

Area	Rating	Matters Identified / Recommendations
		<p>preparation.</p> <p>Recommendation</p> <p>To help ensure the above reconciliations are accurate and complete, the independent senior staff person should sign those reconciliations every month as evidence of review.</p> <p>Management Comments</p> <p>Recommendation is accepted. A senior officer will review monthly reconciliation and provide approval as evidence of review.</p> <p>This will be documented via the City's record management system.</p>
Receipts and Receivables	Minor	<p>Whilst the reconciliation of the physical cash count and cash receipt banking deposit listings were performed every day at the Aquatic Recreation Centre (ARC) and the Henderson Waste Recovery Park (HWRP) as required, it is noted there was no evidence of review on those reconciliations by a senior officer independent of preparation.</p> <p>Recommendation</p> <p>To help ensure the above reconciliations are accurate and complete, the independent senior staff member should sign those reconciliations as evidence of review.</p> <p>Management Comments</p> <p>HWRP: This risk has been identified by the auditors previously and HWRP has accepted the risk associated with cash handling at HWRP, due to the nature of the operations.</p> <p>Staff have different working hours, and the business is open seven days per week.</p> <p>The current process ensures receipting is done daily and accurately.</p> <p>The maximum cash received per day is \$400 (not material) and management have accepted the risk.</p> <p>No cash misappropriation has occurred thus far.</p> <p>ARC: Recommendation is accepted.</p> <p>A senior officer will review daily takings, fix any variances, and document approval as evidence of review.</p>

Area	Rating	Matters Identified / Recommendations
Fixed Assets	Minor	<p>We noted instances where the depreciation rates applied to some individual assets (for the asset categories of Plant and Equipment, Buildings and Infrastructure - Footpath) were not in line with the City's depreciation policy.</p> <p>Recommendation</p> <p>To help ensure fixed assets are correctly depreciated, depreciation rates entered into the fixed assets system should be independently checked against the City's accounting policy.</p> <p>Management Comments</p> <p>Recommendation is accepted. This finding relates to very few assets and while these assets have been depreciated outside existing accounting policy parameters, the value of depreciation impact is insignificant and not material.</p> <p>Importantly, the City's review has concluded that these assets have been properly depreciated in line with asset management planning and expected useful life.</p> <p>The City's accounting policy will be updated to ensure it captures all useful life spans within the City's asset management framework.</p>

The results of this review provide solid assurance to the City's CEO, the Audit, Risk and Compliance Committee and Council on the effectiveness of the City's financial management controls, systems, and procedures.

Given the comprehensiveness of the review undertaken by Moore Australia and the three-year time lapse since the last review was completed, the relatively low number of matters identified (and low risk ratings) is considered a positive result.

Beside the assurance provided, value from this type of review also comes from identifying improvement opportunities and fixing any exposed control weaknesses.

The City has committed to addressing the recommendations made in the review as documented under the management comments provided.

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

There is an obligation under Section 5(2) (c) of the *Local Government (Financial Management) Regulations 1996* for the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government at least once every three financial years and to report the results of those reviews to Council.

The completed review ensures statutory compliance and assists the CEO to mitigate risks associated with the financial management of the City as identified and reported.

Advice to Proponent(s)/Submitters

N/A

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

Nil



Financial Management Review

City of Cockburn

September 2022



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TABLE OF CONTENTS

Disclaimer	3
1. Executive Summary	4
2. Matters Noted	6
Appendix A - Review Procedures	9

Disclaimer

The objective of this review as outlined in greater detail in Part 1.0 of this report as presented, is to assist the Chief Executive Officer of the City of Cockburn discharge responsibilities in respect to Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* (as amended).

It has been prepared by Moore Australia (WA) Pty Ltd for this sole purpose.

It is not intended to be used by any other individual or organisation.

Confidential – this document and the information contained in it are confidential and should not be used or disclosed in any way without our prior consent.

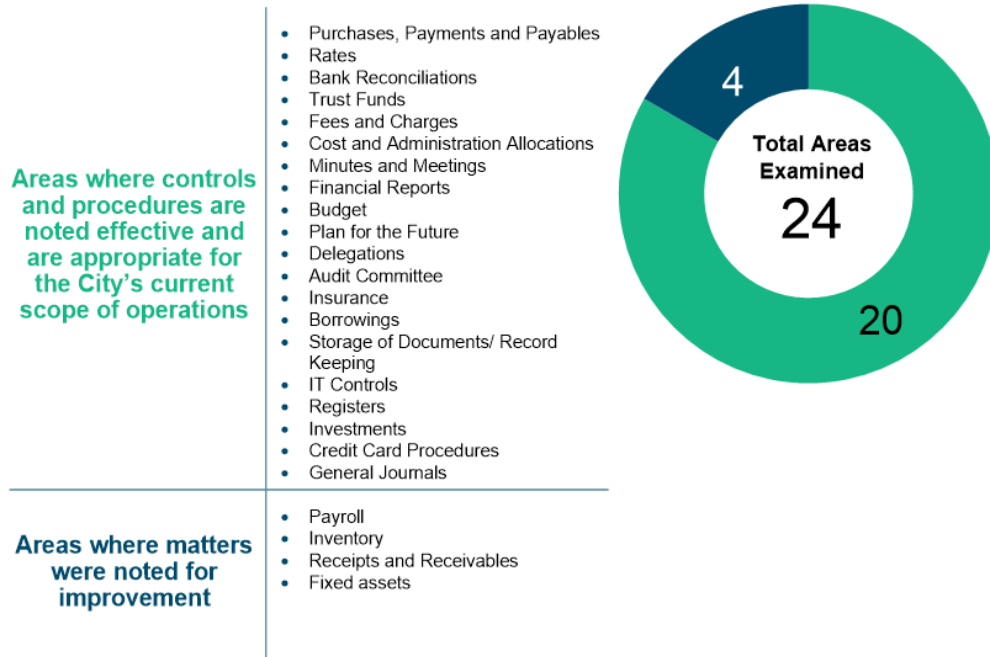
Moore Australia (WA) Pty Ltd, an independent member of Moore Global Network Limited, and a Perth based partnership of trusts carries on business separately and independently from other Moore Global Network Limited member firms worldwide.

Services provided under this engagement are provided by Moore Australia (WA) Pty Ltd and not by any other independent Moore Global Network Limited member firms worldwide. No other independent Moore Global Network Limited member has any liability for services provided.

1. Executive Summary

The objective of our review as outlined in our engagement letter dated 10 May 2022 is to provide a report, based on our understanding of the City and associated risks, to the CEO on the appropriateness and effectiveness of the City's financial management systems and procedures as required by Financial Management Regulation 5(2)(c).

To this end, we examined the following financial systems and processes of the City covering the period 1 July 2021 to 31 May 2022 as agreed with the City's Management.



Our review included a high-level understanding of the key financial systems that support the financial processes undertaken by the City and the performance of review procedures designed to evaluate the appropriateness and effectiveness of the control environment of the City's financial management system. The procedures performed for each area in respect of the review have been included in Appendix A.

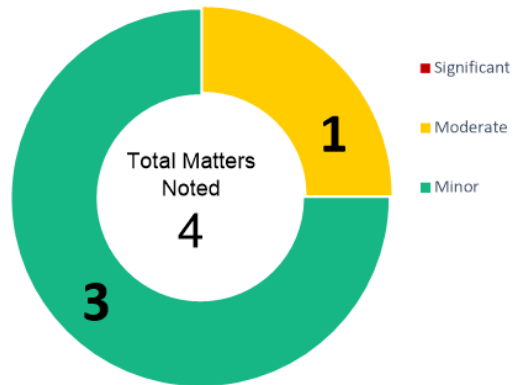
We did not necessarily examine compliance with provisions of the Act or Regulations, which were not financial in nature.

The review constitutes an advisory engagement which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance, either expressed or implied.

1. Executive Summary

Matters noted for improvement summarised by risk rating

Details of the specific areas with matters noted for improvement, together with our risk ratings, recommendations and management comments can be found in part 2 commencing on page 6.






Addressing the issues highlighted will help to ensure the controls and procedures established are not compromised in the future and the integrity of the financial management system is maintained.


We trust this report will assist in the ongoing review and improvement of the City's financial management practices and procedures.

2. Matters Noted

Please Note: The rating assessment as detailed below is our assessment based on the circumstances surrounding the procedures performed. They are intended to be read in the context of our rating assessment to the organisation as a whole. They are provided solely to assist you understand the nature of the matters raised and to prioritise any remedial action.

Key for Rating Assessment:

Significant Issue represents a weakness which may have an adverse effect on the ability to achieve business objectives. Requires immediate management action.	
Moderate Issue represents a weakness which may become more serious if not addressed. Requires management action within a reasonable time period.	
Minor Issue represents an opportunity for improvement. Management should consider cost benefit analysis within a reasonable time period.	

Area	Rating	Matters Identified / Recommendations
Payroll		The system audit trail report for changes made to employee details, including bank details, is not generated and independently reviewed prior to processing the pay run.

Recommendation:

To help ensure all changes to employee details in the system are correct and hence all payments are bona fide, the system's audit trail report showing all changes made to the system should be generated and reviewed by a senior staff member independent of processing at every payroll run.

The independent review should seek to confirm the integrity of the changes/details in the system against appropriate authorisations and should be evidenced accordingly.

Management Comments:



A significant number of changes are made to employee details each pay cycle with key changes (new employees, salary levels) made independent of payroll (by HR) but vetted by payroll officers.

The payroll team perform a comprehensive audit of the pay run prior to processing (line by line employee review with exception comments), and evidence of this audit check is provided for independent review by delegated senior officers as part of the pay run approval process.


All employee bank detail changes need to be made via email, with payroll officers confirming validity by phoning employees. Following confirmation, payroll officers process the change to the employee record, very often having another officer check the accuracy of the change. Evidence of the requested change to bank details is held against the employee record.

Going forward, email requests for bank detail changes will be included in the information pack for approval by senior officers, together with an audit listing of the changes made for the pay period.

2. Matters Noted

Area	Rating	Matters Identified / Recommendations
Inventory		<p>Whilst the reconciliation of the inventory system and the dip test were performed every month as required, we noted there was no evidence of review on those reconciliations by a senior staff member independent of preparation.</p> <hr/> <p>Recommendation:</p> <p>To help ensure the above reconciliations are accurate and complete, the independent senior staff person should sign those reconciliations every month as evidence of review.</p> <hr/> <p>Management Comments:</p> <p>Recommendation is accepted. A senior officer will review monthly reconciliation and provide approval as evidence of review.</p> <p>This will be documented via the City's record management system.</p>
Receipts and Receivables		<p>Whilst the reconciliation of the physical cash count and cash receipt banking deposit listings were performed every day at the Aquatic Recreation Centre (ARC) and the Henderson Waste Recovery Park (HWRP) as required, we noted there was no evidence of review on those reconciliations by a senior officer independent of preparation.</p> <hr/> <p>Recommendation:</p> <p>To help ensure the above reconciliations are accurate and complete, the independent senior staff member should sign those reconciliations as evidence of review.</p> <hr/> <p>Management Comments:</p> <p>HWRP: This risk has been identified by the auditors previously and HWRP has accepted the risk associated with cash handling at HWRP due to the nature of the operations. Staff has different working hours and Henderson is open 7 days per week. The current process is what they can do to ensure receipting is done daily and accurately. The maximum cash receipt a day is \$400, immaterial amount that they are willing to accept the risk. No cash misappropriation has happened thus far.</p> <p>ARC: Recommendation is accepted. A senior officer will review daily takings, fix any variances, and document approval as evidence.</p>

2. Matters Noted

Area	Rating	Matters Identified / Recommendations
Fixed Assets		<p data-bbox="595 365 1297 443">We noted instances where the depreciation rates applied to some individual assets (for the asset categories of Plant & equipment, Buildings and Infrastructure- Footpath) were not in line with the City's depreciation policy.</p> <hr/> <p data-bbox="595 499 1297 521">Recommendation:</p> <p data-bbox="595 533 1297 611">To help ensure fixed assets are correctly depreciated, depreciation rates entered into the fixed assets system should be independently checked against the City's accounting policy.</p> <hr/> <p data-bbox="595 667 1297 689">Management Comments:</p> <p data-bbox="595 701 1297 779">Recommendation is accepted. This finding relates to very few assets and while these assets have been depreciated outside existing accounting policy parameters, the value of depreciation impact is insignificant and immaterial.</p> <p data-bbox="595 790 1297 857">Importantly, the City's review has concluded that these assets have been properly depreciated in line with asset management planning and expected useful life.</p> <p data-bbox="595 869 1297 913">The City's accounting policy will be updated to ensure it captures all useful life spans within the City's asset management framework</p>

Appendix A - Review Procedures

The following reviews were undertaken to evaluate the appropriateness and effectiveness of financial management system controls:

System	Description of Procedures Performed
Purchases, payments and payables (including purchase orders)	A sample of payment transactions was selected and tested to determine whether purchases were authorised and payments were supported, certified/authorised and correctly allocated. The City's purchases, payments and payables system was also examined to determine if adequate controls were in place in ensuring liabilities are properly recorded and payments are properly controlled.
Receipts and Receivables	The end of day banking procedures at the City's administration office, Aquatic Recreation Centre (ARC) and the Henderson Waste Recovery Park (HWRP) were examined to determine if they were adequate in ensuring cash collections are being recorded and allocated properly to the general ledger. Detailed testing of a sample of receipts was performed. This included tracing to individual receipt detail, bank deposits, general ledger and bank statements to ensure banking was correctly performed.
Payroll	<p>Detailed testing of a sample of individual employees was selected from different pay runs and for each employee's pay the following tests were performed to help ensure:</p> <ul style="list-style-type: none"> the employee existed; the correct rate of pay was used; time sheets were properly completed and authorised; hours worked were properly authorised; and allocations were reasonable and correctly posted. <p>We also tested the first pay of a sample of new employees and the last pay of a sample of terminated employee. The City's payroll system was also reviewed to determine if adequate controls were in place to help ensure wages and salaries are properly processed and payments are properly controlled.</p>
Rates	<p>The City's rating procedures were examined to determine if they were adequate in ensuring rates were being imposed or raised correctly. This also included inspection of the rate record, rate notices, instalment notices, valuation reconciliations and general ledger.</p> <p>We selected a sample of rate notices, instalment rate notices and interim rate notices for the period under review. This included:</p> <ul style="list-style-type: none"> re-performing the calculations on the rate notices; ascertaining whether the valuations applied agree to Landgate's valuation roll/report and rates per dollar imposed are as per adopted budget; and ensuring the rate system is properly updated..
Bank Reconciliations	An examination of bank reconciliations and procedures for the period under review to ensure they are up to date as well as being prepared regularly and promptly for all bank accounts.
Trust Funds	Trust funds held by the City were examined through testing a sample of receipts and refunds to determine proper accountability in the City's financial management system and compliance with regulatory requirements.
Fees and Charges	<p>Fees and Charges imposed at the time of budget adoption were found to be in accordance with legislative requirements.</p> <p>Detailed testing of a sample of fees and charges was performed. This included tracing to receipts, the adopted fees and charges schedule and the general ledger to ensure they were correctly charged, and their allocation/posting was correctly performed.</p>

Appendix A - Review Procedures

System	Description of Procedures Performed
Cost and Administration Allocations	The City's cost and administration allocations system was examined to determine if indirect costs have been properly allocated to various jobs/programs. This included review of the allocation basis and rates used to ensure they are appropriate and regularly reviewed.
Minutes and Meetings	Council and Committee meeting minutes were reviewed to ensure compliance with procedures and protocols.
Financial Reports	<p>A review of the City's systems and procedures over the annual financial report and monthly financial reports was performed to determine if:</p> <ul style="list-style-type: none"> Structured reporting processes are in place and being properly managed; Reports are properly constructed based balanced trial balances; Reports include all relevant and necessary details as required for proper financial/management reporting purposes; Monthly reports with variance analysis are presented to Council for adoption in a timely manner; and The annual financial report has been prepared in accordance with the <i>Local Government Act 1995</i>. <p>We have also checked to ensure the annual financial report has been adopted by Council and lodged with the Department of Local Government, Sport and Cultural Industries within the statutory timeframe.</p>
Budget	<p>The City's budgetary system and procedures was examined to determine if:</p> <ul style="list-style-type: none"> A structured process is in place and being managed properly; The Budget is properly constructed and based on reasonable assumptions in line with the City's strategic documents; and The Budget includes all relevant and necessary details and was properly adopted. <p>We have also checked the annual budget and the budget review documents have been lodged to the Department of Local Government, Sport and Cultural Industries within the statutory timeframe.</p>
Plan for the Future	A review of the Strategic Community Plan and Corporate Business Plan which comprise the Long Term Financial Plan are up to date and complied with legislative requirements.
Fixed assets (including depreciation, acquisition, and disposal of property)	<p>The fixed assets system including controls over acquisition and disposal of assets, updating of the fixed assets register, depreciation of fixed assets and reconciliation of the fixed assets register to the general ledger was examined.</p> <p>A sample of asset additions and disposals was selected and testing performed to ensure:</p> <ul style="list-style-type: none"> tax invoices existed; correct posting to the general ledger; fixed assets register was promptly updated; and classification of assets was correct. <p>In addition, a sample of assets was selected and testing performed to ensure the depreciation rates used are in line with the City's accounting policy.</p>

Appendix A - Review Procedures

System	Description of Procedures Performed
Registers	<p>Financial Interest Register</p> <p>The register was examined to ensure compliance with regulatory requirements.</p> <p>Tender Register</p> <p>The City's tender process was reviewed to determine if adequate controls were in place to ensure the tendering of goods and services is being managed properly. This included walking through a sample of tenders selected for review from inception through to award of tender against the tender register, minutes and relevant supporting documentation.</p>
Delegations	The register was examined to ensure compliance with regulatory requirements.
Audit Committee	The City's establishment of its audit committee and the constituted membership was examined by us and considered satisfactory.
Insurance	Discussions with staff and review of policy documents revealed policies are current. Evidence also exists to suggest an annual review of insurance risks occurs.
Borrowings	A review of the City's controls and procedures over borrowings was performed to determine if borrowings were properly recorded and managed.
Inventory	A review of the City's controls and procedures over inventory was performed to determine if inventory was properly recorded and managed.
Storage of Documents / Record keeping and IT Controls	The City's record keeping / storage system and IT general control environment surrounding its information systems (such as access to the computer system, regular changes to passwords and data backup) were examined to determine if adequate controls and safeguards are in place.
Credit Card Procedures	<p>A review of the City's credit card procedures was performed to determine if adequate controls are in place.</p> <p>We selected a sample of credit card transactions from 1 July 2021 to 31 May 2022 across all credit cards to determine whether they are legitimate and usual in the context of the City's operations. This included:</p> <ul style="list-style-type: none"> • Sighting tax invoices; • Ascertaining whether the transactions are for bona fide City business; and • Determining whether transactions are in line with the credit card policy.
Investments	A review of the City's controls and procedures over investments was performed to determine if investments were properly recorded and managed.
General Journals	The City's journal procedures were examined to determine if they were sufficiently reviewed / approved at every staff level before processing.

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13. Operations

13.1 Emissions and Energy Reporting for Henderson Landfill Facility

Author(s)	Anton Lees
Attachments	1. National Greenhouse and Energy Reporting - Emissions and Energy Report 2021-2022 ↓

Recommendation

That the Committee recommends Council:

- (1) RECOMMENDS the City's 2021-2022 Emissions and Energy Report is submitted to the Australian Government Clean Energy Regulator.

Background

The National Greenhouse and Energy Reporting (NGER) Scheme, established by the *National Greenhouse and Energy Reporting Act 2007* (NGER Act), is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under NGER legislation.

All registered controlling corporations are required to submit an NGER report to the Clean Energy Regulator (CER) each year until the corporation is deregistered.

This obligation applies even if the corporation's facility falls below all reporting thresholds.

A facility reporting threshold is 25 kt or more of greenhouse gases carbon dioxide equivalent (CO₂-e) (scope 1 and scope 2) emissions.

The City of Cockburn has been reporting the greenhouse gas emissions from the Henderson landfill facility to the Clean Energy Regulator since 2009, as per section 19 of the NGER Act. Reporting is undertaken electronically through the Emissions and Energy Reporting System (EERS).

This report provides an overview of the Emissions and Energy Report 2021-22.

Submission

N/A

Report

As per the NGER legislation, the City has prepared a report to the CER, detailing the emissions and energy production/consumption data through the EERS, see attached.

In the 2021-22 reporting period, the Henderson landfill facility released 82,044 tonnes of CO₂-e.

The results do not trigger the Safeguard Mechanism, which apply to facilities with emissions of more than 100,000 t of CO₂-e per year.

The Safeguard Mechanism requires Australia's largest greenhouse gas emitters to keep their net emissions below an emissions limit (a baseline) set by the CER.

The City's landfill operations are not expected to exceed 100,000 t CO₂-e in future reporting periods, therefore there is low risk of a baseline being set from the CER or potential financial implications associated with offsetting emissions, such as via carbon credits.

Most of the City's corporate greenhouse gas emissions (53 percent) are generated from solid waste to landfill at Henderson Waste Recovery Park (HWRP).

The latest reporting period shows that landfill emissions have increased due to increased tonnage being sent to HWRP.

From April 2023, general waste will be sent to the energy from waste plant in East Rockingham, therefore this will reduce tonnages and risks of increasing emissions.

If future landfill emissions exceed 100,000 t CO₂-e, the Henderson facility will trigger the Safeguard Mechanism and from that point the CER will provide a baseline in which net-emissions levels will be assessed.

An emissions exceedance of this baseline will need to be offset through Australian carbon credit units (ACCUs) or similar.

This scenario is unlikely, given the future energy from waste facility and reduction in tonnages sent to the landfill facility.

The City's Climate Change Strategy objectives include net zero emissions and zero non-hazardous waste to landfill by 2030.

The City shall continue to reduce waste to landfill as per these strategies.

Strategic Plans/Policy Implications

Environmental Responsibility

A leader in environmental management that enhances and sustainably manages our local natural areas and resources.

- Sustainable resource management including waste, water and energy.
- Address Climate Change.

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

The City is required to submit an emissions report to the CER as per the NGER legislation.

If Council does not accept the recommendations of this report, the City will be non-compliant with its federal reporting requirements and shall receive enforcement action from the CER in response.

Advice to Proponent(s)/Submitters

The Proponent(s) and those who lodged a submission on the proposal have been advised that this matter is to be considered at the 21 September 2022 Audit Risk and Compliance Committee.

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

Nil

UNCLASSIFIED: FOR OFFICIAL USE ONLY



Australian Government
Clean Energy Regulator

ABN/ACN/ARBN/Trading Name: 27471341209
Version No:
Submission Status: Not submitted
Submission Date:

NATIONAL GREENHOUSE AND ENERGY REPORTING
SECTION 19 - EMISSIONS AND ENERGY REPORT
CITY OF COCKBURN
FOR THE REPORTING YEAR 2021 – 2022

REPORT UNDER SECTION 19 OF THE *NATIONAL GREENHOUSE AND ENERGY REPORTING ACT 2007*

Corporations registered under Division 3 of Part 2 of the *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) are required to provide a report to the Clean Energy Regulator (the Regulator) by 31 October each year in respect of the previous financial year relating to:

- greenhouse gas emissions; and
- energy production; and
- energy consumption;

from the operation of facilities under the operational control of the corporation and entities that are members of the corporation's group, during that financial year.

A report under section 19 of the NGER Act must be given in a manner and form approved by the Regulator and set out the information specified in the *National Greenhouse and Energy Reporting Regulations 2008* (the NGER Regulations). The report must also be based on the methods, or methods which meet criteria, set out in the *National Greenhouse and Energy Reporting (Measurement) Determination 2008* (the Measurement Determination).

This report is an approved form in which a report under section 19 of the NGER Act may be given to the Regulator.

Giving false or misleading information is a serious offence.

SUBMITTING THE REPORT

The approved manner for submission of the section 19 report is completion and submission of the report in the Emissions and Energy Reporting System.

Your report must be submitted to the Regulator by 31 October 2022.

If a copy of this report is printed in hardcopy form for any purpose it does not represent, nor can it be treated as, an official version of the report submitted to the Regulator.

CONTROLLING CORPORATION DETAILS

Name	CITY OF COCKBURN
Australian Business Number (ABN)	27471341209
Australian Company Number (ACN)	-
Australian Registered Body Number (ARBN)	-
Trading Name	CITY OF COCKBURN
Head office postal address:	
Postal address line 1	PO box 1215
Postal address line 2	-
Postal address line 3	-
Postal city/suburb	BIBRA LAKE DC
Postal state	Western Australia
Postal postcode	6965
Postal country	AUSTRALIA
Head office street address:	
Street address line 1	9 Coleville Crescent
Street address line 2	-
Street address line 3	-
Street city/suburb	SPEARWOOD
Street state	Western Australia
Street postcode	6163
Street country	AUSTRALIA

EXECUTIVE OFFICER (OR EQUIVALENT) DETAILS

Name	Victoria Green
Position	Acting CEO
Phone	0410 279 323
Mobile	-
Fax	City of Cockburn
Email	vgreen@cockburn.wa.gov.au
Postal address line 1	9 Coleville Crescent
Postal address line 2	-
Postal address line 3	-
Postal city/suburb	SPEARWOOD
Postal state	
Postal postcode	6163
Postal country	AUSTRALIA

CONTACT PERSON DETAILS

Name	Lyll Davieson
Position	Primary Contact
Phone	894113565
Mobile	-
Fax	-
Email	ldavieson@cockburn.wa.gov.au
Postal address line 1	PO box 1215
Postal address line 2	-
Postal address line 3	-
Postal city/suburb	BIBRA LAKE DC
Postal state	
Postal postcode	6965
Postal country	

CITY OF COCKBURN EMISSION AND ENERGY REPORT SUMMARY

The table below reports total scope 1 and scope 2 greenhouse gas emissions, energy produced and energy consumed by the corporate group CITY OF COCKBURN for the 2021 - 2022 reporting period.

GREENHOUSE GAS EMISSIONS (t CO ₂ -e)		
Scope 1	Scope 2	Total of Scope 1 and Scope 2
86,355	46	86,401

ENERGY PRODUCED AND ENERGY CONSUMED (GJ)		
Energy Consumed Total	Energy Consumed Net	Energy Produced
554,723	540,975	13,748

GREENHOUSE GAS SCOPE 1 EMISSIONS BY GAS (t CO ₂ -e)						
Carbon Dioxide CO ₂	Methane CH ₄	Nitrous Oxide N ₂ O	Perfluorocarbons PFCs	Hydro Fluoro Carbons HFCs	Sulphur Hexafluoride SF ₆	Total
817	85,519	19	-	-	-	86,355

UNCERTAINTY

The NGER Regulations require a registered corporation's report to include the amount of uncertainty associated with estimates of scope 1 emissions for their corporate group. Uncertainty is to be assessed for an emissions estimate so that a range for statistical uncertainty is provided at a 95% confidence level. The uncertainty of emissions estimates is to be calculated in accordance with the rules set out in Chapter 8 of the NGER Determination, including in accordance with the Greenhouse Gas Protocol guidance on uncertainty assessment in greenhouse gas inventories and calculating statistical parameter uncertainty (September 2003), as applicable.

FACILITY NAME : HENDERSON WASTE RECOVERY PARK		
Source	Emission Total (tCO ₂ -e)	Uncertainty %
Solid waste disposal on land	82,044	35.0

CITY OF COCKBURN EMISSION AND ENERGY REPORT DETAIL

Corporate Structure

The table below lists the entities whose greenhouse gas emissions and energy production and energy consumption are included in the S19 report.

No.	Entity Details	Scope 1 Emissions (t CO2-e)	Scope 2 Emissions (t CO2-e)	Energy Consumed Total (GJ)	Energy Consumed Net (GJ)	Energy Produced (GJ)
1	Henderson Waste Recovery Park Type: Facility	86,355	46	554,723	540,975	13,748

1: HENDERSON WASTE RECOVERY PARK - FACILITY

Name	Henderson Waste Recovery Park
Facility Street Address	920 Rockingham Rd WATTLEUP Western Australia 6166 AUSTRALIA
Geographic Coordinates	Latitude 32.162S / Longitude 115.797E
Facility location	-
Activity location	Western Australia
Location description	-
Activity description	-
ANZSIC Code	292 - Waste treatment, disposal and remediation services
Operational Control	CITY OF COCKBURN
Number of Days with Operational Control	Full Year
Operational Control Dates	01/07/2021 - 30/06/2022
Grid Connected Electricity Generator	No

The following tables summarise total greenhouse gas emissions from operation of this facility during the period that it was under the operational control of CITY OF COCKBURN.

GREENHOUSE GAS EMISSIONS (t CO ₂ -e)		
Scope 1	Scope 2	Total of Scope 1 and Scope 2
86,355	46	86,401

ENERGY PRODUCED AND ENERGY CONSUMED (GJ)		
Energy Consumed Total	Energy Consumed Net	Energy Produced
554,723	540,975	13,748

GREENHOUSE GAS SCOPE 1 EMISSIONS BY GAS (t CO ₂ -e)						
Carbon Dioxide CO ₂	Methane CH ₄	Nitrous Oxide N ₂ O	Perfluorocarbons PFCs	Hydro Fluoro Carbons HFCs	Sulphur Hexafluoride SF ₆	Total
817	85,519	19	-	-	-	86,355

SCOPE 1 EMISSIONS						
EC = Energy Content Factor, Z = Energy Content, EF = Emission Factor						
Source Activity	Fuel / Criterion	Quantity	Energy Values (EC & Z)	Gas / Method	Scope 1 Emissions (t CO ₂ -e)	
Source category: Fuel combustion Source of emissions: Stationary and Transport energy purposes (excluding electricity generation) Activity type: Emissions released from combustion of liquid fuels other than petroleum oils or greases - Stationary energy purposes	Fuel / Energy commodity: Diesel oil Fuel usage: combustion Criterion: AA	230.3 kL	EC (GJ/Unit): 38.6 Z (GJ): 8,890	Gas: CO ₂ EF (kg CO₂-e / GJ): 69.9 Method: Method 1	621	
				Gas: CH ₄ EF (kg CO₂-e / GJ): 0.1 Method: Method 1	1	
				Gas: N ₂ O EF (kg CO₂-e / GJ): 0.2 Method:	2	

Source category: Fuel combustion Source of emissions: Stationary and Transport energy purposes (excluding electricity generation) Activity type: Emissions released from combustion of liquid fuels other than petroleum oils or greases - Transport energy purposes	Fuel / Energy commodity: Diesel oil - Transport post- 2004 Fuel usage: combustion Criterion: AA	72.72 kL	EC (GJ/Unit): 38.6 Z (GJ): 2,807	Method 1 Gas: CO2 EF (kg CO2-e / GJ): 69.9 Method: Method 1	196
				Gas: CH4 EF (kg CO2-e / GJ): 0.01 Method: Method 2	0
				Gas: N2O EF (kg CO2-e / GJ): 0 Method: Method 2	1
Source Total			11,697		821
Source category: Fuel combustion Source of emissions: Emissions released from fuel use by certain industries (including electricity generation) Activity type: Electricity production - Gaseous fuels	Fuel / Energy commodity: Landfill biogas that is captured for combustion (methane only) Fuel usage: combustion Criterion: BBB	14,397,380 m3	EC (GJ/Unit): 0.0377 Z (GJ): 542,781	Gas: CO2 EF (kg CO2-e / GJ): 0 Method: Method 1	0
				Gas: CH4 EF (kg CO2-e / GJ): 6.4 Method: Method 1	3,474
				Gas: N2O EF (kg CO2-e / GJ): 0.03 Method: Method 1	16
Source Total			542,781		3,490
Source category: Waste Source of emissions: Solid waste disposal on land Activity type: Emissions of methane released from landfills	Criterion: BBB	-	-	Gas: CH4 EF (kg CO2-e / GJ): -	82,044

					Method: Method 1	
				Source Total	-	82,044
				Total	554,478	86,355

MATTERS TO BE IDENTIFIED (MTBI) - WASTE MIX TYPES - WASTE MIX TYPE PERCENTAGES
SOURCE OF EMISSIONS: SOLID WASTE DISPOSAL ON LAND

Waste Type	Municipal Waste (wt%)	Commercial & Industrial (wt%)	Construction & Demolition (wt%)	Shredder Flock (wt%)
Rubber & Leather	1	3.5	0	0
Nappies	4	0	0	0
Sludge	0	1.5	0	0
Textiles	1.5	4	0	0
Wood	1	12.5	6	0
Garden	16.5	4	2	0
Paper	13	15.5	3	0
Food	35	21.5	0	0
Inert Waste	28	37.5	89	0
Total	100	100	100	0

MATTERS TO BE IDENTIFIED (MTBI) PER SOURCE

Source of Emissions	MTBI	Methods	Activity	Activity Value	Unit
Solid waste disposal on land	the landfill classification specified in the Determination	Method 1	-	n/a	
	the number of years in operation	Method 1	-	33	
	the average annual amount (in tonnes) of disposal of solid waste over the lifetime of the landfill facility prior to the first year of reporting	Method 1	-	115029	tonnes
	the total tonnes of waste entering the landfill	Method 1	-	156367	tonnes
	the tonnes of waste entering the landfill from municipal sources	Method 1	-	40655	tonnes
	the tonnes of waste entering the landfill from commercial and industrial sources	Method 1	-	26582	tonnes
	the tonnes of waste entering the landfill from construction and demolition sources	Method 1	-	89129	tonnes
	the tonnes of waste entering the landfill from alternative waste treatment facilities	Method 1	-	0	tonnes
	the tonnes of waste entering the landfill from shredder flock	Method 1	-	0	tonnes
	the tonnes of waste entering the landfill from inert waste	Method 1	-	0	tonnes
	the tonnes of waste received at the landfill facility for transfer to an external recycling or biological treatment facility	Method 1	-	0	tonnes
	the tonnes of waste received at the landfill facility for recycling or biological treatment on site	Method 1	-	0	tonnes
	the tonnes of waste received at the landfill facility for construction purposes, daily cover purposes, intermediate cover purposes or final capping and cover purposes (inert waste only)	Method 1	-	0	tonnes
	the opening stock of degradable organic carbon, in tonnes	Method 1	-	79129	
	the LEGACY emissions from decomposition of waste	Method 1	-	63353	
	the emissions, OTHER THAN LEGACY emissions, from decomposition of waste	Method 1	-	18691	
	the tonnes of methane (CO ₂ -e) captured for combustion that are LEGACY emissions	Method 1	-	211178	tonnes (CO ₂ -e)
the tonnes of methane (CO ₂ -e) captured for combustion that are NOT	Method	-	62304	tonnes	

	LEGACY emissions	1			(CO2-e)
	the tonnes of waste treated by composting	Method 1	-	0	tonnes
	the tonnes of waste treated by anaerobic digestion	Method 1	-	0	tonnes
	the tonnes of methane (CO2-e) captured from composting	Method 1	-	0	tonnes (CO2-e)
	the tonnes of methane (CO2-e) captured from anaerobic digestion	Method 1	-	0	tonnes (CO2-e)
Solid waste disposal on land	the tonnes of methane (CO2-e) captured and transferred offsite that are LEGACY emissions	Method 1	Emissions of methane released from landfills	0	tonnes (CO2-e)
	the tonnes of methane (CO2-e) captured and transferred offsite that are NOT LEGACY emissions	Method 1	Emissions of methane released from landfills	0	tonnes (CO2-e)
	the tonnes of methane (CO2-e) flared that are LEGACY emissions	Method 1	Emissions of methane released from landfills	0	tonnes (CO2-e)
	the tonnes of methane (CO2-e) flared that are NOT LEGACY emissions	Method 1	Emissions of methane released from landfills	0	tonnes (CO2-e)

SCOPE 2 EMISSIONS				
Activity Type	Quantity	Units	Emission Factor (kg CO2-e / unit)	Scope 2 Emissions (t CO2-e)
Purchase and loss of electricity from main electricity grid in a State or Territory	68,074	kWh	0.68	46
				Total 46

ENERGY CONSUMED BY MEANS OF COMBUSTION FOR PRODUCING ELECTRICITY								
Activity Type	Fuel / Energy Commodity	Fuel Usage	Criterion	Sub-criterion	Amount	Units	Energy Content Factor (GJ/Unit)	Energy Content (GJ)
Electricity production - Gaseous fuels	Landfill biogas that is captured for combustion (methane only)	combustion	BBB	-	14,397,380	m3	0.0377	542,781
Total								542,781

ENERGY CONSUMED BY MEANS OF COMBUSTION FOR TRANSPORT								
Activity Type	Fuel / Energy Commodity	Fuel Usage	Criterion	Sub-criterion	Amount	Units	Energy Content Factor (GJ/Unit)	Energy Content (GJ)
Emissions released from combustion of liquid fuels other than petroleum oils or greases - Transport energy purposes	Diesel oil - Transport post-2004	combustion	AA	-	72.72	kL	38.6	2,807
Total								2,807

ENERGY CONSUMED BY MEANS OF COMBUSTION FOR PURPOSES OTHER THAN PRODUCING ELECTRICITY, PRODUCING A CHEMICAL OR METAL PRODUCT OR FOR TRANSPORT								
Activity Type	Fuel / Energy Commodity	Fuel Usage	Criterion	Sub-criterion	Amount	Units	Energy Content Factor (GJ/Unit)	Energy Content (GJ)
Emissions released from combustion of liquid fuels other than petroleum oils or greases - Stationary energy purposes	Diesel oil	combustion	AA	-	230.3	kL	38.6	8,890
Total								8,890

ENERGY CONSUMED BY MEANS OTHER THAN COMBUSTION								
Activity Type	Fuel / Energy Commodity	Fuel Usage	Criterion	Sub-criterion	Amount	Units	Energy Content Factor (GJ/Unit)	Energy Content (GJ)
Purchase and loss of electricity from main electricity grid in a State or Territory	-	-	-	-	68,074	kWh	0.0036	245
Total								245

ELECTRICITY PRODUCED					
Activity Type	Usage	Amount	Units	Energy Content Factor (GJ/Unit)	Converted Energy Content Amount (GJ)
Electricity (biogas generation)	For use offsite on a network	3,818,815	kWh	0.0036	13,748
Total					13,748

CORPORATE GROUP THRESHOLD MET

The corporate group of CITY OF COCKBURN has met a corporate group threshold prescribed in sections 13 (1)(a),(b), or (c) of the NGER Act during the reporting year and is reporting under Divisions 4.3 to 4.5 of the NGER Regulations (regulation 4.03).

PRIVACY STATEMENT

PROTECTION OF INFORMATION

The Clean Energy Regulator is bound by the secrecy provisions of Part 3 of the *Clean Energy Regulator Act 2011* (CER Act) in regard to information it collects in relation to this report and also by the *Privacy Act 1988* in regard to personal information it collects.

PRIVACY NOTICE

'Personal information' is defined in the Privacy Act 1988 to mean information or an opinion about an identified individual, or an individual who is reasonably identifiable:

- (a) whether the information or opinion is true or not; and
- (b) whether the information or opinion is recorded in a material form or not.

The collection of personal information relating to this report is authorised by the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) and the National Greenhouse and Energy Reporting Regulations 2008.

Personal information collected in relation to this report will be used for the purposes of assessing the report content, auditing compliance, enforcement of relevant laws and regulations, the performance of our statutory functions and for related purposes. We will also use the personal information which you provide for our administrative purposes, for example, to pre-populate other Clean Energy Regulator forms which you wish to fill out online in the future, and for improving our service delivery to you. We cannot process the application if we do not collect relevant personal information.

The Clean Energy Regulator's Privacy Policy contains information about the agency's procedures for handling personal information including how a person can access their personal information held by the agency, and how to seek correction of such information. The Privacy Policy also contains information about how to complain about a breach of the Australian Privacy Principles. The Clean Energy Regulator's Privacy Policy can be found at www.cleanenergyregulator.gov.au.

DISCLOSURE OF INFORMATION

The Clean Energy Regulator is only able to disclose information relating to this report (including personal information) in accordance with the CER Act, the NGER Act, the Privacy Act 1988 or as otherwise required by law.

The circumstances in which such information may be disclosed include:

- Disclosure to the Secretary or authorised officer of a Department for the purpose of administering a program or collecting statistics relating to greenhouse gas emissions, energy consumption or energy production;
- Disclosure to certain agencies, bodies or persons where the Regulator is satisfied that disclosure will enable or assist those agencies, bodies or persons to perform or exercise their functions or powers, including the Australian Securities and Investments Commission, the Australian Competition and Consumer Commission and the Commissioner of Taxation;
- Disclosure for the purposes of law enforcement;
- Disclosure to States and Territories in accordance with the NGER Act; and
- Disclosure for the purposes of a climate change law or for the purposes of the performance of our functions under a climate change law.

DECLARATION

The Executive Officer (or equivalent), as described in the *National Greenhouse and Energy Reporting Act 2007* (NGER Act), should read the following declaration below before electronically submitting the emissions and energy report.

It is the responsibility of the reporting entity to ensure that the information provided in the emissions and energy report is prepared in accordance with the requirements set out in the NGER Act and the National Greenhouse and Energy Reporting Regulations 2008 (NGER Regulations) and that the data it contains is based on methods prescribed in the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (NGER Measurement Determination).

Under the NGER Act and the NGER Regulations, the reporting entity remains responsible for the truth and accuracy of the contents of the emissions and energy report despite the assistance, if any, of a third party in its preparation.

Section 19 of the NGER Act includes a civil penalty provision, a breach of which may attract a pecuniary penalty of up to 2,000 penalty units. The *Crimes Act 1914* provides that one penalty unit is \$222.

In accordance with section 22 of the NGER Act, a reporting entity is required to keep records of the activities of the members of its group that, inter alia, allow it to report accurately and enable the Clean Energy Regulator to ascertain whether it has complied with its obligations under the NGER Act. Records must be retained for a period of 5 years from the end of the year in which the activities took place. Section 22 includes a civil penalty provision, a breach of which may attract a pecuniary penalty of up to 1,000 penalty units.

By electronically submitting, the signatory declares that:

- they have read and understood the penalties that apply for breaching the NGER Act;
- the information provided in this emissions and energy report (including any attachments) is true and correct, and that they understand that the provision of false or misleading information is a serious offence under the *Criminal Code 1995* and may have consequences under the NGER Act;
- the information provided in this emissions and energy report has been prepared and supplied in accordance with the requirements set out in the NGER Act, the NGER Regulations and the NGER Measurement Determination;
- they are duly authorised to act, including submitting this emissions and energy report, on behalf of the reporting entity;
- the Clean Energy Regulator may compel or conduct an audit of the information contained in this emissions and energy report or in relation to compliance with the NGER Act, the NGER Regulations and the NGER Measurement Determination;
- the Clean Energy Regulator may request further clarification or documentation to verify the information supplied in this emissions and energy report; and
- the entity providing the emissions and energy report and each group member (if any) listed in the report is a body corporate.

13.2 City of Cockburn Annual Groundwater Monitoring Summary 2021-2022

Author(s)	Anton Lees
Attachments	1. City of Cockburn Annual Groundwater Monitoring Summary ↓

Recommendation

That the Committee recommends Council:

- (1) APPROVES the City's 2021-2022 Annual Groundwater Monitoring Summary submission to the Department of Water and Environmental Regulation.

Background

The City's Irrigation Operating Strategy provides a strategic direction to the management, monitoring and reporting of abstracted groundwater for the City's open spaces and streetscapes. Contingency measures are also detailed to address abstraction limits being exceeded, adverse impacts of the abstraction are detected, or in the event the licensed abstraction limit is reduced by the Department of Water and Environmental Regulation (DWER).

An annual summary of groundwater usage is required to comply with the City's ground water licence (GWL) conditions.

This report outlines the groundwater usage for 2021–2022 which will be issued to DWER.

Submission

NA

Report

The City of Cockburn's primary use for groundwater is to irrigate parks, gardens, and streetscapes for active, passive and ornamental purposes.

The groundwater well licences (GWL) issued to the City of Cockburn for the 2021–2022 year are governed by the operating strategy for the irrigation of parks and streetscapes and assessed in this report.

The Department of Water and Environmental Regulation (DWER) is in the process of amalgamating the City's GWLs in the same subarea along with a new operating strategy to be approved as part of this process.

While this process is underway, the City is treating all GWLs within the one subarea as one GWL i.e., water can be traded between the sites in one subarea.

Key findings of the report are summarised below:

- A groundwater saving of 692,014 kilolitres or 21 percent across all the City's Sub-Areas,
- Saving exceeds the City's Water Efficiency Plan target of 10%
- Water quality and salinity levels remain within acceptable irrigation water quality levels
- Static water levels (SWL) across selected bores within the City's subareas remain steady.

Groundwater Sub-Area	Metered Bore Sites	Abstraction (Kilolitres)	DWER Allocation (Kilolitres)	Percentage of allocation abstracted
Kogalup	113	1,254,364	1,514,454	83%
Success	51	536,375	603,549	89%
South Lake	20	240,565	351,000	69%
City of Cockburn	33	287,038	393,495	73%
Airport	17	87,997	188,731	47%
Thompsons	9	47,018	78,226	47%
Banjup	5	21,983	28,250	78%
Total	248	2,530,941	3,222,955	79%

Detailed analysis of groundwater flow meter readings, water quality testing and static groundwater levels can be found in the Groundwater Monitoring Summary attached.

It should be noted the City has two GWL governed by their own operating strategies and are independent of this annual report.

1. GWL 200065 - geothermal heating Cockburn ARC with a zero-kilolitre net abstraction.
2. GWL 159917 - groundwater interception drain (GID) at Port Coogee which is sub surface abstract

Strategic Plans/Policy Implications

Environmental Responsibility

A leader in environmental management that enhances and sustainably manages our local natural areas and resources.

- Protection and enhancement of our natural areas, bushland, parks and open spaces.
- Sustainable resource management including waste, water and energy.

Budget/Financial Implications

NA

Legal Implications

NA

Community Consultation

NA

Risk Management

The City is required to submit an Annual Groundwater Monitoring Summary to the Department of Water and Environmental Regulation as per the groundwater licence conditions.

If Council does not accept the recommendations of this report, the City will be non-compliant with its Irrigation Operating Strategy actions and be in breach of its groundwater licence conditions.

Advice to Proponent(s)/Submitters

N/A


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

Nil



ANNUAL GROUNDWATER MONITORING SUMMARY
2021 – 2022



Document Information				
Document Title:		Annual Groundwater Monitoring Summary		
Prepared by:		 Sports Turf Technology (STT) PO Box 91, Como WA 6952 Tel: 9367 3568 Fax: 9367 2843 ABN 46 102 735 053		
Document status:		Draft		Version: 1.0
Version History				
Version:	Description:	Issue Date:	Authorised by	Signature
Version 1	Draft 2	30 August 2022	Marie Egan (STT)	

Contents

1.	Introduction.....	1
2.	Climate and Rainfall	3
3.	Hydrogeology	4
4.	Borefield Description	4
5.	Groundwater Abstraction.....	5
6.	Monitoring Results.....	5
6.1.	Production	5
6.2.	Rainfall	7
6.3.	Water Quality	9
6.3.1.	Salinity	9
6.3.2.	pH.....	9
6.3.3.	Nitrogen	10
6.3.4.	Phosphorus	10
7.	Water Levels	11
7.1.	Levels.....	11
7.2.	Quantity.....	11
8.	Water Quality.....	15
8.1.	Electrical Conductivity (EC).....	15
8.2.	pH	17
8.3.	Nitrogen	17
8.4.	Phosphorus	18
9.	Other	19
10.	Compliance	19
11.	Recommended Changes to Monitoring Programme	19
12.	Assessment of Impacts	19
13.	Recommendations	19
14.	References	21

Tables

Table 1: Groundwater well licences held by the City of Cockburn 2021 – 2020 for irrigating parks and gardens.....	1
Table 2: Groundwater well licences held by the City of Cockburn 2021 – 2022 for Port Coogee Marina GID and the geothermal heating project.....	3
Table 3: The 2021 – 2022 rainfall (mm) and the 10-year moving mean rainfall (mm).	3
Table 4: The 2021 – 2022 net evaporation and the 10-year moving mean net evaporation.	4
Table 5: The number of meters and the percentage of abstraction of each GWL.	6
Table 6: Table of graphs of salinity for selected bores in selected subareas.	12
Table 7: Table of graphs of pH for selected bores in selected subareas.....	13
Table 8: Table of graphs of static water levels of selected bores in selected subareas. Note the differences in vertical scale.	14

Figures

Figure 1: Annual rainfall and 10-year moving mean rainfall since 2003 – 2022.	8
Figure 2: Monthly rainfall for 2021 – 2022 compared with 10-year moving mean.	8
Figure 3: Net evaporation for 2021 – 2022 compared with 10-year moving monthly mean.	9

Appendices

Appendix 1: Groundwater Well Licences
Appendix 2: Groundwater Well Licence Subarea Maps
Appendix 3: Flow meter readings 2021 – 2022
Appendix 4: Water quality of selected bores.
Appendix 5: Comprehensive water analysis of selected bores September 2015

1. Introduction

The City of Cockburn is a local government authority providing services to the community. Its use of groundwater is primarily to irrigate parks and gardens for active, passive and ornamental purposes. The City of Cockburn is located 15 km south of the Perth CBD.

The groundwater well licences (GWL) issued to the City of Cockburn for the 2021 – 2022 year governed by the operating strategy for the irrigation of parks and gardens and assessed in this report are outlined in Table 1 and are presented in full in Appendix 1. Appendix 2 shows maps of irrigated areas of each subarea.

The Department of Water and Environmental Regulation (DWER) is in the process of amalgamating GWLs in the same subarea and has a new operating strategy has been submitted as part of this process. While this process is underway, the City is treating all GWLs within the one subarea and one GWL i.e., water can be traded between the sites in one subarea. The exception to this is GWL 203205 for the Success Sporting Complex which is governed by its own GWL.

GWL 200065 is a geothermal heating project with a zero kilolitre net abstraction. GWL 159917 is a groundwater interception drain (GID) associated with the Port Coogee Marina development (Table 2). Both of these GWLs are governed by their own operating strategies and as such are reported on independently of the GWLs in Table 1.

Table 1: Groundwater well licences held by the City of Cockburn 2021 – 2020 for irrigating parks and gardens.

GWL	Groundwater Area	Groundwater Subarea	Aquifer	Expiry	Water year	Allocation kL
GWL 49535	Cockburn	Kogalup	Perth: Superficial Swan	14 Aug 2029	1 Jul – 30 Jun	1,496,454
GWL 179665	Cockburn	Kogalup	Perth: Superficial Swan	8 Feb 2026	1 Oct – 30 Sep	18,000
Total for Kogalup subarea						1,514,454
GWL 180053	Jandakot	Success	Perth: Superficial Swan	28 Oct 2028	1 Jul – 30 Jun	13,630
GWL 181250	Jandakot	Success	Perth: Superficial Swan	23 Oct 2029	1 Jun – 31 May	6,300
GWL 183402	Jandakot	Success	Perth: Superficial Swan	23 Jan 2027	1 Jun – 31 May	2,250
GWL 200071	Jandakot	Success	Perth: Superficial Swan	19 Jul 2027	1 Jul – 30 Jun	2,025

GWL	Groundwater Area	Groundwater Subarea	Aquifer	Expiry	Water year	Allocation KL
GWL 203203	Jandakot	Success	Perth: Superficial Swan	7 Aug 2029	1 Jul – 30 Jun	575,900
GWL 203207	Jandakot	Success	Perth: Superficial Swan	7 Aug 2029	1 Jul – 30 Jun	3,444
Total for Success subarea						603,549
GWL 203205	Jandakot	Success	Perth: Superficial Swan	7 Aug 2029	1 Jul – 30 Jun	65,250
Total for Success Sports Complex						65,250
GWL 49545	Perth	City of Cockburn	Perth: Superficial Swan	14 Aug 2029	1 Jul – 30 Jun	393,495
Total for City of Cockburn subarea						393,495
GWL 203189	Jandakot	South Lake	Perth: Superficial Swan	4 Aug 2029	1 Jul – 30 Jun	279,000
GWL 203256	Jandakot	South Lake	Perth: Superficial Swan	20 Aug 2029	1 Jun – 31 May	2,000
GWL177276	Jandakot	South Lake	Perth: Superficial Swan	4 Sep 2028	1 Jul – 30 Jun	70,000
Total for South Lake subarea						351,000
GWL 203196	Jandakot	Airport	Perth: Superficial Swan	5 Aug 2029	1 Jul – 30 Jun	112,470
GWL 202853	Jandakot	Airport	Perth: Superficial Swan	5 Aug 2029	1 Jul – 30 Jun	53,731
GWL155669	Jandakot	Airport	Perth: Superficial Swan	3 Dec 2023	1 Jul – 30 Jun	22,530
Total for Airport subarea						188,731
GWL 181306	Cockburn	Thompsons	Perth: Superficial Swan	12 Nov 2028	1 Oct – 30 Sep	2,700
GWL 203255	Cockburn	Thompsons	Perth: Superficial Swan	14 Aug 2029	1 Jul – 30 Jun	75,526
Total for Thompsons subarea						66,150
GWL 203204	Jandakot	Banjup	Perth: Superficial Swan	7 Aug 2029	1 Jul – 30 Jun	28,250
Total for Banjup subarea						28,250

Table 2: Groundwater well licences held by the City of Cockburn 2021 – 2022 for Port Coogee Marina GID and the geothermal heating project.

GWL	Groundwater Area	Groundwater Subarea	Aquifer	Expiry	Allocation kL
GWL159917	Cockburn	Kogalup	Perth: Superficial Swan	14 Aug 2027	1,350,500
GWL 200065	Jandakot	Jandakot Confined	Perth: Yarragadee North	16 Jul 2027	0

This report has been prepared by Sports Turf Technology on behalf of the City of Cockburn and pertains to the 1 July 2021 – 30 June 2022 reporting year.

2. Climate and Rainfall

Although the City of Cockburn is located closer to the Jandakot Aero Bureau of Meteorology station (ID 9172), Jandakot station does not measure evaporation. Consequently, comprehensive data from the Perth Airport Station (ID 9021) has been used in this report.

The Perth metropolitan area experiences a Mediterranean climate with hot, dry summers and cool, wet winters. This climate results in the need for irrigation in the warmer months when temperatures and net evaporation are high. The irrigation season traditionally runs from September to April, and 2021 – 2022 was no exception.

Current and ten-year mean rainfall and net evaporation data are presented in Table 3 and Table 4.

Table 3: The 2021 – 2022 rainfall (mm) and the 10-year moving mean rainfall (mm).

	2021 – 2022 rainfall (mm)	10-year average rainfall (mm)
July	262.8	120.2
August	51.2	129.3
September	64.2	78.7
October	97.6	29.8
November	6.0	29.0
December	2.4	15.1
January	0.0	19.5
February	1.8	19.9
March	4.8	20.4

	2021 – 2022 rainfall (mm)	10-year average rainfall (mm)
April	58.4	29.3
May	72.8	82.3
June	66.6	99.7
Total	688.6	673.1

Table 4: The 2021 – 2022 net evaporation and the 10-year moving mean net evaporation.

	2021 – 2022 net evaporation (mm)	10-year average net evaporation (mm)
July	-190.2	-55.0
August	32.8	-41.3
September	56.0	39.1
October	44.4	147.3
November	220.8	210.1
December	318.2	291.8
January	347.4	303.1
February	296.4	242.6
March	211.0	205.8
April	95.8	113.2
May	19.4	9.5
June	-5.8	-35.0
Total	1446.2	1287.8

3. Hydrogeology

The bores relevant to this report are constructed in the Perth Superficial Aquifer. The Perth Superficial Aquifer is a major unconfined aquifer that extends throughout the Swan Coastal Plain. It is located in surficial sediments that are Quaternary overlying Cretaceous overlying Jurassic. The sediments range from predominantly clayey through a sandy succession to sand and limestone within the coastal belt (Davidson, 1995).

4. Borefield Description

The bores in the GWLs held by the City of Cockburn relevant to this report are constructed in the Perth Superficial Aquifer and are spread among the groundwater areas of Perth, Jandakot and Cockburn.

The City of Cockburn does not have any bores constructed in the Leederville Aquifer.

GWL 200065 is a geothermal project for the purpose of heating the Cockburn Aquatic Recreational Centre. The borefield accesses the Yarragadee Aquifer and consists of an abstraction bore and an injection bore. Compliance reporting of GWL 200065 is independent of this report. A detailed description of the project is contained in that report.

The lithology of the GWLs of Kogalup, Thompsons and the western part of the City of Cockburn is limestone and calcrete and was formed in the Quaternary.

The lithology of the eastern part of the City of Cockburn GWL and the Airport, Banjup, South Lake and Success GWLs is sand and gravel from an indeterminable geological age.

The bores are all production bores and are used to irrigate turf and garden areas. Most bores pump directly into reticulated irrigation systems. Others are pumped into holding lakes or tanks and the water is drawn from the lake or tank to irrigate turf or garden. Their peak draw is at the height of summer, usually February.

5. Groundwater Abstraction

As of 30th June 2022, the City of Cockburn has 248 meters installed on bores within its jurisdiction relevant to this report. It is understood that all the City's bores are metered, however, due to the vast number of bores within the City's jurisdiction, periodically a site is discovered to not be metered. This anomaly is rectified as soon as it is discovered.

Managing the vast quantity of bores licenced to the City is challenging. Over the past few years the City has trialled new water management software to improve its water efficiency and improve its record keeping but one single system has not proved effective as yet.

The City uses the SD central control system as a management tool on 185 of its parks. Flow meter readings are stored and downloaded from these sites. Sites without SD systems are read manually on the first working day of each month.

6. Monitoring Results

6.1. Production

The City remained within its allocation across all but one of its GWLs. With the exception of GWL 200071 and GWL 203207, the City's abstraction for

each GWL is within DWER's allocation of 7,500 kL/ha/yr. The volume of metered water abstracted is presented in Table 5.

GWL 203207 and GWL 200071 exceeded their allocation, however these GWLs are intended to be amalgamated with GWL 203203 as they are both in the Success groundwater subarea. Abstraction from all the Success subarea GWLs combined totalled 536,375 kL from an allocation of 603,549 kL. Under the premise that all the Success subarea GWLs are treated as one, the Success groundwater subarea remained within allocation, abstracting 89% of its entitlement.

Bore production increased as rainfall decreased and was at its greatest in the hottest months of the year.

In accordance with the Water Efficiency Plan, the City set ambitious targets to reduce groundwater abstraction to levels 10% below 2007 – 2008 allocations by 2017 – 2018. The City achieved this in 2020 – 2021 and 2021 - 2022 in all their eight amalgamated GWLs. This is in line with DWER's proposal of reducing allocations in the future from 7,500 kL/ha to 6,750 kL/ha for the irrigation of turf and gardens.

The overall abstraction of groundwater by the City is 21% below the allocated volume of water issued to the City. In this sense, the City is achieving its goal of abstraction being 10% less than the allocation.

Flow meter readings and annual abstraction volumes are presented in Appendix 3.

Table 5: The number of meters and the percentage of abstraction of each GWL.

GWL	Groundwater subarea	Number of metered sites	Abstraction	DWER	
				Allocation	% of DWER allocation abstracted
GWL 49535	Kogalup	112	1,249,067	1,496,454	83
GWL 179665	Kogalup	1	5,297	18000	29
Total	Kogalup	113	1,254,364	1,514,454	83
GWL 180053	Success	1	3,727	13,630	27
GWL 181250	Success	1	4,736	6,300	75
GWL 183402	Success	1	1,637	2,250	73
GWL 200071	Success	1	5,370	2,025	265
GWL 203203	Success	42	517,368	575,900	90
GWL 203207	Success	1	3,537	3,444	103
Total	Success	47	536,375	603,549	89

GWL	Groundwater subarea	Number of metered sites	Abstraction	DWER	
				Allocation	% of DWER allocation abstracted
GWL 203205	Success	4	55,601	65,250	85
GWL 49545	City of Cockburn	33	287,038	393,495	73
GWL177276	South Lake	1	13,463	70,000	19
GWL 203189	South Lake	18	226,832	279,000	81
GWL 203256	South Lake	1	270	2,000	14
Total	South Lake	20	240,565	351,000	69
GWL155669	Airport	1	-	22,530	-
GWL 202853	Airport	6	51,083	53,731	95
GWL 203196	Airport	10	36,914	112,470	33
Total	Airport	17	87,997	188,731	47
GWL 181306	Thompsons	1	2,533	2,700	94
GWL 203255	Thompsons	8	44,486	75,526	59
Total	Thompsons	9	47,018	78,226	47
GWL 203204	Banjup	5	21,983	28,250	78
Total		248	2,530,941	3,222,955	79

6.2. Rainfall

The effect of the rainfall was such that excessive irrigation was not required during the 2021 – 2022 water year. The irrigation season for 2021 – 2022 started slowly with below average demand in September and peaking in demand in January.

Rainfall throughout the irrigation season was reasonably typical with low rainfall throughout, except for October which experienced more than three times the 10-year mean rainfall. The 2021 – 2022 net evaporation was 158.4 mm more than the 10-year mean net evaporation. The rainfall (688.6 mm) was greater than the 10-year mean (673.1 mm; Figure 1). Ten-year moving mean data and 2021 – 2022 data are presented in Table 3 and Table 4, Section 2.

Figure 1 highlights that the rainfall in 2021 – 2022 was similar to the 10-year moving mean. Figure 2 shows the monthly distribution of rainfall in 2021 – 2022 highlighting the wet July and very dry irrigation season. Figure 3 shows

the monthly distribution of the 2021 – 2022 annual net evaporation was greater over the irrigation season than the 10-year moving mean net evaporation.

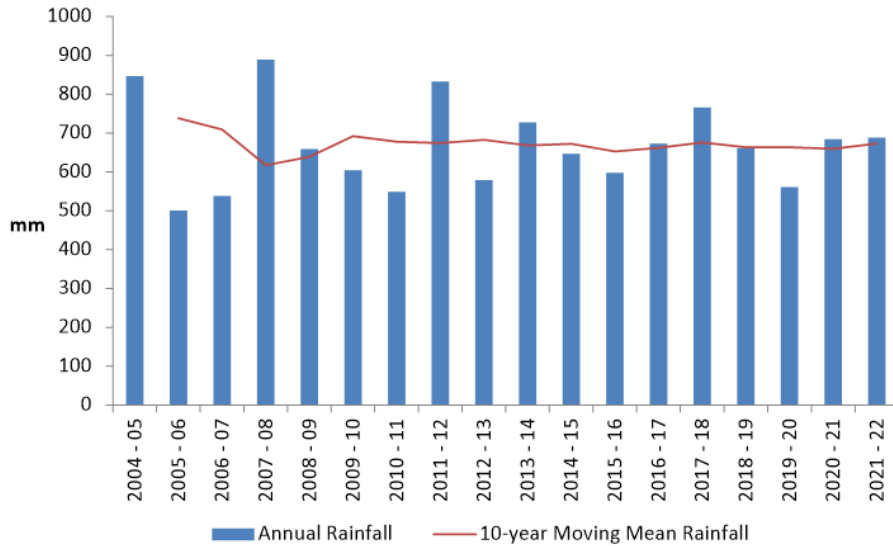


Figure 1: Annual rainfall and 10-year moving mean rainfall since 2003 – 2022.

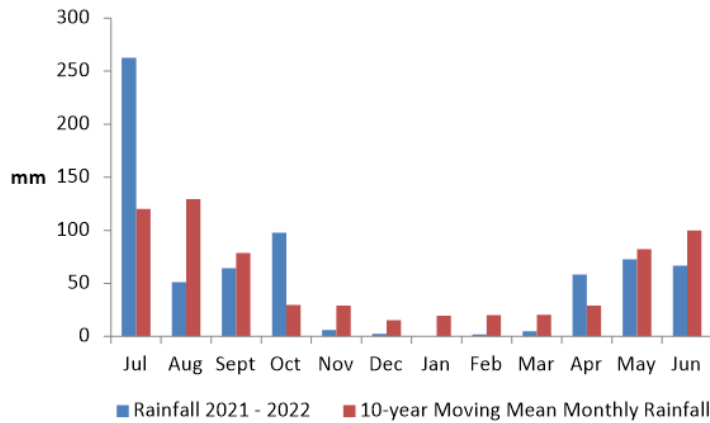


Figure 2: Monthly rainfall for 2021 – 2022 compared with 10-year moving mean.

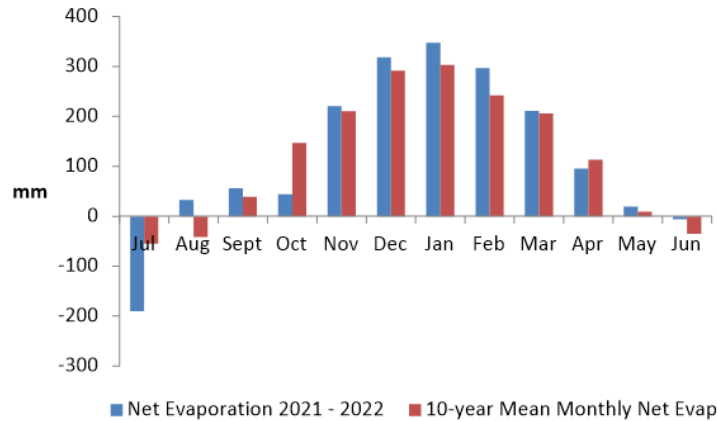


Figure 3: Net evaporation for 2021 – 2022 compared with 10-year moving monthly mean.

6.3. Water Quality

6.3.1. Salinity

In general, the salinity status of the bore water sampled within the City’s jurisdiction is considered marginal but suitable for irrigation (Table 6). However, two sites regularly return values in the brackish and moderately saline ranges.

Kurrajong in the Success subarea, returned to its value of approximately 1500 mg/L after uncharacteristically dropping well into the marginal range with a salinity of 640 mg/L during the previous monitoring period.

During the 2021 – 2022 monitoring period, Manning Azelia showed the variability seen in earlier years which was absent over the March 2018 to March 2020 period. Over the monitoring history salinity at the bore has ranged from 550 mg/L to 3600 mg/L. There does not appear to be a seasonal pattern associated with the variation in data.

Durango Park returned to its value of approximately 350 mg/L after uncharacteristically increasing in salinity at the April 2021 date to 970 mg/L. The increase that was of concern has not been sustained.

6.3.2. pH

The pH of the selected sites is slightly acid to alkaline (6.7 – 7.8) (Table 7) over the 2021 – 2022 monitoring period. Over the history of the monitoring program the range is 6 – 7.9 and mostly appears stable. The pH at Durango Park has remained stable at 6.9 and 7.1 respectively at both the 2021 – 2022

monitoring dates after decreasing to its lowest on record of 6 during the 2019 – 2020 monitoring period.

The pH at Bibra Lake Picnic Area continues to fluctuate and recorded its highest on record at 7.5, while at Durango Park the pH has steadied at around 7 after decreasing to 6 in March 2020.

Waterbuttons Park recorded its lowest pH at 6.7.

6.3.3. Nitrogen

Generally, nitrogen in the sampled bores is not of concern. During the 2021 – 2022 monitoring period most sites returned total nitrogen values below the ANZECC (2000) Guidelines for irrigation water long-term trigger value (LTV) of 5 mg/L. However, Bibra Lake Picnic Area has continued to return values above the LTV but below the ANZECC (2000) Guidelines' short-term trigger value (STV) of 25 – 125 mg/L. The Manning Park bores also showed evidence of total nitrogen levels near the LTV. Success Sports Complex 1 recorded a spike in total nitrogen in September 2021.

The majority of the nitrogen detected at Bibra Lake Picnic Area was in the ammonium form. The source of ammonium is usually reduced nitrate or pollution.

The majority of the nitrogen detected in the Manning bores was in the nitrate form. The source of nitrate is usually the decay of nitrogen fixing plants, the oxidation of ammonium, organic fertilisers or contamination.

The spike detected at Success Sports Complex 1 in September 2021 was not sustained at the April 2022 monitoring event. Given the minimal amounts of both nitrate and ammonium detected, it appears that the 6.6 mg/L could be a laboratory error.

6.3.4. Phosphorus

Generally, phosphorus in the sampled bores is not of concern. During the 2021 – 2022 monitoring period, eight of the 12 sites returned values that exceeded the ANZECC (2000) Guidelines' LTV for total phosphorus (0.05 mg/L), however none of the sites exceeded the STV of 0.8 – 12 mg/L. The highest was 0.23 mg/L at Kurrajong Reserve.

Kurrajong Reserve had the highest levels of phosphorus for the history of the monitoring period yet well below the STV. However, the April 2021 dropped drastically to 0.03 mg/L, the lowest it has measured over the duration of the monitoring program. It returned to its levels of approximately 0.2 mg/L during the current monitoring period.

Until September 2019 the phosphorus levels at Durango Park had been slowly increasing over the monitoring history, however not at alarming levels.

At the end of the previous monitoring period, April 2020, there was a significant reduction from 0.09 mg/L to 0.01 mg/L. That low level was measured again in September 2020 but increased again to 0.1 mg/L in March 2021 and has remained near this level since.

Kevin Bowman recorded increasing phosphorus levels from March 2000 until September 2021 at which the level exceeded the ANZECC (2000) Guidelines LTV

Phosphorus can be naturally exist in the mineralogy of the aquifer or can be a consequence of fertiliser or sewage contamination.

7. Water Levels

7.1. Levels

Static water levels (SWL) of the selected bores across all of the City's GWLs, in general, continue to remain steady over the time that data is available (Table 8). The expected seasonal variation is observed at all sites.

7.2. Quantity

The recent groundwater levels correlate with the quantity of water abstracted. As the irrigation season of 2021 – 2022 was not exceptionally hot or long, abstraction was as expected and therefore the drawdown on the aquifer was within manageable levels.

Table 6: Table of graphs of salinity for selected bores in selected subareas.

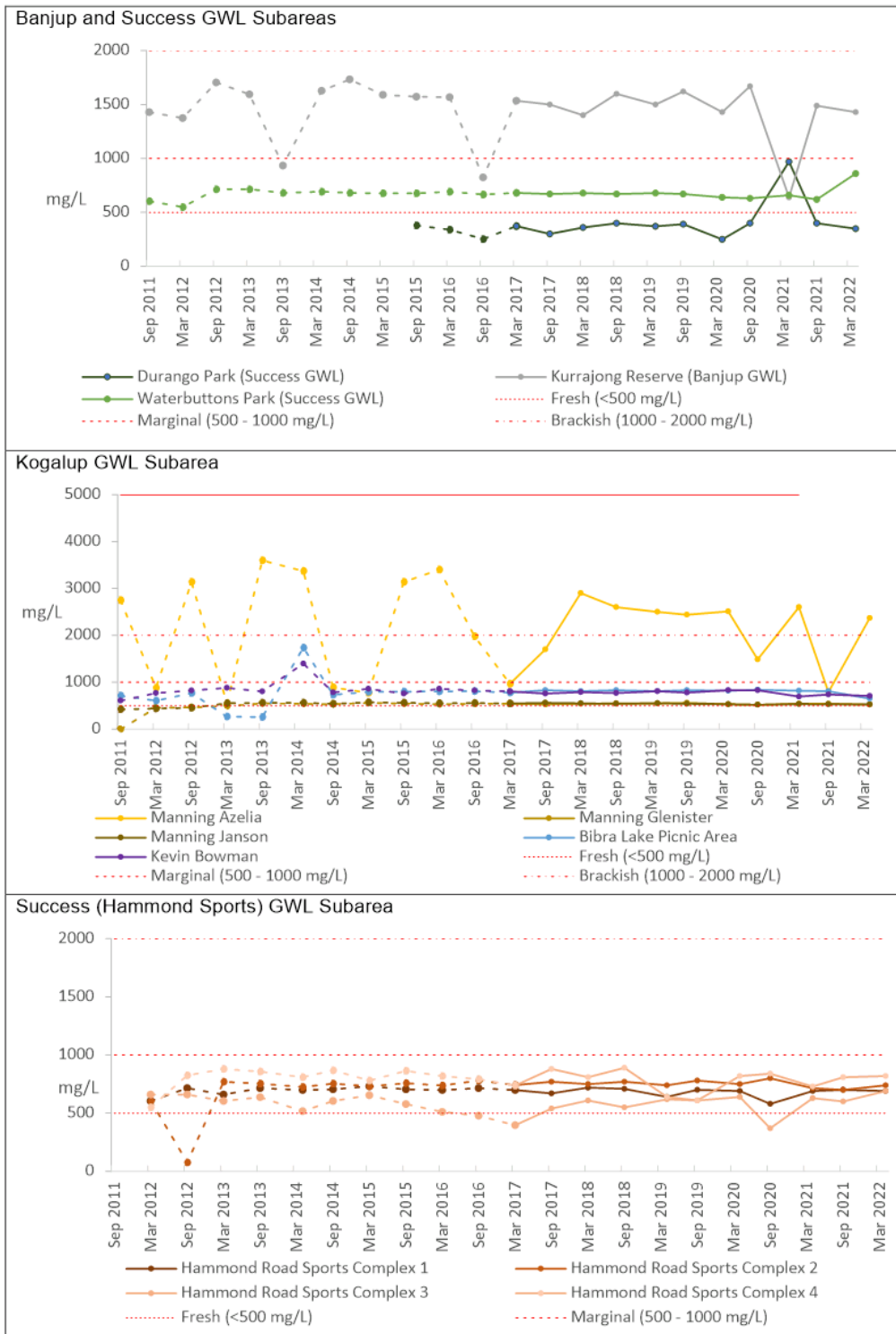


Table 7: Table of graphs of pH for selected bores in selected subareas.

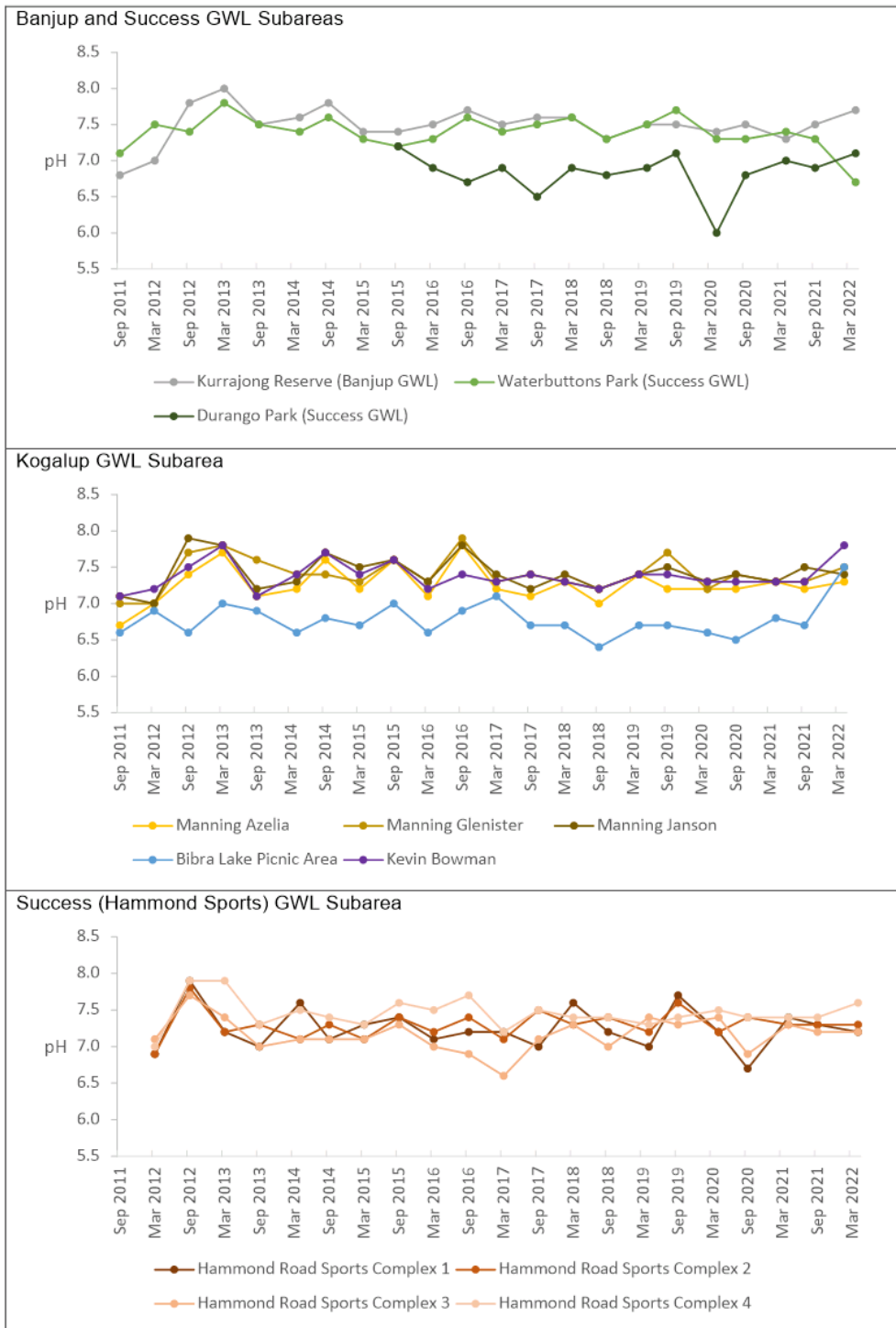
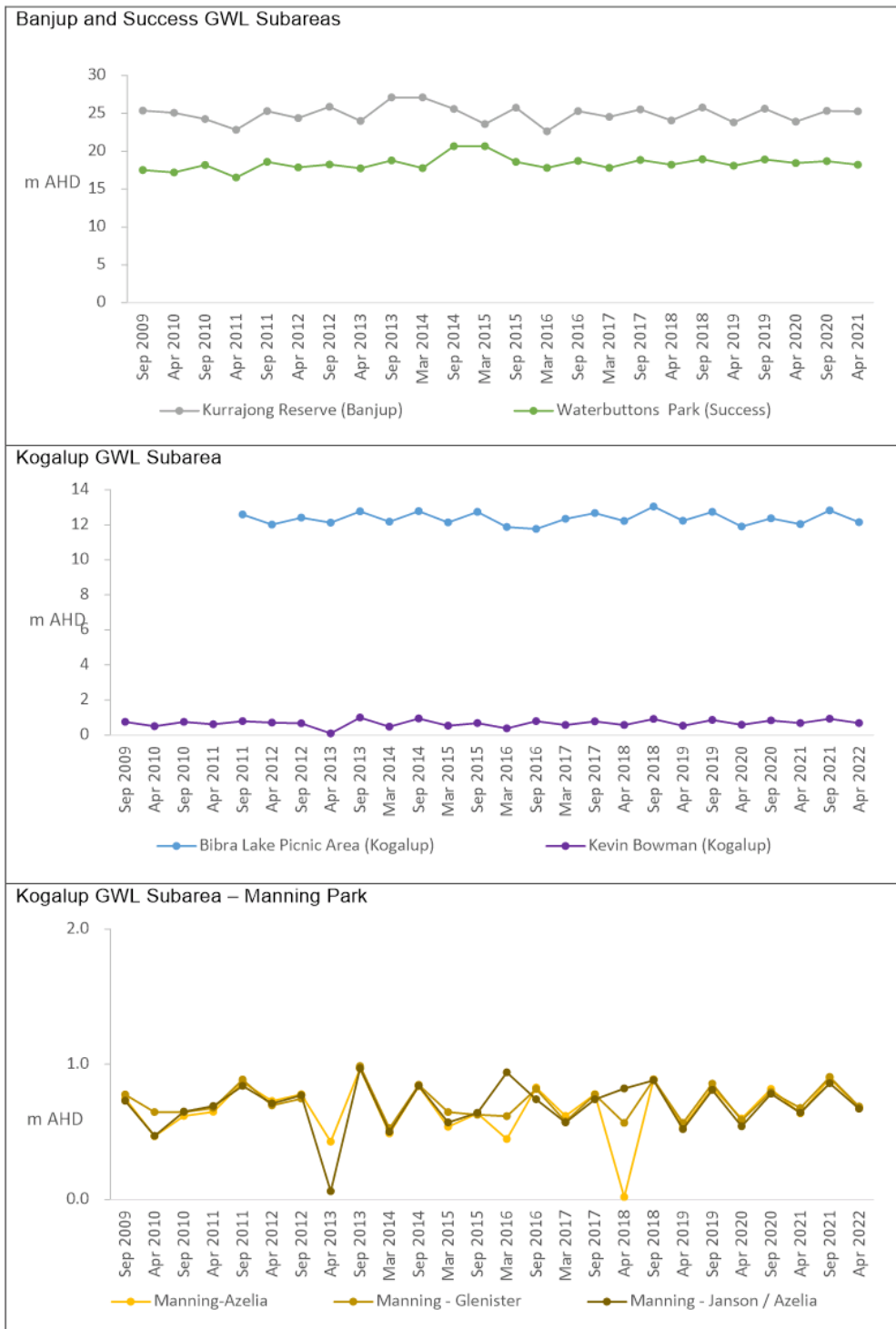
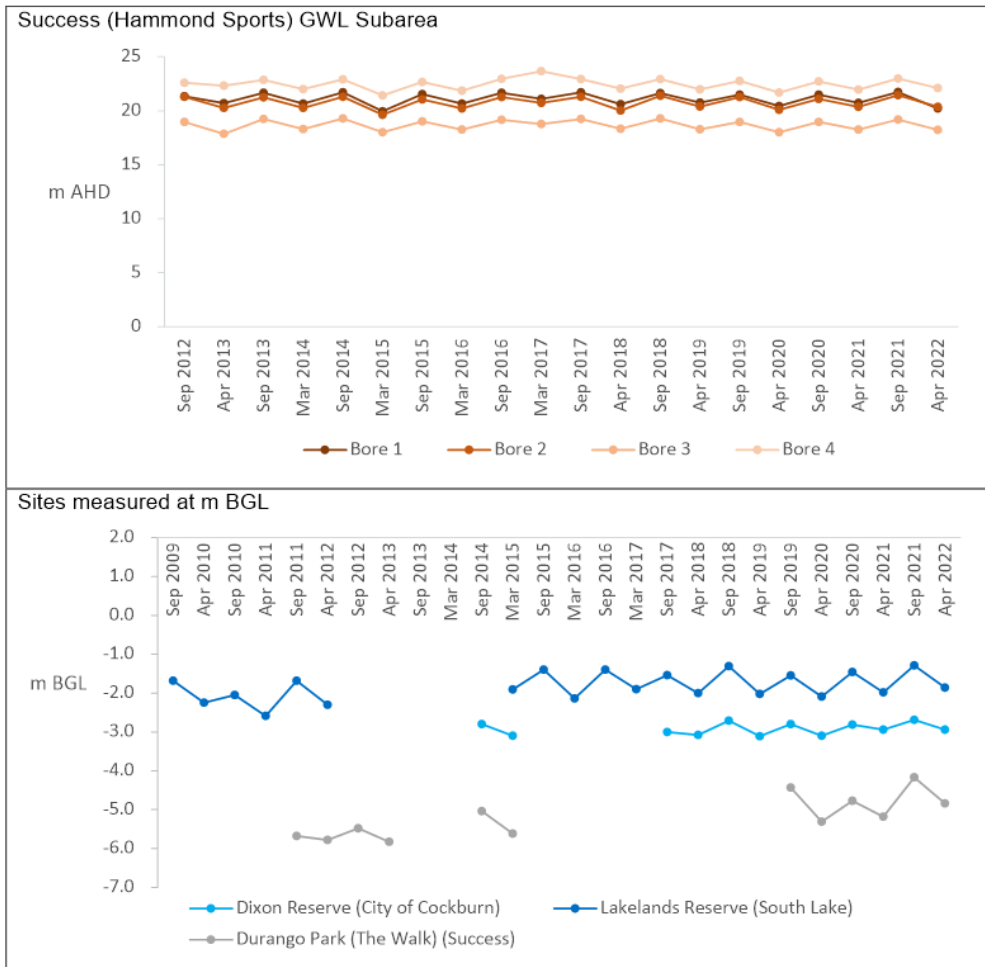


Table 8: Table of graphs of static water levels of selected bores in selected subareas. Note the differences in vertical scale.





8. Water Quality

8.1. Electrical Conductivity (EC)

The majority of selected bores returned water that was fresh to marginal. The two exceptions were Kurrajong which was brackish, and Manning Azelia which ranged between margin and moderately saline. Salinity thresholds are outlined in Department of Water (2007). The salinity of the selected bores was generally below the trigger value with the exception of Manning Azelia bore in the Kogalup GWL.

The salinity at Manning Azelia has fluctuated over time. There does not appear to be a consistent pattern in the fluctuating salinity levels at this site.

The common pattern seen in many bores is salinity increasing with abstraction and decreasing with recharge. This pattern is not observed at Manning Azelia. Monthly monitoring of the bore began at the beginning of the 2017 – 2018 abstraction season. Since then, moderately saline conditions at approximately 2600 mg/L were common, with occasions when salinity decreased to marginal and brackish levels. It does not appear that lower salinity conditions coincide with recent rainfall events. There appears there may be a correlation between abstraction and salinity conditions however the structure of the recorded data does not allow for confirmation of that correlation.

It is likely that the source of the salinity at the site is the ocean and with historical increased abstraction and decreased recharge the saltwater interface had extended further inland and not retreated. Other bores in the immediate region are not as affected as the Manning Azelia bore possibly due to the cavernous nature of the Tamala Limestone and the variable hydraulic conductivities which range greatly depending on location and depth (Davidson, 1995). Abstraction at this site may need to be altered to ensure the saltwater interface from the ocean does not extend any further inland.

The Kurrajong bore in the Banjup GWL continued to hover in the brackish range (1000 – 2000 mg/L) until March 2021 when it decreased significantly into the marginal range to 640 mg/L. The brackish levels recorded during the current monitoring period appear to be the normal range for the site and has remained stable since 2012 with the exception of three events. Decreases in salinity at the September 2013, September 2016 and April 2021 monitoring dates appear to be attributed to high rainfall events in the week immediately preceding the sampling events.

The Bibra Lake Picnic Area and the Kevin Bowman bores in the Kogalup GWL spiked to brackish levels at the March 2014 monitoring date. Salinity levels at both of those sites returned immediately to levels in the marginal range (500 – 1000 mg/L), have remained at those levels and are not currently of concern.

All the monitored sites are in wetland areas and no adverse impacts on surrounding vegetation have been observed.

The salinity at the Hammond Road Sports Complex has remained steady and abstraction does not appear to have any adverse effects on the salinity of the aquifer.

No turf or gardens irrigated appeared to show signs of poor water quality.

Data are presented in Appendix 4.

8.2. pH

Water with a pH value in the range of 6.0 – 7.0 is most desirable for use on turf. Water with pH values outside of this range may not directly influence turf performance, but indicates a possible need to evaluate other chemical components.

The pH of the selected bores has generally been steady since monitoring began in 2012. One exception is the pH at Bibra Lake Picnic Area which has historically fluctuated seasonally but has not followed this pattern since March 2017. Until April 2022 the pH over the duration of the monitoring program varied only between 6.4 and 7.1. In April 2022 Bibra Lake Picnic Area recorded its highest pH at 7.5. The absence of an identifiable trend is not of concern given that the greatest water level fluctuation over the monitoring history is 1.28 m and the pH range is 1.1 pH units. The variation in water level and pH is within an acceptable range and therefore not of great concern, however, it should continue to be monitored closely.

The decrease in pH at Durango Park in March 2020 has not been detected again since then. Decreases such as these need to be monitored as it may be an indicator of acid sulphate soils, particularly in these low-lying areas. Lowering water levels in such areas cause acidification of the groundwater so abstraction must be managed to avoid these impacts.

The lowest pH recorded at Waterbuttons in April 2022 coincided with the end of the abstraction season but it was not the lowest water level on record at the site. pH at this site needs to be monitored to ensure that it is not adversely impacted by abstraction in the area.

The bores at Hammond Road Sports Complex continue to remain within an acceptable pH range for both the aquifer and for irrigation purposes. There has been some variation over the monitoring period but nothing that is of concern. The slight acidification seen at Bores 3 and 4 at the March 2017 monitoring event was not sustained beyond the 2017 – 2018 monitoring period. Alkalisating of Bores 1 and 2 at the September 2019 date was also not sustained and returned to slightly alkaline levels at the March 2020 date. The slight acidification at September 2020 was not sustained and returned to the slightly alkaline levels at the March 2021 date. pH levels in these bores during the 2021 – 2022 monitoring period have been stable since March 2021.

Data are presented in Appendix 4.

8.3. Nitrogen

Total nitrogen values have generally been steady across the monitored sites indicating that the levels at each site are likely to be background and naturally occurring at the site. They are generally not of concern.

It is assumed that the spike in the nitrogen levels at Success Sports Complex 1 is an anomaly, likely a laboratory reporting error. While particular attention will be given to this site, it is expected that it will not be of concern.

Sites with elevated nitrogen values do not currently receive fertiliser applications any greater than sites with lower nitrogen values. While some nitrogen detected in the groundwater may originate from fertiliser, it is expected that a significant quantity of the current concentration is an historical legacy from intensive horticulture or septic contamination. Given that the monitored sites are all near water bodies, nitrogen in the groundwater may also originate from the decaying organic matter that may be present in the aquifer.

8.4. Phosphorus

Most of the sites have returned steady phosphorus levels since monitoring began in September 2017. Three sites, Kurrajong Reserve, Durango Park and Kevin Bowman, were exceptions. Durango Park maintained its elevated values compared to the decrease recorded in at the April and September 2020 monitoring events. Kurrajong recorded levels similar to previous after it decreased significantly at the March 2021 date and Kevin Bowman decreased after three consecutively increasing levels.

Kurrajong Reserve had the highest levels of phosphorus for the history of the monitoring program yet well below the STV. However, at the April 2021 it dropped drastically to 0.03 mg/L, the lowest it has measured over the duration of the monitoring program. During the 2021 – 2022 monitoring period, phosphorus levels returned to their characteristically high values. The reason for the decrease in April 2021 is not apparent but may be linked to the drop in salinity. The rainfall event in the week preceding sampling may have had a diluting effect of the salinity and the phosphorus in the groundwater.

The phosphorus level at Durango Park was showing an increasing trend from 0.04 mg/L in September 2017 to 0.09 mg/L in September 2019. It then decreased suddenly to below the ANZECC LTV at April 2020 and September 2020 before increasing again suddenly to 0.1 mg/L at the April 2021 date. During the 2021 – 2022 year levels were similar to those recorded before the decrease in 2020. Other sites also exceed the ANZECC LTV but have not presented the same increasing trend as seen at Durango Park.

Kevin Bowman's phosphorus levels increased above the ANZECC LTV at the September 2021 monitoring date but dropped back below to 0.03 mg/L in April 2022. This level is similar to historical ones.

Phosphorus concentrations are not expected to be a consequence of current fertiliser practices. The City only applies phosphorus should both leaf and soil tests indicate the nutrient is deficient. It is expected that some of the

phosphorus detected is historical legacy from intensive horticulture but there is a fraction of phosphorus that is naturally resulting from phosphatic nodules occurring at the base of the Superficial Aquifer.

9. Other

Comprehensive water analysis for selected bores in September 2017 has been included in Appendix 5.

10. Compliance

The City's compliance with the monitoring programme is very good. Any anomalies are likely to be due to issues associated with administrative transfers and amalgamations.

11. Recommended Changes to Monitoring Programme

- Manning Azelia continue to be monitored monthly all year round for salinity to determine the extent and trends of the salinity of the groundwater.
- Manning Azelia to be sampled at the beginning of the month, every month, in order to determine any correlation between abstraction and water quality parameters.

12. Assessment of Impacts

The medium-term water quality data set that the City has built indicates there is little impact of its abstraction from the aquifer to date. Minor impacts on water quality continue to be observed at Manning Azelia with fluctuation of salinity. The capacity of the aquifer to sustain the City's demands appears to be adequate. The City's groundwater management has continually improved over recent years and there is no reason to suggest that a sustainable trend will not continue into the future.

13. Recommendations

- Abstraction from Manning Azelia should be minimised as much as possible. Should the salinity reach the 1500 mg/L trigger value for irrigation for turf abstraction should cease to prevent salinity levels increasing further. It is anticipated this will reduce the potential of the saltwater interface extending inland further.

- Recommence monthly monitoring into the recharge season at Manning Azelia bore for salinity to ensure the water source is fit for purpose and to assess the recovery of the salinity levels during the recharge season.
- To prevent leaching of nutrients into the groundwater, ensure that applications of fertiliser do not coincide with rain events.

14. References

- ANZECC 2000. Australian and New Zealand guidelines for fresh and marine water quality. *Australian and New Zealand Environment and Conservation Council and Agriculture and Resource Management Council of Australia and New Zealand*. Canberra.
- Davidson, W. A. 1995. *Hydrogeology and groundwater resources of the Perth Region, Western Australia*, Western Australia Geological Survey, Bulletin 142.
- Department of Water 2007. Cockburn Groundwater Area: Water Management Plan. *In: DEPARTMENT OF WATER (ed.)*. Government of Western Australia.

Appendices

Appendix 1: Groundwater Well Licences

File No: RF8093



Government of Western Australia
Department of Water and Environmental Regulation

Page 1 of 3

Instrument No. GWL49545(9)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Licensee(s)	City of Cockburn		
Description of Water Resource	Perth Perth - Superficial Swan	Annual Water Entitlement	392,095kL
Location of Water Source	<p>Crown Reserve 24551 Lot 1784 on Plan 6719 - Mortlock St - Hamilton Hill Bakers Square Crown Reserve 26743 Lot 1985 on Plan 7619 - Jakob Pl - Hamilton Hill Jacob Reserve Crown Reserve 28611 Lot 2112 on Plan 8698 - Fortini Ct - Hamilton Hill Fortini Reserve Crown Reserve 29976 Lot 2143 on Diagram 35809 - Waverley Rd - Coolbellup De Marchi Crown Reserve 30992 Lot 2194 on Plan 9338 - Lavinia Cr - Coolbellup Rinaldo Reserve Crown Reserve 36349 Lot 2595 on Plan 12742 - Monaco Ave - North Lake Monaco Park Crown Reserve 37399 Lot 2651 on Diagram 30091 - Longson St - Hamilton Hill Hobbs Park Crown Reserve 38463 Lot 2745 on Plan 14213 - Rossetti Ct - North Lake Bassett Reserve Crown Reserve 38586 Lot 2756 on Plan 8383 - Hartley St - Coolbellup Robb Park Crown Reserve 38587 Lot 2759 on Plan 8231 - Hawkes St - Coolbellup Jarvis Park Crown Reserve 38760 Lot 2777 on Plan 8993 - Mamillius St - Coolbellup Mamillius Park Lot 1932 On Plan 7461 Volume/Folio Lr3150/458 - Sawle Rd - Hamilton Hill Lot 1979 On Plan 7668 Volume/Folio Lr3143/552 - Wheeler Rd - Hamilton Hill Lot 2089 On Plan 8639 Volume/Folio Lr3052/53 - Stephano Wy - Coolbellup Tempest Park Lot 2097 On Plan 8704 Volume/Folio Lr3005/259 - Perdita Wy - Coolbellup Perdita Reserve Lot 210 On Plan 7069 - Forrest Rd - Coolbellup Lot 2141 On Plan 8705 Volume/Folio Lr3052/231 - Counsel Rd - Coolbellup Hargreaves Park LOT 2485 ON DIAGRAM 48027 - Volume/Folio LR3155/843 - Hanlon St - Hamilton Hill Lot 2803 On Plan 186983 Volume/Folio Lr3054/288 - North Lake Rd - Coolbellup Doherty Reserve Lot 2979 On Plan 191179 Volume/Folio Lr3050/828 - Healy Rd - Hamilton Hill Enright Reserve Lot 2984 On Plan 188794 Volume/Folio Lr3151/345 - Visser St - Coolbellup Visser Reserve Lot 300 On Plan 48464 Volume/Folio Lr3138/801 - Cordelia Av - Coolbellup Len Packam Reserve Lot 4381 On Plan 219824 Volume/Folio Lr3110/456 - Starling St - Hamilton Hill Dixon Reserve Lot 57 On Plan 401037 Volume/Folio Lr3164/645 - Montague Wy - Coolbellup Lot 618 On Plan 189879 - Casserly Dr - Leeming Classon Park Lot 62 On Plan 75558 Volume/Folio Lr3163/402 - Scholar Tce - Coolbellup Old Canteen Park Lot 631 On Plan 18276 Volume/Folio Lr3100/439 - Sylvan Cr - Leeming Heatherlea Reserve Lot 649 On Plan 191507 Volume/Folio Lr3101/132 - Casserly Dr - Leeming Brandwood Reserve Lot 729 On Plan 22865 Volume/Folio Lr3038/787 - Allendale Ent - North Lake Chestnut Reserve Road Reserve - Pin 11812448 - Corner Coolbellup Av and Camillo St, Coolbellup Road Reserve - Pin 1259210 - Baker St - North Lake Corner Farrington Rd</p>		

Authorised Activities	Taking of water for	Location of Activity
	Irrigation of up to 0.18 ha of public open space	LOT 2484 ON DIAGRAM 51121 - Volume/Folio LR3155/842 - Hanlon St - Hamilton Hill LOT 2485 ON DIAGRAM 48027 - Volume/Folio LR3155/843 - Hanlon St - Hamilton Hill
	Irrigation of up to 0.2 ha of public open space	Lot 2097 On Plan 8704 Volume/Folio Lr3005/259 - Perdita Wy - Coolbellup Perdita Reserve
	Irrigation of up to 0.6 ha of public open space	Crown Reserve 29976 Lot 2143 on Diagram 35809 - Waverley Rd - Coolbellup De Marchi CROWN RESERVE 29976 Lot 2270 on Plan 9406 - Waverley Rd - Coolbellup
	Irrigation of up to 0.86 ha of public open space	Lot 57 On Plan 401037 Volume/Folio Lr3164/645 - Montague Wy - Coolbellup
	Irrigation of up to 17.22 ha of public open space	Crown Reserve 28611 Lot 2112 on Plan 8698 - Fortini Ct - Hamilton Hill Fortini Reserve Crown Reserve 38587 Lot 2759 on Plan 8231 - Hawkes St - Coolbellup Jarvis Park

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF8093



Government of Western Australia
Department of Water and Environmental Regulation

Page 2 of 3

Instrument No. GWL49545(9)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

		<p>Crown Reserve 38760 Lot 2777 on Plan 8993 - Mamillius St - Coolbellup Mamillius Park</p> <p>Lot 1932 On Plan 7461 Volume/Folio Lr3150/458 - Sawle Rd - Hamilton Hill</p> <p>Lot 1979 On Plan 7668 Volume/Folio Lr3143/552 - Wheeler Rd - Hamilton Hill</p> <p>Lot 2089 On Plan 8639 Volume/Folio Lr3052/53 - Stephano Wy - Coolbellup Tempest Park</p> <p>Lot 2803 On Plan 186983 Volume/Folio Lr3054/288 - North Lake Rd - Coolbellup Doherty Reserve</p> <p>Lot 61 On Plan 75558 Volume/Folio Lr3163/401 - Scholar Tce - Coolbellup</p> <p>Lot 62 On Plan 75558 Volume/Folio Lr3163/402 - Scholar Tce - Coolbellup Old Canteen Park</p> <p>Lot 63 On Plan 75558 Volume/Folio Lr3163/403 - Hilory St - Coolbellup</p> <p>Lot 649 On Plan 191507 Volume/Folio Lr3101/132 - Casserly Dr - Leeming Brandwood Reserve</p> <p>Lot 728 On Plan 23001 Volume/Folio Lr3038/786 - Chestnut Gdns - North Lake</p> <p>Lot 729 On Plan 22865 Volume/Folio Lr3038/787 - Allendale Ent - North Lake Chestnut Reserve</p> <p>LOT 821 ON PLAN 23680 - Volume/Folio LR3118/686 - Allendale Ent - North Lake</p> <p>LOT 824 ON PLAN 23680 - Volume/Folio LR3122/367 - Allendale Ent - North Lake</p>
	<p>Irrigation of up to 29.32 ha of public open space</p>	<p>Crown Reserve 24551 Lot 1784 on Plan 6719 - Mortlock St - Hamilton Hill Bakers Square</p> <p>Crown Reserve 26743 Lot 1985 on Plan 7619 - Jakob Pl - Hamilton Hill Jacob Reserve</p> <p>Crown Reserve 30992 Lot 2194 on Plan 9338 - Lavinia Cr - Coolbellup Rinaldo Reserve</p> <p>CROWN RESERVE 32513 Lot 2295 on Plan 8383 - Hartley St - Coolbellup</p> <p>Crown Reserve 36349 Lot 2595 on Plan 12742 - Monaco Ave - North Lake Monaco Park</p> <p>CROWN RESERVE 36349 - Lot 2691 on Plan 13801 - Palmerose Ct - North Lake Monaco Park</p> <p>Crown Reserve 37399 Lot 2651 on Diagram 30091 - Longson St - Hamilton Hill Hobbs Park</p> <p>Crown Reserve 38463 Lot 2745 on Plan 14213 - Rossetti Ct - North Lake Bassett Reserve</p> <p>Crown Reserve 38586 Lot 2756 on Plan 8383 - Hartley St - Coolbellup Robb Park</p> <p>Lot 2141 On Plan 8705 Volume/Folio Lr3052/231 - Counsel Rd - Coolbellup Hargreaves Park</p> <p>Lot 2979 On Plan 191179 Volume/Folio Lr3050/828 - Healy Rd - Hamilton Hill Enright Reserve</p> <p>Lot 300 On Plan 48464 Volume/Folio Lr3138/801 - Cordelia Av - Coolbellup Len Packam Reserve</p>

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF8093



Government of Western Australia
Department of Water and Environmental Regulation

Page 3 of 3

Instrument No. GWL49545(9)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

		<p>Lot 4381 On Plan 219824 Volume/Folio Lr3110/456 - Starling St - Hamilton Hill Dixon Reserve</p> <p>Lot 500 On Plan 64235 Volume/Folio Lr3157/71 - Cordelia Av - Coolbellup Community Centre</p> <p>Lot 618 On Plan 189879 - Casserly Dr - Leeming Classon Park</p> <p>Lot 631 On Plan 18276 Volume/Folio Lr3100/439 - Sylvan Cr - Leeming Heatherlea Reserve</p>
	Irrigation of up to 3.81 ha of road verge	<p>Lot 210 on Plan 7069 - Forrest Rd - Coolbellup</p> <p>LOT 210 ON PLAN 8383 - Volume/Folio 2163/576 - Winterfold Rd - Coolbellup</p> <p>LOT 2764 ON PLAN 8383 - Volume/Folio LR3148/372 - Lockett St - Coolbellup</p> <p>LOT 2983 ON PLAN 188794 - Volume/Folio LR3151/344 - Lockett St - Coolbellup</p> <p>Lot 2984 On Plan 188794 Volume/Folio Lr3151/345 - Visser St - Coolbellup Visser Reserve</p> <p>Road Reserve - Pin 11812448 - Corner Coolbellup Av and Camillo St, Coolbellup</p> <p>Road Reserve - Pin 1259210 - Baker St - North Lake Corner Farrington Rd</p> <p>Road Reserve - Pin11803933 - Streetscape Farrington Rd - Bibra Drv to Ellendale Ent</p> <p>Road Reserve - Pin11813846 - Streetscape Coolbellup Av - Counsel Rd to Cordelia Av</p>
Duration of Licence	From 14 August 2019 to 14 August 2029	

This Licence is subject to the following terms, conditions and restrictions:

- The annual water year for water taken under this licence is defined as 1 July to 30 June.
- The licensee shall comply with the commitments of the Water Resource Operating Strategy June 2015 - June 2018 as prepared by City of Cockburn and approved by the Department of Water and Environmental Regulation on 26/06/2015, including any modifications to the commitments as approved during the term of the licence.
- The licensee shall provide a revised operating strategy to the Department of Water and Environmental Regulation for approval by 02/03/2020. The strategy shall be prepared in accordance with Operational Policy 5.08 'Use of Operating Strategies in the water licensing process'.
- Between 1 June and 31 August in any year, the licence-holder must not water a lawn, garden, or grass-covered area ("turf") by reticulation, provided always that this restriction shall not apply; watering with a hand held hose; or watering, by way of reticulation: golf course tees and greens, turf wickets, bowling greens and active sporting areas; newly planted areas for a period of up to 28 days from the date of planting; for renovating turf; or for maintenance of reticulation systems
- The licensee shall not use water for sprinkler irrigation between 9 am and 6 pm except for the establishment of newly planted areas. For newly planted areas water may be used within these hours for a period of up to 28 consecutive days, commencing from the date of planting.

End of terms, conditions and restrictions

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 1 of 3

Instrument No. GWL203189(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Licensee(s)	City of Cockburn		
Description of Water Resource	Jandakot Perth - Superficial Swan	Annual Water Entitlement	210,000kL
Location of Water Source	Lot 1 On Diagram 67669 Volume/Folio 1696/558 Lot 1 Parkway Rd Bibra Lake Bibra Community Centre Lot 100 on Plan 28543 - SouthLake Drv - South Lake - Lakelands Senior High School Lot 16 On Plan 51288 Volume/Folio Lr3140/798 Lot 16 Cockburn Central Cockburn Central Lot 259 On Plan 33071 Volume/Folio Lr3123/292 Lot 259 North Lake Rd South Lake Anning Park Lot 2883 On Plan 15279 Volume/Folio Lr3146/570 Lot 2883 South Lake Lucken Reserve LOT 405 ON PLAN 400928 - Lot 405 WENTWORTH PDE SUCCESS Lot 4761 On Plan 31209 Volume/Folio Lr3128/250 Lot 4761 Sycamore Av South Lake Sycamore Park Lot 4892 On Plan 36797 Volume/Folio Lr3120/705 Lot 4892 Koojarra Rise South Lake Koojara Reserve LOT 493 ON DIAGRAM 54953 - Lot 493 PARKWAY RD BIBRA LAKE LOT 50 ON PLAN 9782 - Volume/Folio 2757/316 - Lot 50 SOUTH LAKE DR SOUTH LAKE Lot 52 On Plan 211310 Volume/Folio Lr3015/471 Lot 52 Buckley St Cockburn Central LOT 604 ON PLAN 16600 - Lot 604 WINEBERRY LOOP SOUTH LAKE LOT 605 ON PLAN 16600 - Lot 605 BLOODWOOD CIR SOUTH LAKE Lot 650 On Plan 18962 Volume/Folio Lr3102/503 Lot 650 Shoalhaven Rise Success Michigan Reserve LOT 722 ON PLAN 22781 - Lot 722 LAKERIDGE DR COCKBURN CENTRAL Road Reserve - Pin11615780 - Streetscapes Beeliar Drv - Cockburn Central		

Authorised Activities	Taking of water for	Location of Activity
	Irrigation of up to 0.1 ha of public open space	Lot 650 On Plan 18962 Volume/Folio Lr3102/503 Lot 650 Shoalhaven Rise Success Michigan Reserve
	Irrigation of up to 0.1 ha of public open space	Lot 16 On Plan 51288 Volume/Folio Lr3140/798 Lot 16 Cockburn Central Cockburn Central
	Irrigation of up to 0.2 ha of lawns and gardens	Lot 1 On Diagram 67669 Volume/Folio 1696/558 Lot 1 Parkway Rd Bibra Lake Bibra Community Centre
	Irrigation of up to 0.28 ha of lawns and gardens	LOT 405 ON PLAN 400928 - Lot 405 WENTWORTH PDE SUCCESS LOT 406 ON PLAN 400928 - Lot 406 WENTWORTH PDE SUCCESS
	Irrigation of up to 0.3 ha of lawns and gardens	Lot 52 On Plan 211310 Volume/Folio Lr3015/471 Lot 52 Buckley St Cockburn Central
	Irrigation of up to 0.3 ha of public open space	LOT 604 ON PLAN 16600 - Lot 604 WINEBERRY LOOP SOUTH LAKE
	Irrigation of up to 0.32 ha of public open space	LOT 722 ON PLAN 22781 - Lot 722 LAKERIDGE DR COCKBURN CENTRAL
	Irrigation of up to 0.6 ha of road verge	Road Reserve - Pin11615780 - Streetscapes Beeliar Drv - Cockburn Central
	Irrigation of up to 0.9 ha of road verge	Road Reserve - Pin1133356 - Streetscapes Wentworth Pde - Success Road Reserve - Pin11953203 - Streetscapes Alabaster Drv - Success
	Irrigation of up to 1 ha of public open space	LOT 4757 ON PLAN 30594 - Lot 4757 KOOJARRA RISE SOUTH LAKE Lot 4892 On Plan 36797 Volume/Folio Lr3120/705 Lot 4892 Koojarra Rise South Lake Koojara Reserve
	Irrigation of up to 1.4 ha of public open space	Lot 2883 On Plan 15279 Volume/Folio Lr3146/570 Lot 2883 South Lake Lucken Reserve

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 2 of 3

Instrument No. GWL203189(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Irrigation of up to 1.5 ha of public open space	LOT 111 ON PLAN 42251 - Lot 111 TARWHINE CL SOUTH LAKE LOT 300 ON PLAN 42251 - Lot 300 TARWHINE CL SOUTH LAKE LOT 3000 ON PLAN 45165 - Lot 3000 CORALGUM GRN SOUTH LAKE LOT 4366 ON PLAN 21510 - Lot 4366 SYCAMORE AV SOUTH LAKE LOT 4716 ON PLAN 27011 - Lot 4716 KABBARLI CT SOUTH LAKE LOT 4759 ON PLAN 31511 - Lot 4759 MARRA WAY SOUTH LAKE Lot 4761 On Plan 31209 Volume/Folio Lr3128/250 Lot 4761 Sycamore Av South Lake Sycamore Park LOT 923 ON PLAN 45165 - Lot 923 CORALGUM GRN SOUTH LAKE
Irrigation of up to 1.5 ha of public open space	LOT 651 ON PLAN 19084 - Lot 651 JUBILEE AV SUCCESS
Irrigation of up to 2 ha of public open space	LOT 493 ON DIAGRAM 54953 - Lot 493 PARKWAY RD BIBRA LAKE
Irrigation of up to 3 ha of public open space	LOT 605 ON PLAN 16600 - Lot 605 BLOODWOOD CIR SOUTH LAKE LOT 611 ON DIAGRAM 77579 - Lot 611 BLOODWOOD CIR SOUTH LAKE
Irrigation of up to 4 ha of public open space	LOT 50 ON PLAN 9782 - Volume/Folio 2757/316 - Lot 50 SOUTH LAKE DR SOUTH LAKE
Irrigation of up to 4.5 ha of recreation areas	Lot 100 on Plan 28543 - SouthLake Drv - South Lake - Lakelands Senior High School Lot 3028 On Plan 16996 Volume/Folio Lr3013/186 Lot 3028 South Lake Lakelands Reserve
Irrigation of up to 6 ha of recreation areas	Lot 259 On Plan 33071 Volume/Folio Lr3123/292 Lot 259 North Lake Rd South Lake Anning Park LOT 288 ON PLAN 107760 - Lot 288 SOUTH LAKE LOT 2975 ON PLAN 173870 - Lot 2975 NORTH LAKE RD SOUTH LAKE LOT 598 ON PLAN 167305 - Lot 598 NORTH LAKE RD SOUTH LAKE
Duration of Licence	From 6 August 2019 to 4 August 2029

This Licence is subject to the following terms, conditions and restrictions:

1. The annual water year for water taken under this licence is defined as 1 Jul to 30 June.
2. The licensee shall comply with the commitments of the Water Resource Operating Strategy June 2015- June 2018 as prepared by City of Cockburn and approved by the Department of Water and Environmental Regulation on 26/06/2015, including any modifications to the commitments as approved during the term of the licence.
3. The licensee shall provide a revised operating strategy to the Department of Water and Environmental Regulation for approval by 01/03/2020. The strategy shall be prepared in accordance with Operational Policy 5.08 'Use of Operating Strategies in the water licensing process'.

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05

Government of Western Australia
Department of Water and Environmental Regulation

Page 3 of 3

Instrument No. GWL203189(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

This Licence is subject to the following terms, conditions and restrictions:

4. Between 1 June and 31 August in any year, the licence-holder must not water a lawn, garden, or grass-covered area ("turf") by reticulation, provided always that this restriction shall not apply; watering with a hand held hose; or watering, by way of reticulation: golf course tees and greens, turf wickets, bowling greens and active sporting areas; newly planted areas for a period of up to 28 days from the date of planting; for renovating turf; or for maintenance of reticulation systems
5. The licensee shall not use water for sprinkler irrigation between 9 am and 6 pm except for the establishment of newly planted areas. For newly planted areas water may be used within these hours for a period of up to 28 consecutive days, commencing from the date of planting.

End of terms, conditions and restrictions

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 1 of 2

Instrument No. GWL203196(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Licensee(s)	City of Cockburn		
Description of Water Resource	Jandakot Perth - Superficial Swan	Annual Water Entitlement	63,750kL
Location of Water Source	Lot 4268 On Plan 21401 Volume/Folio Lr3107/840 Lot 4268 Glen Iris Dr Jandakot Bunker Gardens LOT 661 ON PLAN 19594 - Turnbury Park Dr - Jandakot Lot 7 On Plan 21402 Volume/Folio 2195/189 Lot 7 Jandakot Hartwell Paw LOT 700 ON PLAN 193166 - Jandakot - Dean Park Lot 703 On Plan 219619 Volume/Folio Lr3109/858 Lot 703 Jandakot Yarra Vista Park Lot 831 On Diagram 96391 Volume/Folio Lr3127/258 Lot 831 Jandakot Princep Park Road Reserve - Pin 1153112 - Streetscapes Glen Iris Dr - Jandakot Road Reserve - Pin 1169487 - Streetscapes Glen Iris Dr - Jandakot Road Reserve - Pin 1187103 - Streetscapes Turnbury Park Dr - Jandakot		

Authorised Activities	Taking of water for	Location of Activity
	Irrigation of up to 0.5 ha of public open space	Lot 706 On Plan 22060 Volume/Folio Lr3036/847 Lot 706 Riversdale Pass Jandakot Fairway Park
	Irrigation of up to 0.7 ha of public open space	Lot 4268 On Plan 21401 Volume/Folio Lr3107/840 Lot 4268 Glen Iris Dr Jandakot Bunker Gardens
	Irrigation of up to 1 ha of road verge	Road Reserve - Pin 1153112 - Streetscapes Glen Iris Dr - Jandakot Road Reserve - Pin 1169487 - Streetscapes Glen Iris Dr - Jandakot Road Reserve - Pin 1187083 - Streetscapes Glen Iris Dr - Jandakot Road Reserve - Pin 1187092 - Streetscapes Dean Rd - Jandakot Road Reserve - Pin 1187103 - Streetscapes Turnbury Park Dr - Jandakot Road Reserve - Pin 1187109 - Streetscapes Hartwell Pde - Jandakot Road Reserve - Pin 1187129 - Streetscapes Dean Rd - Jandakot Road Reserve - Pin 1199586 - Streetscapes Twin Waters Ps - Jandakot
	Irrigation of up to 6.3 ha of public open space	LOT 661 ON PLAN 19594 - Turnbury Park Dr - Jandakot Lot 699 On Plan 19792 Volume/Folio Lr3047/743 Lot 699 Kooyonga Crss Jandakot Capricorn Park Lot 7 On Plan 21402 Volume/Folio 2195/189 Lot 7 Jandakot Hartwell Paw LOT 700 ON PLAN 193166 - Jandakot - Dean Park Lot 703 On Plan 219619 Volume/Folio Lr3109/858 Lot 703 Jandakot Yarra Vista Park Lot 831 On Diagram 96391 Volume/Folio Lr3127/258 Lot 831 Jandakot Princep Park
Duration of Licence	From 7 August 2019 to 5 August 2029	

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05

Government of **Western Australia**
Department of **Water and Environmental Regulation**

Page 2 of 2

Instrument No. GWL203196(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

This Licence is subject to the following terms, conditions and restrictions:

1. The annual water year for water taken under this licence is defined as 1 Jul to 30 June.
2. The licensee shall comply with the commitments of the Water Resource Operating Strategy June 2015- June 2018 as prepared by City of Cockburn and approved by the Department of Water and Environmental Regulation on 26/06/2015, including any modifications to the commitments as approved during the term of the licence.
3. The licensee shall provide a revised operating strategy to the Department of Water and Environmental Regulation for approval by 01/03/2020. The strategy shall be prepared in accordance with Operational Policy 5.08 'Use of Operating Strategies in the water licensing process'.
4. Between 1 June and 31 August in any year, the licence-holder must not water a lawn, garden, or grass-covered area ("turf") by reticulation, provided always that this restriction shall not apply; watering with a hand held hose; or watering, by way of reticulation: golf course tees and greens, turf wickets, bowling greens and active sporting areas; newly planted areas for a period of up to 28 days from the date of planting; for renovating turf; or for maintenance of reticulation systems
5. The licensee shall not use water for sprinkler irrigation between 9 am and 6 pm except for the establishment of newly planted areas. For newly planted areas water may be used within these hours for a period of up to 28 consecutive days, commencing from the date of planting.

End of terms, conditions and restrictions

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 1 of 7

Instrument No. GWL203203(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Licensee(s)	City of Cockburn		
Description of Water Resource	Jandakot Perth - Superficial Swan	Annual Water Entitlement	571,900kL
Location of Water Source	<p>CROWN RESERVE 43583 - Lot 725 on Diagram 94631 - Brenchley Drv - Atwell CROWN RESERVE 47162 - Lot 4828 on Plan 34757 - Bartram Rd - Success CROWN RESERVE 47164 - Lot 864 on Plan 34962 - Harmony Ave - Atwell CROWN RESERVE 48275 - Lot 740 on Plan 45461 - Mosman Lp - Success CROWN RESERVE 48290 - Lot 570 on Plan 41691 - Charnely Bnd - Success CROWN RESERVE 48963 - Lot 471 on Plan 51303 - Camden Bvd - Aubin Grove CROWN RESERVE 49020 - Lot 8001 on Plan 53298 - Observatory Ave - Aubin Grove CROWN RESERVE 50501 - Lot 8004 on Plan 62256 - Mala Wy - Success CROWN RESERVE 50600 - Lot 8006 on Plan 66953 - Colorado Pde - Aubin Grove Lot 205 On Plan 51902 Volume/Folio Lr3140/787 Lot 205 Aubin Grove Princeton Circuit Lot 226 On Plan 52780 Volume/Folio Lr3145/688 Lot 226 Aubin Grove Versailles Park Lot 385 On Plan 29035 Volume/Folio Lr3132/827 Lot 385 Reeves Ent Success Reeves Park Lot 4000 On Plan 55719 Volume/Folio Lr3147/664 Lot 4000 Botany Pde Hammond Park Botany Reserve Lot 4002 On Plan 44642 Volume/Folio Lr3136/209 Lot 4002 Wentworth Pde Success Wentworth Reserve Lot 401 On Plan 55718 Volume/Folio Lr3149/333 Lot 401 Camden Bvd Aubin Grove Camden Park Lot 4542 On Plan 23441 Volume/Folio Lr3116/278 Lot 4542 Steiner Av Success Steiner Reserve And Future Pos Lot 4773 On Plan 24785 Volume/Folio Lr3129/48 Lot 4773 Success Jan Hammond Lot 4801 On Plan 31442 Volume/Folio Lr3129/504 Lot 4801 Domain Cir Success Hanlon Lot 4838 On Plan 35880 Volume/Folio Lr3130/359 Lot 4838 Gandossi Ct Success Gandossi Lot 4977 on Plan 38401 Volume/Folio Lr3132/186 - Jackadder Av - Hammond Park Duggan Park Lot 506 On Plan 57107 Volume/Folio Lr3152/724 Lot 506 Humboldt Ent Aubin Grove Bologna Park Lot 5076 On Plan 40533 Volume/Folio Lr3134/807 Lot 5076 Aubin Grove Blue Boy Park Lot 655 On Plan 19341 Volume/Folio Lr3103/339 Lot 655 O'Farrell Ct Atwell Mosedale Park Lot 656 on Plan 18634 Volume/Folio Lr3145/713 Lot 656 Hoult Mews, Atwell Tapper Reserve Lot 669 On Diagram 88144 Volume/Folio Lr3101/867 - Brenchley Dr - Atwell Atwell Reserve Lot 691 On Diagram 90854 Volume/Folio Lr3106/380 Lot 691 Brenchley Dr Atwell Brenchley Lot 698 On Plan 21189 Volume/Folio Lr3108/796 Lot 698 St Claire Gdns Atwell Freshwater Reserve Lot 764 On Plan 23323 Volume/Folio Lr3114/821 Lot 764 Tozer Loop Atwell Tozer Reserve Lot 8001 On Plan 52119 Volume/Folio Lr3140/232 Lot 8001 Aubin Grove Durango Park Lot 8002 On Plan 49269 Volume/Folio Lr3137/820 Lot 8002 Aubin Grove Radiata Park Lot 8003 On Plan 42081 Volume/Folio Lr3135/428 Lot 8003 Success Evelyn Massey Lot 8006 On Plan 58335 Volume/Folio Lr3152/788 Lot 8006 Starbush Gdns Success Starbush Gardens Lot 8051 On Plan 66999 Volume/Folio Lr3160/354 Lot 8051 Gaebler Rd Aubin Grove Monticola Gardens Lot 817 on Diagram 100044 Volume/Folio LR3122/63 Lot 817 Reynardson Ave Atwell Atwell Community Centre Lot 82 On Plan 49453 Volume/Folio Lr3138/511 Lot 82 Aubin Grove Balboa Park Lot 824 on Plan 73736, LR3162/491 - Weetman Rd - Hammond Park Lot 842 On Plan 31535 Volume/Folio Lr3128/130 Lot 842 Serenity Pwy Hammond Park Christmas Tree Park Road Reserve - Pin11608834 - Streetscapes - Russell Rd - Hammond Park Road Reserve - Pin1370883 - Streetscapes Levens Ct - Success</p>		
Authorised Activities	Taking of water for	Location of Activity	
	Irrigation of up to 0.08 ha of public open space	Lot 877 On Plan 70540 Volume/Folio Lr3161/231 Lot 877 Frankland Av Hammond Park	
	Irrigation of up to 0.16 ha of public open space	Lot 790 On Plan 68922 Volume/Folio Lr3160/339 Lot 790 Atkins Pde Hammond Park	
	Irrigation of up to 0.19 ha of public open space	Crown Reserve 50710, LR3162/492 - Lot 904 on Plan 73736 - Neilson St - Hammond Park	

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 2 of 7

Instrument No. GWL203203(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Irrigation of up to 0.27 ha of public open space	Lot 770 On Plan 67221 Volume/Folio Lr3159/384 Lot 770 Irvine Pde Hammond Park
Irrigation of up to 0.42 ha of public open space	Lot 824 on Plan 73736, LR3162/491 - Weetman Rd - Hammond Park
Irrigation of up to 0.45 ha of public open space	Lot 887 On Plan 70540 Volume/Folio Lr3161/232 Lot 887 Piesley St Hammond Park
Irrigation of up to 0.85 ha of public open space	Lot 801 on Plan 400381, LR3164/13
Irrigation of up to 1.7ha ovals and playing fields	Lot 449 On Plan 41688 Volume/Folio 2591/362 Lot 449 Aurora Dr Atwell Harmony Primary School Oval
Irrigation of up to 15.29 ha of recreation areas	CROWN RESERVE 43583 - Lot 725 on Diagram 94631 - Brenchley Drv - Atwell CROWN RESERVE 47164 - Lot 864 on Plan 34962 - Harmony Ave - Atwell CROWN RESERVE 48963 - Lot 471 on Plan 51303 - Camden Bvd - Aubin Grove Lot 4000 On Plan 55719 Volume/Folio Lr3147/664 Lot 4000 Botany Pde Hammond Park Botany Reserve
Irrigation of up to 3.87 ha of road verge	Lot 1004 On Plan 40531 Volume/Folio Lr3134/811 Lot 1004 Cape Le Grand Av Aubin Grove S/S Cape Le Grand Lot 3000 On Plan 48524 Volume/Folio Lr3138/700 Lot 3000 Aurora Dr Atwell Streetscape Aurora Drive LOT 448 ON PLAN 47368 - Volume/Folio LR3136/696 - Lot 448 ATWELL Road Reserve - Gibbs Rd near Tapper Rd - Pin 1188888 Road Reserve - Pin11007212 - Streetscapes Wentworth Pde - Success Road Reserve - Pin11012186 - Streetscapes Ashendon Bvd - Hammond Park Road Reserve - Pin11020714 - Streetscapes Ashendon Bvd - Hammond Park Road Reserve - Pin11091205 - Streetscapes Wentworth Pde - Success Road Reserve - Pin11102222 - Streetscapes Wentworth Pde - Success Road Reserve - Pin11150604 - Streetscapes Wentworth Pde - Success Road Reserve - Pin11381241 - Streetscapes Wentworth Pde - Success Road Reserve - Pin11409122 - Streetscapes Wentworth Pde - Success Road Reserve - Pin11409123 - Streetscapes Wentworth Pde - Success Road Reserve - Pin11491098 - Streetscapes Radiata Prom - Aubin Grove Road Reserve - Pin11608834 - Streetscapes - Russell Rd - Hammond Park Road Reserve - Pin11616916 - Streetscapes Aristata Pde - Aubin Grove Road Reserve - Pin1166630 - Streetscapes Tapper Rd - Atwell

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 3 of 7

Instrument No. GWL203203(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

	<p>Road Reserve - Pin11816788 - Streetscapes Ironbark Tce - Hammond Park</p> <p>Road Reserve - Pin1183632 - Streetscapes Russell Road - Hammond Park</p> <p>Road Reserve - Pin11847221 - Streetscapes Russell Rd - Hammond Park</p> <p>Road Reserve - Pin11869091 - Streetscapes Tapper Rd - Atwell</p> <p>Road Reserve - Pin11871390 - Streetscapes Tapper Rd - Atwell</p> <p>Road Reserve - Pin11871420 - Streetscapes Wentworth Pde - Success</p> <p>Road Reserve - Pin1188885 - Streetscapes Lyon Rd - Aubin Grove</p> <p>Road Reserve - Pin11956126 - Streetscapes Wentworth Pde - Success</p> <p>Road Reserve - Pin11956127 - Streetscapes - Wentworth Pde - Success</p> <p>Road Reserve - Pin1300209 - Streetscapes - Steiner Ave - Success</p> <p>Road Reserve - Pin1370883 - Streetscapes Levens Ct - Success</p> <p>Road Reserve - Pin1377159 - Streetscapes - Wentworth Pde - Success</p> <p>Road Reserve - Pin1390728 - Streetscapes - Wentworth Pde - Success</p> <p>Streetscape Carmel Way, Success</p> <p>Streetscape cnr Reynardson Ave and Lanao Way to Lydon Bvd, Atwell</p> <p>Streetscape Hindmarsh Way, Success</p> <p>Streetscape Macquarie Blvd Botany Pde to Condamine App, Hammond Park</p> <p>Streetscape Nancarrow Way, Atwell</p> <p>Streetscape Tongaroo Boulevard, Success</p> <p>Streetscape Waters Ave, Lydon Bvd to Lombe Gardens, Atwell</p> <p>Streetscape Banning Ave Steiner Ave to Bamkin Court, Success</p>
<p>Irrigation of up to 52.85 ha of public open space</p>	<p>CROWN RESERVE 47162 - Lot 428 on Plan 34757 - Bartram Rd - Success</p> <p>Crown Reserve 47905 Volume/Folio Lr3123/699 4000 Galveston Bend Success Wentworth Reserve</p> <p>CROWN RESERVE 48275 - Lot 740 on Plan 45461 - Mosman Lp - Success</p> <p>CROWN RESERVE 48290 - Lot 570 on Plan 41691 - Charnely Bnd - Success</p> <p>Crown Reserve 48692 Volume/Folio Lr3138/361 Success Boronia Park</p> <p>Crown Reserve 48692 Volume/Folio Lr3140/254 Success Boronia Park</p>

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 4 of 7

Instrument No. GWL203203(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

	<p>Crown Reserve 48787 Volume/Folio Lr3138/539 4003 St Joseph Fawy Success Milkwort Park</p> <p>CROWN RESERVE 49020 - Lot 8001 on Plan 53298 - Observatory Ave - Aubin Grove</p> <p>CROWN RESERVE 49069 - Lot 457 on Plan 47384 - Russell Rd - Success</p> <p>CROWN RESERVE 50494 - Lot 8005 on Plan 64736 - Durango Trm - Aubin Grove</p> <p>CROWN RESERVE 50501 - Lot 8004 on Plan 62256 - Mala Wy - Success</p> <p>CROWN RESERVE 50600 - Lot 8006 on Plan 66953 - Colorado Pde - Aubin Grove</p> <p>Crown Reserve 51126 Volume/Folio Lr3161/807 560 Wentworth Pde Success Wentworth Reserve</p> <p>Lot 1000 On Plan 49453 Volume/Folio Lr3138/512 Lot 1000 Aubin Grove Gaebler To Queens Paw</p> <p>Lot 1001 On Plan 52784 Volume/Folio Lr3147/695 Lot 1001 Camden Bvd Aubin Grove Camden Paw</p> <p>LOT 13 ON DIAGRAM 91797 - Lot 13 ATWELL</p> <p>Lot 142 On Plan 48515 Volume/Folio Lr3138/467 Lot 142 Success Boronia Park</p> <p>Lot 204 On Plan 51902 Volume/Folio Lr3140/786 Lot 204 Aubin Grove Princeton Circuit</p> <p>Lot 205 On Plan 51902 Volume/Folio Lr3140/787 Lot 205 Aubin Grove Princeton Circuit</p> <p>Lot 2073 On Plan 58179 Volume/Folio Lr3154/169 Lot 2073 Atwell Congenial Reserve</p> <p>Lot 226 On Plan 52780 Volume/Folio Lr3145/688 Lot 226 Aubin Grove Versailles Park</p> <p>Lot 3001 On Plan 48495 Volume/Folio Lr3136/940 Lot 3001 Hammond Rd Success Purslane Park</p> <p>Lot 385 On Plan 29035 Volume/Folio Lr3132/827 Lot 385 Reeves Ent Success Reeves Park</p> <p>Lot 4001 On Plan 44907 Volume/Folio Lr3136/293 Lot 4001 Rutherford Ent Success Bluesquill Park</p> <p>Lot 4001 On Plan 68774 Volume/Folio Lr3160/169 Lot 4001 Johnsonia Bend Hammond Park Johnsonia Reserve</p> <p>LOT 4002 ON DEPOSITED PLAN 48107 - Kirkley Ct - SUCCESS</p> <p>Lot 4002 On Plan 44642 Volume/Folio Lr3136/209 Lot 4002 Wentworth Pde Success Wentworth Reserve</p> <p>Lot 401 On Plan 55718 Volume/Folio Lr3149/333 Lot 401 Camden Bvd Aubin Grove Camden Park</p> <p>LOT 448 ON PLAN 47368 - Volume/Folio LR3136/696 - Lot 448 ATWELL</p> <p>Lot 4542 On Plan 23441 Volume/Folio Lr3116/278 Lot 4542 Steiner Av Success Steiner Reserve And Future Pos</p> <p>Lot 4743 On Plan 31246 Volume/Folio Lr3127/636 Lot 4743 Richmond Ent Success Richmond Park</p> <p>Lot 4773 On Plan 24785 Volume/Folio Lr3129/48 Lot 4773 Success Jan Hammond</p>
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This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 5 of 7

Instrument No. GWL203203(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

	<p>Lot 4801 On Plan 31442 Volume/Folio Lr3129/504 Lot 4801 Domain Cir Success Hanlon</p> <p>Lot 4838 On Plan 35880 Volume/Folio Lr3130/359 Lot 4838 Gandossi Ct Success Gandossi</p> <p>Lot 4977 on Plan 38401 Volume/Folio Lr3132/186 - Jackadder Av - Hammond Park Duggan Park</p> <p>Lot 5076 On Plan 40533 Volume/Folio Lr3134/807 Lot 5076 Aubin Grove Blue Boy Park</p> <p>Lot 655 On Plan 19341 Volume/Folio Lr3103/339 Lot 655 O'Farrell Cl Atwell Mosedale Park</p> <p>Lot 656 on Plan 18634 Volume/Folio Lr3145/713 Lot 656 Hoult Mews, Atwell Tapper Reserve</p> <p>Lot 657 On Plan 19338 Volume/Folio Lr3145/714 Lot 657 Lydon Bvd Atwell Tapper Reserve</p> <p>Lot 657 On Plan 19340 Volume/Folio Lr3145/715 Lot 657 Atwell Tapper Reserve</p> <p>Lot 662 On Plan 19645 Volume/Folio Lr3104/910 Lot 662 Carlhausen Cl Atwell Carlhausen Park</p> <p>Lot 669 On Diagram 88144 Volume/Folio Lr3101/867 - Brenchley Dr - Atwell Atwell Reserve</p> <p>Lot 697 On Plan 21189 Volume/Folio Lr3108/795 Lot 697 Hawkesbury Rtt Atwell Freshwater Reserve</p> <p>Lot 698 On Plan 21189 Volume/Folio Lr3108/796 Lot 698 St Claire Gdns Atwell Freshwater Reserve</p> <p>Lot 711 On Plan 193575 Volume/Folio Lr3110/824 Lot 711 Tournier Rtt Atwell Pipeline Reserve</p> <p>Lot 732 On Plan 22643 Volume/Folio Lr3112/789 Lot 732 Kennack Vsta Atwell Kennack Park</p> <p>Lot 764 On Plan 23323 Volume/Folio Lr3114/821 Lot 764 Tozer Loop Atwell Tozer Reserve</p> <p>Lot 776 on Plan 23576 Volume/Folio LR3116/825 Lot 776 Brenchley Dr, Atwell Pipeline Reserve</p> <p>Lot 780 On Diagram 97711 Volume/Folio Lr3117/845 Lot 780 Bartram Rd Atwell Jakovich Reserve</p> <p>Lot 8001 On Plan 41460 Volume/Folio Lr3035/559 Lot 8001 Makjanich Pl Success Gandossi</p> <p>Lot 8001 On Plan 47619 Volume/Folio Lr3137/304 Lot 8001 Cressida Pwy Success Grasstree Park</p> <p>Lot 8001 On Plan 52119 Volume/Folio Lr3140/232 Lot 8001 Aubin Grove Durango Park</p> <p>Lot 8001 On Plan 60329 Volume/Folio Lr3157/779 Lot 8001 Hammond Rd Success Daviesia Reserve</p> <p>Lot 8002 On Plan 43607 Volume/Folio Lr3137/822 Lot 8002 Cape Le Grand Av Aubin Grove Pearl Flower Park</p> <p>Lot 8002 On Plan 49269 Volume/Folio Lr3137/820 Lot 8002 Aubin Grove Radiata Park</p> <p>LOT 8002 ON PLAN 62257 - Volume/Folio LR3158/803 - Lot 8002 SUCCESS</p> <p>Lot 8003 On Plan 42081 Volume/Folio Lr3135/428 Lot 8003 Success Evelyn Massey</p> <p>Lot 8003 On Plan 48739 Volume/Folio Lr3137/804 Lot 8003 Aubin Grove Tangle Park</p>
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This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 6 of 7

Instrument No. GWL203203(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

		<p>Lot 8003 On Plan 54239 Volume/Folio 2666/727 Lot 8003 Durango Turn Aubin Grove Durango Park LOT 8003 ON PLAN 62256 - Volume/Folio LR3157/780 - Lot 8003 SUCCESS</p> <p>Lot 8004 On Plan 54239 Volume/Folio Lr3147/629 Lot 8004 Durango Turn Aubin Grove Durango Park Lot 8005 On Plan 42081 Volume/Folio Lr3135/429 Lot 8005 Cressida Pwy Success Rush Park LOT 8005 ON PLAN 62257 - Volume/Folio LR3158/804 - Lot 8005 SUCCESS</p> <p>Lot 8006 On Plan 58335 Volume/Folio Lr3152/788 Lot 8006 Starbush Gdns Success Starbush Gardens Lot 8007 On Plan 54251 Volume/Folio Lr3145/617 Lot 8007 Mariposa Gdns Success Waterbuttons LOT 8007 ON PLAN 62255 - Volume/Folio 2710/873 - Lot 8007 SUCCESS</p> <p>LOT 8008 ON PLAN 62255 - Volume/Folio 2710/874 - Lot 8008 SUCCESS</p> <p>Lot 8009 On Plan 57651 Volume/Folio Lr3151/208 Lot 8009 Aubin Grove Edulis Park LOT 8009 ON PLAN 62255 - Volume/Folio 2710/875 - Lot 8009 SUCCESS</p> <p>Lot 8051 On Plan 66999 Volume/Folio Lr3160/354 Lot 8051 Gaebler Rd Aubin Grove Monticola Gardens Lot 810 On Plan 23939 Volume/Folio Lr3121/92 Lot 810 Waters Av Atwell Pipeline Reserve Lot 815 On Plan 22571 Volume/Folio Lr3122/61 Lot 815 Lydon Bvd Atwell Lydon Park Lot 816 On Diagram 100044 Volume/Folio Lr3122/62 Lot 816 Lombe Gdns Atwell Lombe Park Lot 817 on Diagram 100044 Volume/Folio LR3122/63 Lot 817 Reynardson Ave Atwell Atwell Community Centre Lot 82 On Plan 49453 Volume/Folio Lr3138/511 Lot 82 Aubin Grove Balboa Park Lot 842 On Plan 31535 Volume/Folio Lr3128/130 Lot 842 Serenity Pwy Hammond Park Christmas Tree Park Lot 850 On Plan 27917 Volume/Folio Lr3128/462 Lot 850 Brenchley Dr Atwell Brenchley Lot 865 On Plan 34962 Volume/Folio Lr3130/250 Lot 865 Harvest Lakes Bvd Atwell Goodwill Reserve Lot 875 On Plan 37740 Volume/Folio Lr3130/940 Lot 875 Chorus Cir Atwell Chorus Reserve Lot 884 On Plan 39278 Volume/Folio Lr3134/514 Lot 884 Tranquil Gdns Atwell Tranquil Gardens Park LOT 9053 ON PLAN 36814 - Volume/Folio 2547/758 - Lot 9053 BARTRAM RD SUCCESS</p> <p>Lot 93 On Plan 31381 Volume/Folio 2515/89 Lot 93 Brenchley Dr Atwell Water Corporation Pipeline Lot 94 On Plan 31381 Volume/Folio 2515/90 Lot 94 Brenchley Dr Atwell Water Corporation Pipeline</p>
Duration of Licence	From 8 August 2019 to 7 August 2029	

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05

Government of **Western Australia**
Department of **Water and Environmental Regulation**

Page 7 of 7

Instrument No. GWL203203(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

This Licence is subject to the following terms, conditions and restrictions:

1. The annual water year for water taken under this licence is defined as 1 July to 30 June.
2. Between 1 June and 31 August in any year, the licence-holder must not water a lawn, garden, or grass-covered area ("turf") by reticulation, provided always that this restriction shall not apply; watering with a hand held hose; or watering, by way of reticulation: golf course tees and greens, turf wickets, bowling greens and active sporting areas; newly planted areas for a period of up to 28 days from the date of planting; for renovating turf; or for maintenance of reticulation systems
3. The licensee shall comply with the commitments of the Water Resource Operating Strategy June 2015- June 2018 as prepared by City of Cockburn and approved by the Department of Water and Environmental Regulation on 26/06/2015, including any modifications to the commitments as approved during the term of the licence.
4. The licensee shall not use water for sprinkler irrigation between 9 am and 6 pm except for the establishment of newly planted areas. For newly planted areas water may be used within these hours for a period of up to 28 consecutive days, commencing from the date of planting.
5. The licensee shall provide a revised operating strategy to the Department of Water and Environmental Regulation for approval by 01/03/2020. The strategy shall be prepared in accordance with Operational Policy 5.08 'Use of Operating Strategies in the water licensing process'.

End of terms, conditions and restrictions

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 1 of 1

Instrument No. GWL203204(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Licensee(s)	City of Cockburn		
Description of Water Resource	Jandakot Perth - Superficial Swan	Annual Water Entitlement	28,250kL
Location of Water Source	Lot 414 On Plan 226040 Volume/Folio Lr3136/703 - Oxley Rd - Banjup Lot 843 On Plan 33813 Volume/Folio Lr3128/175 Lot 843 Callistemon App Atwell Kurrajong Park Road Reserve - Gibbs Rd near Tapper Rd - Pin 1188888		

Authorised Activities	Taking of water for	Location of Activity
	Domestic use	Lot 414 On Plan 226040 Volume/Folio Lr3136/703 - Oxley Rd - Banjup
	Dust suppression for earthworks and construction purposes	Lot 414 On Plan 226040 Volume/Folio Lr3136/703 - Oxley Rd - Banjup
	Firefighting purposes	Lot 414 On Plan 226040 Volume/Folio Lr3136/703 - Oxley Rd - Banjup
	Irrigation of up to .3 ha of public open space	Lot 414 On Plan 226040 Volume/Folio Lr3136/703 - Oxley Rd - Banjup
	Irrigation of up to .58 ha of road verge	Lot 2168 on Deposited Plan 69449 - Flourish Lp - Atwell Lot 2169 On Plan 69449 Volume/Folio Lr3160/941 Lot 2169 Flourish Loop Atwell Flourish Loop Paw Road Reserve - Bendee Dr - Pin 11018365 Road Reserve - Sedge Link east - Pin11159463 Road Reserve - Sedge Link west - Pin11069952
	Irrigation of up to 2 ha of public open space	Lot 843 On Plan 33813 Volume/Folio Lr3128/175 Lot 843 Callistemon App Atwell Kurrajong Park
Duration of Licence	From 8 August 2019 to 7 August 2029	

This Licence is subject to the following terms, conditions and restrictions:

- The annual water year for water taken under this licence is defined as 1 Jul to 30 June.
- The licensee shall comply with the commitments of the Water Resource Operating Strategy June 2015- June 2018 as prepared by City of Cockburn and approved by the Department of Water and Environmental Regulation on 26/06/2015, including any modifications to the commitments as approved during the term of the licence.
- The licensee shall provide a revised operating strategy to the Department of Water and Environmental Regulation for approval by 01/03/2020. The strategy shall be prepared in accordance with Operational Policy 5.08 'Use of Operating Strategies in the water licensing process'.
- Between 1 June and 31 August in any year, the licence-holder must not water a lawn, garden, or grass-covered area ("turf") by reticulation, provided always that this restriction shall not apply to watering with a hand held hose; or watering, by way of reticulation: newly planted areas for a period of up to 28 days from the date of planting; for renovating turf; or for maintenance of reticulation systems.
- The licensee shall not use water for sprinkler irrigation between 9 am and 6 pm except for the establishment of newly planted areas. For newly planted areas water may be used within these hours for a period of up to 28 consecutive days, commencing from the date of planting.

End of terms, conditions and restrictions

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 1 of 1

Instrument No. GWL203205(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Licensee(s)	City of Cockburn		
Description of Water Resource	Jandakot Perth - Superficial Swan	Annual Water Entitlement	65,250kL
Location of Water Source	Lot 3000 On Plan 48468 Volume/Folio Lr3144/416 Lot 3000 Success Hammond Road Sports Complex		
Authorised Activities	Taking of water for	Location of Activity	
	Irrigation of up to 8.7 ha of recreation areas	Lot 3000 On Plan 48468 Volume/Folio Lr3144/416 Lot 3000 Success Hammond Road Sports Complex	
Duration of Licence	From 8 August 2019 to 7 August 2029		

This Licence is subject to the following terms, conditions and restrictions:

- The annual water year for water taken under this licence is defined as 1 Jul to 30 June.
- The licensee shall comply with the commitments of the Water Resource Operating Strategy June 2015- June 2018 as prepared by City of Cockburn and approved by the Department of Water and Environmental Regulation on 26/06/2015, including any modifications to the commitments as approved during the term of the licence.
- The licensee shall provide a revised operating strategy to the Department of Water and Environmental Regulation for approval by 01/03/2020. The strategy shall be prepared in accordance with Operational Policy 5.08 'Use of Operating Strategies in the water licensing process'.
- Between 1 June and 31 August in any year, the licence-holder must not water a lawn, garden, or grass-covered area ("turf") by reticulation, provided always that this restriction shall not apply; watering with a hand held hose; or watering, by way of reticulation: golf course tees and greens, turf wickets, bowling greens and active sporting areas; newly planted areas for a period of up to 28 days from the date of planting; for renovating turf; or for maintenance of reticulation systems
- The licensee shall not use water for sprinkler irrigation between 9 am and 6 pm except for the establishment of newly planted areas. For newly planted areas water may be used within these hours for a period of up to 28 consecutive days, commencing from the date of planting.

End of terms, conditions and restrictions

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of Western Australia
Department of Water and Environmental Regulation

Page 1 of 2

Instrument No. GWL203255(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

Licensee(s)	City of Cockburn		
Description of Water Resource	Cockburn Perth - Superficial Swan	Annual Water Entitlement	63,450kL
Location of Water Source	LOT 2 ON DIAGRAM 17998 - Volume/Folio 1824/46 - Lot 2 WATTLEUP Henderson - Henderson Landfill Site Lot 202 On Plan 60443 Volume/Folio 2705/369 Lot 202 Rockingham Rd Henderson Henderson Landfill Site Lot 75 On Plan 9323 Volume/Folio 318/158a Lot 75 Marban Wy Wattleup Deepdene Park Lot 8001 On Plan 400205 Volume/Folio Lr3165/596 Lot 8001 Marquis St Hammond Park Marquis Park		

Authorised Activities	Taking of water for	Location of Activity
	Dust suppression for industrial purposes	LOT 2 ON DIAGRAM 17998 - Volume/Folio 1824/46 - Lot 2 WATTLEUP Henderson - Henderson Landfill Site Lot 202 On Plan 60443 Volume/Folio 2705/369 Lot 202 Rockingham Rd Henderson Henderson Landfill Site Lot 235 On Plan 226117 Volume/Folio 1824/45 Lot 235 Dalison Av Henderson Henderson Landfill Site
	Irrigation of up to .2 ha of lawns and gardens	Lot 202 On Plan 60443 Volume/Folio 2705/369 Lot 202 Rockingham Rd Henderson Henderson Landfill Site
	Irrigation of up to 0.14 ha of public open space	Lot 8001 On Plan 400205 Volume/Folio Lr3165/596 Lot 8001 Marquis St Hammond Park Marquis Park
	Irrigation of up to 0.26 ha of public open space	Crown Reserve 52137 Lot 8002 on Plan 400205, Volume/Folio LR3165/597 - Marquis Rd - Hammond Park
	Irrigation of up to 3.46 ha of public open space	Lot 155 On Plan 9356 Volume/Folio 1374/621 Lot 155 Wattleup Rd Wattleup Deepdene Park Lot 17 On Diagram 23584 Volume/Folio 1443/863 Lot 17 Dalison Av Wattleup Lees Park Lot 24 On Diagram 39127 Volume/Folio 367/88a Lot 24 Dalison Av Wattleup Lees Park Lot 75 On Plan 9323 Volume/Folio 318/158a Lot 75 Marban Wy Wattleup Deepdene Park
Duration of Licence	From 20 August 2019 to 14 August 2029	

This Licence is subject to the following terms, conditions and restrictions:

- The annual water year for water taken under this licence is defined as 1 Jul to 30 June.
- The licensee shall comply with the commitments of the Water Resource Operating Strategy June 2015- June 2018 as prepared by City of Cockburn and approved by the Department of Water and Environmental Regulation on 26/06/2015, including any modifications to the commitments as approved during the term of the licence.
- The licensee shall provide a revised operating strategy to the Department of Water and Environmental Regulation for approval by 01/03/2020. The strategy shall be prepared in accordance with Operational Policy 5.08 'Use of Operating Strategies in the water licensing process'.
- Between 1 June and 31 August in any year, the licence-holder must not water a lawn, garden, or grass-covered area ("turf") by reticulation, provided always that this restriction shall not apply; watering with a hand held hose; or watering, by way of reticulation: golf course tees and greens, turf wickets, bowling greens and active sporting areas; newly planted areas for a period of up to 28 days from the date of planting; for renovating turf; or for maintenance of reticulation systems

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

File No: RF394-05



Government of **Western Australia**
Department of **Water and Environmental Regulation**

Page 2 of 2

Instrument No. GWL203255(1)

LICENCE TO TAKE WATER

Granted by the Minister under section 5C of the Rights in Water and Irrigation Act 1914

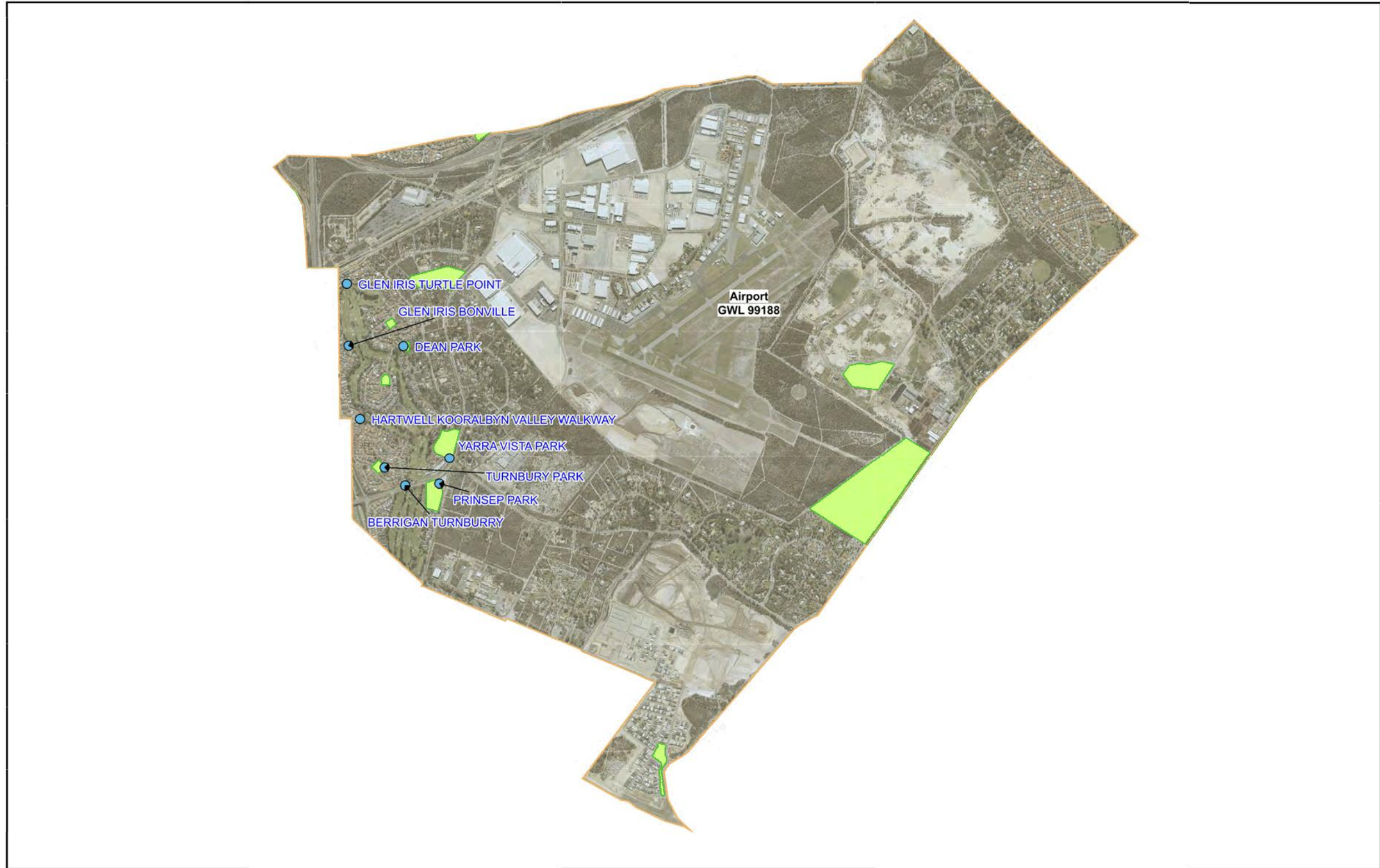
This Licence is subject to the following terms, conditions and restrictions:

5. The licensee shall not use water for sprinkler irrigation between 9 am and 6 pm except for the establishment of newly planted areas. For newly planted areas water may be used within these hours for a period of up to 28 consecutive days, commencing from the date of planting.

End of terms, conditions and restrictions

This Licence is granted subject to the Rights in Water and Irrigation Regulations 2000.

Appendix 2: Groundwater Well Licence Subarea Maps



CITY OF COCKBURN
G.I.S Services Department

GWL Subareas - Airport

SCALE = 1 : 25000

DATE: 30/09/2016

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CITY OF COCKBURN
G.I.S Services Department

GWL Subareas - Banjup



SCALE = 1 : 5000

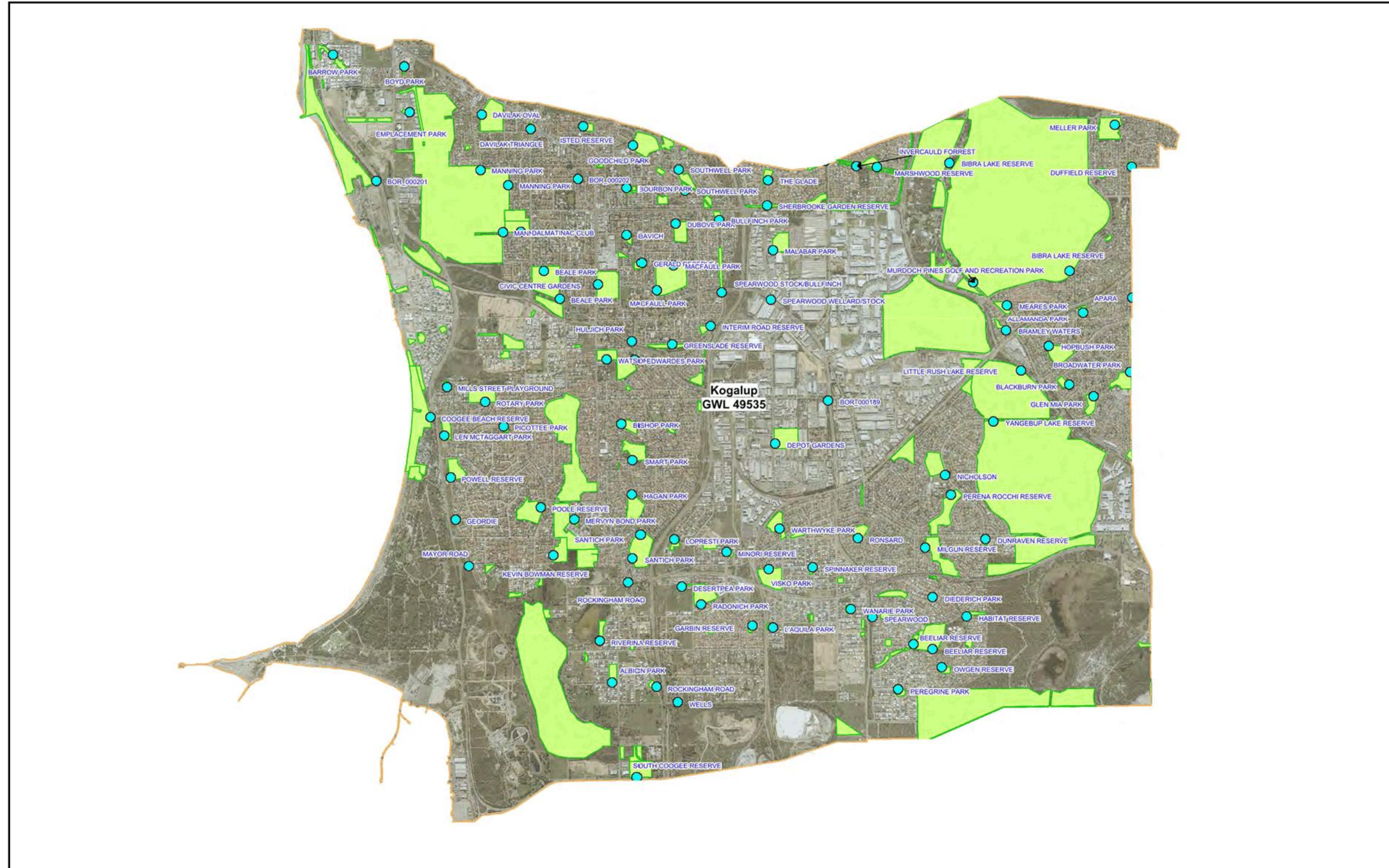
DATE : 04/10/2016

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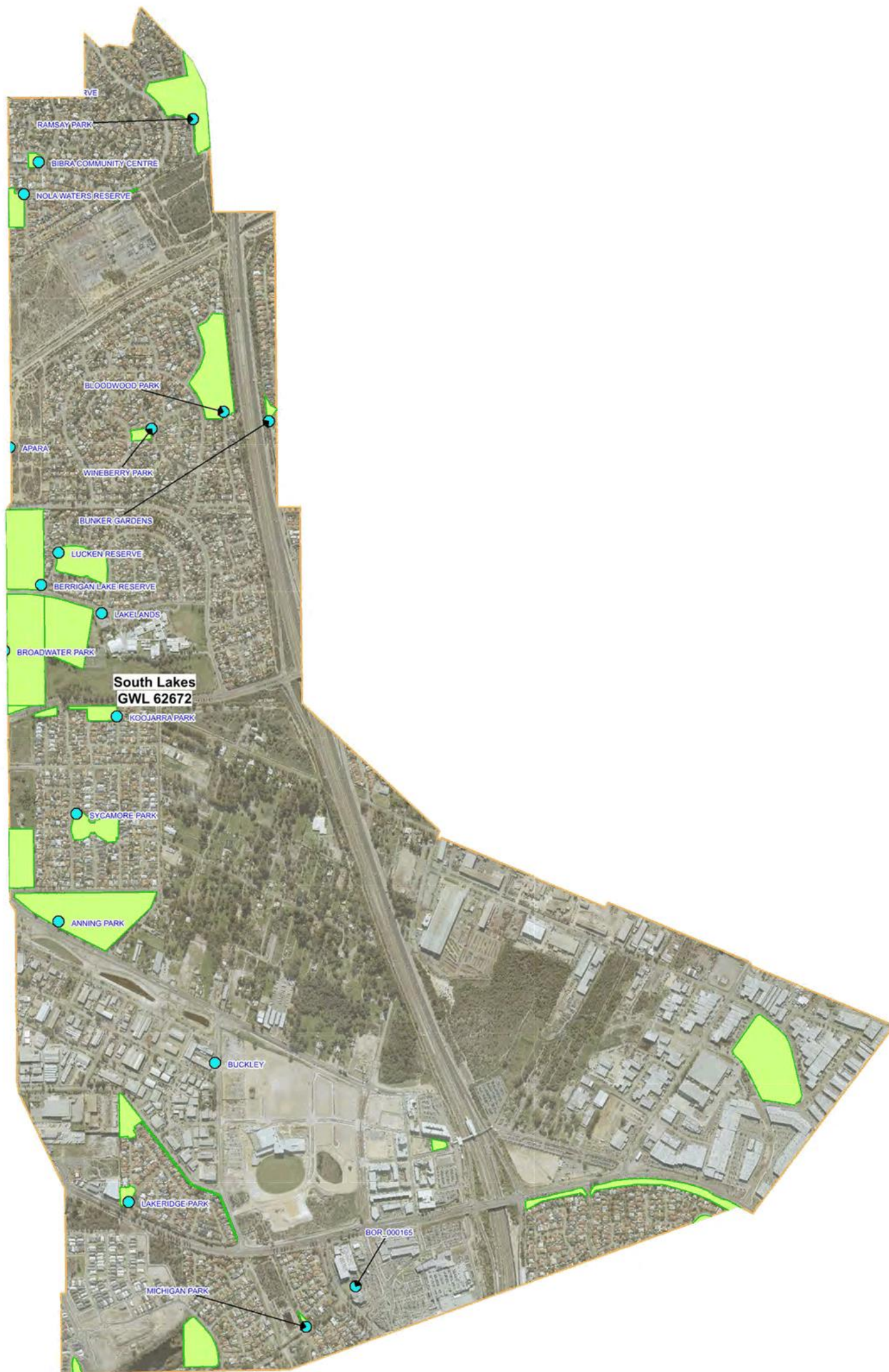




 <p>CITY OF COCKBURN G.I.S Services Department</p>	<p>GWL Subareas - City of Cockburn</p>	<p>SCALE = 1 : 10000</p>	<p>DATE: 4/10/2016</p>	
		<p>DISCLAIMER - THIS DOCUMENT MAY ONLY BE USED FOR THE PURPOSE IT WAS INTENDED. THE CITY OF COCKBURN TAKES NO RESPONSIBILITY FOR THE ACCURACY OF THE DATA CONTAINED HEREIN.</p>		



	<p>CITY OF COCKBURN G.I.S Services Department</p>	<p>GWL Subareas - Kogalup</p>	<p>SCALE = 1 : 14000</p>	<p>DATE: 4/10/2016</p>	
<p>DISCLAIMER - THIS DOCUMENT MAY ONLY BE USED FOR THE PURPOSE IT WAS INTENDED. THE CITY OF COCKBURN TAKES NO RESPONSIBILITY FOR THE ACCURACY OF THE DATA CONTAINED HEREIN.</p>					



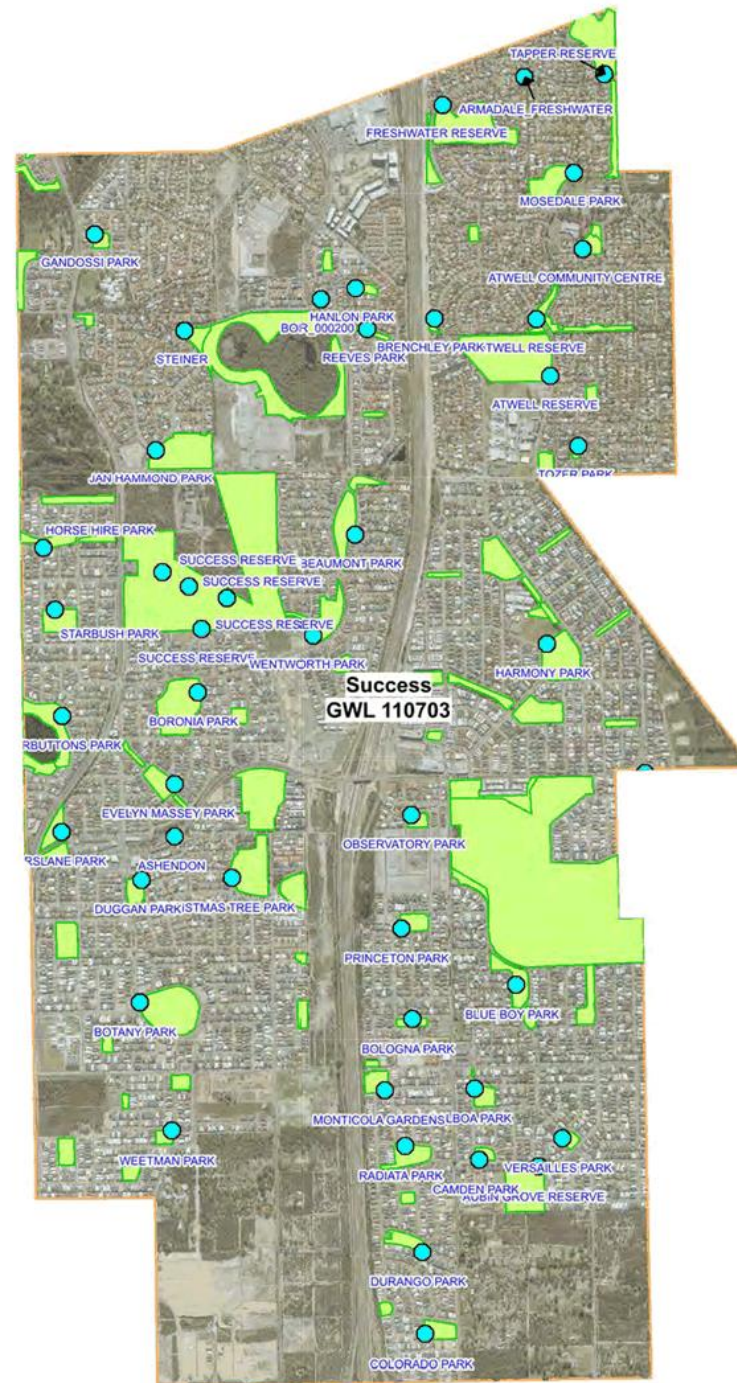

CITY OF COCKBURN
G.I.S Services Department

GWL Subareas - South Lake

SCALE = 1:5000 DATE: 30/09/2016

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CITY OF COCKBURN
G.I.S Services Department

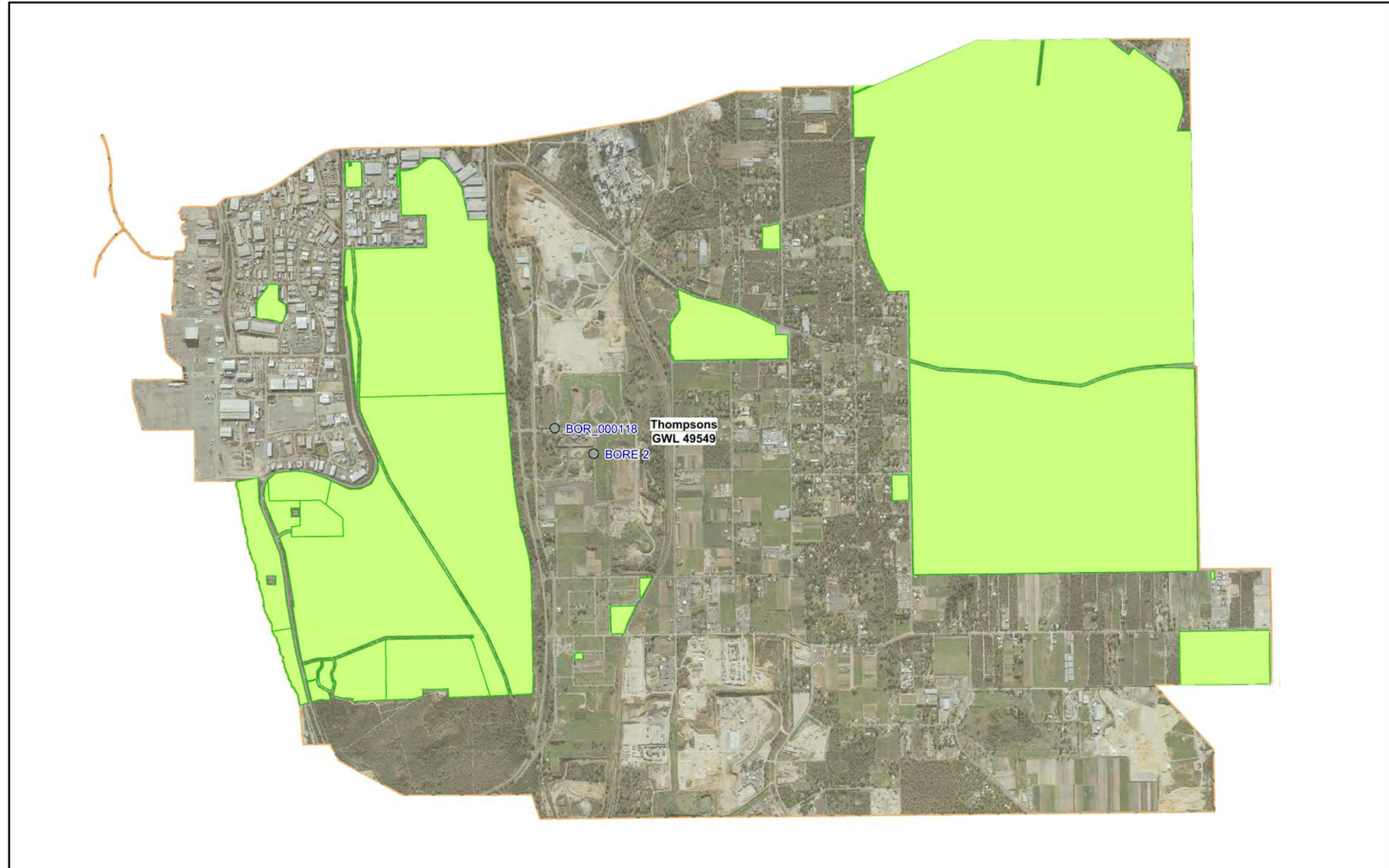
GWL Subareas - Success

SCALE = 1 : 27000

DATE: 30/09/2016

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CITY OF COCKBURN
G.I.S Services Department

GWL Subareas - Thompsons

SCALE = 1 : 10000

DATE: 4/10/2016

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Appendix 3: Flow meter readings 2021 – 2022

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
GWL 49535 (Kogalup)														
Allamanda	12957	12957	12957	12977	13058	13253	13509	13749	14144	14363	14517	14517	14517	1560
Barrow (Bore Emplacement Court)	543119	543119	543165	544340	547025	550627	556412	561578	564703	568294	569380	569751	569799	26680
Bavich	43659	43659	43675	43710	43832	44038	44501	45026	45418	45842	45867	45872	45872	2213
Beale 1 (Kent St Old Bore)	324724	324724	324734	325295	325874	328864	334347	338096	343797	347646	348832	349075	349243	24519
Beale 2 (Spearwood Ave)	366082	366082	366091	366668	367218	370297	374283	379743	385622	389696	390898	391150	391150	25068
Beelias Lakefill (Bore)	1424014	1424049	1424128	1424821	1426641	1431847	1441254	1451981	1460992	1469735	1471007	1471979	1471993	47979
Bibra Golf	231805	231806	231806	231927	232374	234100	237138	240475	244804	247445	248545	248736	248790	16985
Bibra Lake Community	14665	14665	14665	14665	14722	14921	15363	15795	16290	16618	16890	16987	16993	2328
Bibra Lake POS	357692	357692	357692	358398	359683	362798	371556	379963	386131	391285	393438	393480	393480	35788
Bishop	78980	78980	79003	79054	79062	79662	81309	82860	84143	85039	85379	85576	85592	6612
Blackburn	14886	14886	14886	14921	15025	15305	15725	16155	16765	17216	17488	17488	17488	2602
Blue Bush (irrigates Costa , Mariposa, Wearn Pks)	235063	235063	235075	235249	235756	236745	238995	241492	243869	246605	247371	247808	247808	12745
Bourbon POS	30223	30223	30224	30232	30338	30767	31265	31769	32325	32718	32958	32959	32960	2737
Boyd Crescent	12518	12518	12518	12523	12530	12629	12807	13022	13198	13344	13396	13396	13396	878
Bramley	28198	28199	28199	28199	28438	28714	29710	30610	31538	32154	32608	32698	32698	4500
Broadwater	229636	229636	229636	229730	230505	232336	235447	238857	243020	245820	246895	246895	246895	17259
Catherine Point (Cy O'Connor)	73027	73027	73027	73067	73424	74118	75082	75992	76702	77464	77701	77790	77790	4763
Civic Centre Grounds	188917	188917	188917	189065	190977	193742	198862	203052	206977	210295	211008	211013	211013	22096
Coogee Beach	126482	126482	126482	126636	127157	128389	131164	133446	135623	137504	137945	137990	137990	11508
Crown (Mayor Rise)	44395	44395	44395	44449	44513	44885	45674	46247	46805	47230	47363	47393	47393	2998
Dalmatia Park (Kitj Park)	95900	95900	95902	96044	96692	98241	101908	105210	108317	111455	111639	111639	111639	15739
Dalmatinac	170415	170415	170440	170473	170562	171679	173999	176239	178241	179958	180721	180822	180860	10445
Davilak	486284	486284	486307	486429	488619	494438	503572	509922	519822	526140	529730	529763	529839	43555
Davilak Triangle	3446	3446	3448	3574	3693	4008	4688	5252	5690	6154	6265	6265	6265	2819
Desert Pea	17145	17145	17145	17148	17304	17657	18521	19190	19929	20554	20816	20816	20816	3671

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Diedrich (also irrigates Touchell)	115727	115727	115727	115762	115946	116294	117079	117953	118793	119580	119861	120064	120064	4337
Ditullio Park	4940	4940	4940	4961	4996	5279	5819	6345	6791	7204	7265	7265	7265	2325
Dubove	248732	248732	248742	248772	249216	251465	255002	258475	262461	264873	266156	266163	266167	17435
Duffield	10688	10688	10688	10707	10786	10943	11224	11522	11814	12027	12123	12123	12123	1435
Dunraven	7567	7567	7567	7582	7661	7755	7930	8137	8353	8562	8619	8620	8620	1053
Edwards	368071	368071	368078	368215	369578	372416	378647	384461	389670	394873	396774	396863	396881	28810
Eliza Cave (Bibra Lake Skate Park)	23494	23495	23495	23573	23691	24101	24692	25312	26184	26826	27075	27075	27075	3581
Eliza Ponds (Koooolong Pk)	178315	178315	181890	181890	183350	184566	187530	190531	192985	195692	196341	196806	196812	18497
Firbank Park	18548	18548	18548	18548	19117	19699	20174	20677	21104	21482	21665	21758	21766	3218
Garbin	16521	16521	16524	16555	16689	16926	17383	17795	18203	18711	18844	18935	18935	2414
Gage Park (Fmrly Shoreline POS)	113522	113522	113974	117707	123201	125842	131177	134196	134196	137411	139389	140600	140658	27136
Galipo Park	22915	22915	22915	22973	23045	23417	24214	24935	25588	25983	25984	25984	25984	3069
Geordie Crt	3508	3508	3553	3553	3553	3599	3708	3863	3987	4104	4104	4121	4121	613
Gerald	35187	35187	35187	35188	35188	35415	35936	36346	36783	37290	37353	37353	39353	4166
Glenmia	74752	74752	74752	74814	75245	76640	78133	79478	81466	82943	83583	83583	83583	8831
Goodchild	468999	468999	469020	469193	470554	475809	482189	487434	494963	499382	502490	502551	502610	33611
Greenslade	19722	19722	19722	19722	19846	20035	20350	20693	21035	21392	21505	21507	21507	1785
Habitat Park	145822	145822	145822	146015	147048	148590	151145	153740	156347	158665	159339	159339	159339	13517
Hagan	322422	322425	322425	322721	324327	326898	331332	334688	338161	342277	344249	345580	345580	23158
Hanlon Park	4151	4151	4152	4156	4200	4361	4716	5039	5275	5436	5549	5551	5551	1400
Hopbush	884267	884267	884267	884871	886474	899939	897359	2904	10028	14104	16162	16162	16162	29254
Huljich	15431	15431	15438	15438	15469	15570	15773	15989	16202	16464	16541	16541	16541	1110
Interim Rd	15955	15955	15955	16110	16200	17176	19240	21575	24066	25931	26302	26407	26407	10452
Invercauld	4247	4247	4247	4249	4267	4318	4406	4500	4600	4668	4710	4718	4718	471
Isted	29668	29670	29670	29683	29982	31148	32692	34162	36005	37035	37754	37790	37792	8124
Katich Park	3548	3548	3548	3587	3600	3603	4100	4762	5357	5946	5990	5991	5991	2443
Kevin Bowman	87921	87921	87921	87944	87969	88043	88469	89001	89320	89681	89748	89748	89748	1827
Len McTaggart	79861	79861	79861	80071	80359	81395	84324	85274	86745	87729	88337	88827	88827	8966

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Lopresti	46454	46452	0	46496	46858	47245	47912	48591	49276	49276	49640	49781	49781	3327
Malabar	141514	141514	0	141622	141832	142195	143147	143901	144704	145514	145941	145941	145941	4427
Manning Azelia	70881	70881	70961	71469	71917	74200	78836	83996	87134	90330	91271	91393	91397	20516
Manning Glennister	304120	304120	304135	304852	305943	310645	319501	328430	334981	342355	343944	343962	343974	39854
Manning Janson	84447	84447	84468	84884	86231	88547	93466	98128	101485	105029	105736	105922	105926	21479
Marshwood	9767	9767	9767	9769	9800	9946	10187	10388	10591	10721	10799	10811	10812	1045
McFaul 1	208852	208854	208876	208919	209850	213401	217796	222664	228008	231317	233243	233404	233436	24584
McFaul 2	337367	337367	337369	337429	338242	341731	345032	350012	356499	359686	361481	361481	361481	24114
Meares	170	172	173	263	650	1711	2874	4023	5622	6582	7040	7040	7041	6871
Meller	450746	450746	450794	451583	453442	456863	464165	470494	478644	483837	486594	486594	486594	35848
Mervyn Bond	223221	223221	223221	223289	223343	224014	226087	227994	229816	231323	231440	231446	231446	8225
Milgun	255344	255344	255393	255703	257484	259610	265491	270683	275945	281162	283023	283112	283112	27768
Mills St Playground	6092	6092	6092	6114	6137	6228	6514	6765	6932	7091	7115	7115	7115	1023
Minori	26728	26728	26728	26728	26819	26973	27422	27796	28189	28542	28621	28625	28625	1897
Nicholson	148314	148366	148468	148475	152051	156374	164395	171502	178953	185777	188208	190056	190056	41742
Nola Waters	4157	4157	4157	4157	4180	4217	4247	4360	4471	4520	4558	4559	4559	402
Olive Tree Park	24177	24177	24180	24225	24294	24478	25218	25838	26399	26836	26993	26993	26993	2816
Operations Centre	35862	35972	35972	37345	0	37931	39057	40149	41336	42439	42853	43318	43772	7910
Owgan (Hakea fed from Owgan bore)	211399	211399	211399	211490	211725	212393	213296	215133	216828	217049	217468	217836	217836	6437
Peace Park	5619	5619	5619	5647	5816	5996	6290	6548	6783	7129	7340	7351	7351	1732
Peregrine	165952	165963	165963	166054	166362	166689	167544	168423	169397	170302	170605	170605	170605	4653
Perena Rocchi Bore 1	32322	32325	32331	32405	33284	34123	36764	39600	41947	43239	43746	43746	43747	11425
Perena Rocchi Bore 2	81415	81415	81425	81515	81554	81614	81674	81870	83587	86147	87129	87129	87131	5716
Phoenix Rd Median	241396	241396	241415	241664	242659	243952	246580	249329	251364	252899	253080	253091	253091	11695
Phoenix Rise	97480	97480	97486	97499	97791	98949	99770	101557	103120	104237	104546	104552	105551	8071
Picotee / Duchart	3756	3756	3756	3776	3799	3954	4355	4785	0	5488	5598	5708	5708	1952
Poole	8	8	8	140	1089	2364	5672	8798	0	13302	13847	13920	13921	13913
Powell	213983	213983	214615	216387	217321	219522	225112	230855	235400	238703	240480	241318	242400	28417

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Radonich	519744	519792	519827	520013	521578	523400	528518	532170	537029	541030	541820	541824	541841	22097
Ravello (Prev Shallcross)	55983	55983	55985	56138	56883	57596	59725	61270	62563	64462	64660	64665	64665	8682
Riverina Reserve (Bindjar Reserve)	67886	67894	67896	67968	68308	68545	69327	70448	71688	72642	72902	72902	72902	5016
Ronsard	107078	107095	107108	107176	107360	108266	111154	113415	115691	117824	118441	118461	118461	11383
Rotary Lookout	25169	25169	25169	25199	25261	25472	26232	26878	27390	27894	28132	28132	28132	2963
Santich 1	408048	408060	408082	408620	410774	410774	410774	410784	415614	420087	421447	422233	423203	15155
Santich 2	396173	396178	396178	396687	398702	414025	419317	423890	429138	433931	434549	436308	437325	41152
Smart	103578	103600	103630	104131	105908	108308	112992	116660	120992	126156	128218	129284	129905	26327
South Coogee	209962	209962	209970	210203	211402	212967	216728	219428	223559	227404	228575	228583	229072	19110
Southwell POS	47675	47675	47675	47694	48004	49217	50510	51663	53444	54701	55029	55029	55029	7354
Spinnaker Heights	33435	33435	33435	33507	33700	33907	34331	34892	35462	36029	36200	36200	36200	2765
SS Amberley/Old	1724	1724	1724	1725	1725	1739	1771	1797	1816	1838	1838	1838	1838	114
SS Cockburn/Mayor	6404	6404	6404	6422	6443	6507	6628	6754	6837	6928	6956	6956	6956	552
SS Deller Dr Entry	9995	9995	9995	9998	10046	10213	10460	10693	10993	11184	11299	11317	11317	1322
SS Osprey Ave	39771	39771	39771	39802	39811	40370	41232	42060	0	43812	43812	43812	43812	4041
SS Osprey/North Lake	8469	8469	8471	8484	8552	8680	8964	9260	9675	9873	9976	9976	9976	1507
SS Rockingham/Mayor	12108	12108	12108	12131	12250	12418	12802	13113	13447	13874	14012	14012	14012	1904
SS Rockingham/Stock	8526	8526	8526	8565	8700	8868	9209	9407	9799	10191	10238	10289	10289	1763
SS Spearwood Ave - Barrington - Sudlow	59062	59096	59097	59297	59776	60255	60923	61348	62350	62789	63020	63121	63121	4059
SS Spearwood Ave – Stock to Bullfinch	7316	7325	7325	7743	7859	7862	8470	9190	9752	10339	10481	10481	10481	3165
SS Spearwood Ave – Wellard to Stock	49177	49177	49177	49269	49634	50071	51027	51398	52844	54648	55123	55123	55123	5946
St Pauls The Glade	219715	219720	219720	219733	220107	221425	222343	224341	225926	226857	227403	227417	227417	7702
Syndicate Link (Albion Pk)	98565	98565	98811	99056	99269	100108	102127	104176	106295	108355	108742	108749	108749	10184
Systema	29581	29582	29641	29784	29920	30337	31744	32954	34230	35602	36303	36442	36452	6871
Visko	95037	95102	95123	95596	97065	99465	102651	107174	111406	115542	115616	116285	116297	21260
Warthwyke	64232	64232	64232	64280	64489	64882	66052	67172	68020	68880	69166	69250	69250	5018
Waterbank	21092	21092	21092	21133	21354	21732	22554	23239	23997	24719	24797	24975	24975	3883

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Watson	197247	197247	197247	197380	198272	200114	203346	206341	209006	211657	212176	212828	212842	15595
WA Wildlife Centre (Native Arc)	0	0	0	43	921	1255	1457	1668	2367	2927	3328	3622	3622	3622
Wells Rd POS	13750	13750	13750	13758	13781	13784	13786	13787	13787	13788	13788	13788	13788	38
Wetlands Education Centre	0	0	0	907	2993	3744	4351	5475	6757	7363	7689	8040	9573	9573
Total for GWL 49535 (Kogalup)													1,249,067	
GWL 179665 (Kogalup)														
Hopbush	31062	31079	31086	31344	31689	32265	33250	34138	34149	35942	36232	36359	36359	5297
Total for GWL 179665 (Kogalup)													5297	
GWL 49545 (City of Cockburn)														
Bakers Square Netball Grounds	73719	73719	73736	73882	73919	74469	75619	76569	77212	78016	78356	78395	78395	4676
Bassett	41074	41074	41074	41087	41090	41794	42697	43468	44612	45283	45640	45646	45646	4572
Brandwood	116715	116715	116715	116794	117427	118721	120397	122186	124672	126363	127079	127079	127079	10364
Classon	8052	8052	8052	8170	8620	10271	11778	12999	14335	15507	16086	16086	16086	8034
Coolbellup Community	42927	42934	42935	42959	43105	43841	44870	45742	46524	47126	47481	47486	47486	4559
De Marchi - Lot 2143 Waverly	37360	37360	37360	37360	37475	37853	757	1474	1849	2189	2330	2378	2378	2871
Dixon	53189	53189	53196	53228	53450	54195	55732	57228	59049	59994	60453	60453	60453	7264
Doherty	35759	35759	35764	35775	35943	36212	37202	38037	38785	39308	39600	39601	39601	3842
Enright	541279	541279	541291	541585	543459	550707	562018	571023	581528	588315	593066	593176	593842	52563
Fortini	21502	21502	21503	21576	21576	21871	21871	22588	22979	23333	23524	23592	23592	2090
Hargreaves Park	133909	133909	133913	133961	134463	136361	139420	142152	144615	146147	146845	146859	146859	12950
Heatherlea	61354	61354	61354	61503	61719	62466	63409	64223	65473	66037	66266	66266	66266	4912
Hobbs	64583	64583	64586	64608	64854	65714	67154	68393	69725	70529	70925	70926	70926	6343
Jakob (Senior Citizens)	40811	40813	40813	40823	40993	41676	42414	43401	44537	45025	45550	45578	45578	4767
Jarvis	99953	99953	99976	100056	100526	102393	105203	107236	110420	112274	112806	112826	112832	12879
Len Packham	334811	334814	334852	335282	336722	341829	350345	356866	365113	370042	372899	373002	373063	38252
Mamilius	29319	29319	29320	29329	29451	29868	30510	31031	31633	31944	32182	32222	32222	2903
Monaco	35473	35473	35473	35481	35696	36537	37716	38748	39751	40533	40939	41024	41024	5551
Murdoch Chase	50802	50849	50855	51007	51813	54181	56668	61087	65733	68774	70600	70601	70608	19806

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Old Canteen	43586	43586	43621	43631	43728	44023	44564	45064	45604	46001	46365	46410	46413	2827
Peridita Park	7887	7887	7887	7892	7937	8134	8612	8967	9288	9503	9668	9683	9683	1796
Rinaldo	299198	299198	299217	299270	300206	303748	308468	312960	317204	319781	321586	321901	321912	22714
Robb	42276	42288	42292	42330	42486	43153	44077	44811	45731	46289	46501	46577	46580	4304
Sawli Sump	15899	15900	15900	15903	15959	16218	16576	16933	17291	17592	17775	17785	17785	1886
SS Coolbellup – Waverly to Cordelia Front of Shops	51579	51581	51582	51691	51875	52098	52544	53035	53429	53888	54028	54052	54052	2473
SS Council/Stock	6564	6564	6565	6589	6711	7013	7544	7812	8524	8873	9038	9071	9071	2507
SS Farrington Rd Verge	55003	55003	55003	55003	55008	55024	55031	55035	55049	55065	55086	55089	55089	86
SS Forrest/Coolbellup	9358	9362	9362	9417	9493	9626	9866	10118	10352	10597	10686	10745	10747	1389
SS Redmond Rd Sump	6626	6626	6628	6631	6659	6754	6889	7040	7215	7322	7394	7398	7398	772
SS Winterfold/Coolbellup	7120	7120	7120	7125	7157	7243	7424	7741	7974	8120	8247	8266	8266	1146
Tempest	431377	431380	431402	431501	432362	435876	440660	444309	448779	452116	454196	454247	454303	22926
The Playground Coolbellup	50912	50912	50943	50961	51169	52014	53145	54274	55661	56438	56826	56828	56832	5920
Wheeler Rd POS	71918	71918	71918	71937	71954	73095	74439	75771	77712	78791	79005	79012	79012	7094
Total for GWL 49545 (City of Cockburn)														287,038
GWL 202853 (Airport: Treeby)														
Cilantro Park (Calleja Dev Treeby)	127273	127279	127287	127859	129005	130889	132781	134415	136598	138434	139268	139368	139368	12095
Hydrangea Park (Grandis)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sapphire Park (Fmrlly Treeby BMX)	39027	39029	39029	39219	39617	40175	40884	41725	42521	43191	43490	43636	43636	4609
Sunstone Park (also irrigates Marble Pk & Amethyst Pk west)	80518	80551	80557	81419	82675	84363	86839	89085	91525	93800	94553	94958	94958	14440
Treeby Dog Park (also irrigates Amethyst Park East)	133700	133739	133775	134668	135889	138275	141945	146137	149088	151865	153356	153639	153639	19939
Sub total for GWL 202853 (Airport: Treeby)														51,083
Treeby Oval	135431	135431	135431	135431	135431	140866	147418	151115	153212	166953	172830	175768	176057	40626
Total for GWL 202853 (Airport: Treeby)														91,709
GWL 203196 (Airport)														
Bunker Gardens	48578	48578	48578	48598	48676	48865	49161	49469	49889	50140	50259	50529	50258	1680

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Dean	61037	61037	61037	61089	61406	62251	63529	64827	66394	67688	68314	68498	68498	7461
Fairway Park	5497	5497	5497	5597	5791	6159	6999	7947	9221	9797	10064	10064	10075	4578
Hartwell POS	131	131	131	131	135	135	140	140	140	167	173	173	173	42
Prinsep	76523	76523	76523	76523	76537	77095	77917	78718	79796	80511	80928	80928	80928	4405
SS Bonville	5997	5997	5997	6000	6016	6052	6147	6237	6360	6450	6516	6516	6517	520
SS Turnbury/Berrigan	6260	6260	6260	6260	6281	6314	6370	6438	6530	6594	6653	6708	6708	448
SS Turtle Point Cove	8747	8747	8747	8747	8782	8835	8999	9148	9342	9453	9573	9573	9573	826
Turnbury Park	32568	32568	32568	32601	32888	33402	33402	34082	35235	36000	36485	36485	36485	3917
Yarra Vista	149144	149144	149144	149220	149770	150842	152992	155402	158689	160975	162181	162181	162181	13037
Total for GWL 203196 (Airport)														36,914
GWL 203189 (South Lake)														
Alabaster / Michigan	381997	382025	382032	382285	382321	382813	387343	391193	394450	397185	397229	397802	397802	15805
Anning	801470	801481	801549	802293	804661	808828	816722	826133	833677	841635	844636	844841	844918	43448
Apara Court	1413	1431	1431	1431	1434	1437	1437	1437	1437	1441	1441	1562	1619	206
Bloodwood	58474	58474	58474	58853	59411	61479	65261	69051	74469	77903	78651	78651	78651	20177
FESA	17581	17581	17581	17596	17665	17819	17994	18241	18598	18746	18817	18817	18817	1236
Koojarra / Berrigan	26908	26908	26908	26922	26937	27016	27161	27287	27471	27617	27691	27691	27691	783
Lakelands Oval	35089	35201	35447	36473	38335	41729	46871	52040	58897	64715	67604	68134	68303	33214
Lakeridge	1514	1518	1518	1558	1704	1889	2199	2639	3001	3365	3426	3426	3426	1912
Legacy Park	176915	176915	176915	177868	178863	181624	186311	191012	194424	197774	198838	199588	199588	22673
Lucken	115640	115640	115640	115758	116266	117283	119234	121233	124045	125428	125984	125984	125984	10344
Paddock Parade (Mojo)	30460	30477	30496	31029	31717	32644	34440	36292	38429	40608	42007	42628	42641	12181
Ramsay	312801	312801	312801	312870	313552	315156	317142	319102	321805	323951	324968	324968	324968	12167
SS North Lake Road (Hammond Rd Nth to Midgegooroo Ave)	39990	40000	40009	40075	40788	41999	43771	45674	47369	49064	50244	50249	50261	10271
Sycamore	133805	133805	133805	133805	133809	134405	136169	137944	140270	142120	143578	143578	143578	9773
Transmission	542280	542280	542280	542350	542798	544288	547371	550428	554645	556789	558098	558098	558098	15818
Wentworth Parade (Levens Crit bore)	13048	13068	13087	13170	13343	13747	15314	16434	17520	18452	18654	18743	18743	5695

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Wineberry	5617	5617	5617	5629	5732	5977	6389	6796	7370	7674	7873	7878	7878	2261
Yandi Park (Bore at Legacy Oval)	14327	14357	14373	14555	15117	15782	16600	17570	18319	19497	20022	20342	20342	6015
Youth Centre	3102	3102	3102	3102	3102	3396	3665	3926	4224	4392	4432	5955	5955	2853
											Total for GWL 203189 (South Lake)			226,832
GWL 203256 (South Lake)														
SS Verde Drive	1275	1276	1283	1302	1320	1353	1385	1431	1475	1518	1543	1545	1545	270
											Total for GWL 203256 (South Lake)			270
GWL 177276 (South Lake)														
Delaronde Park	98548	98566	98567	99328	100673	102305	104731	107142	109149	111120	111976	111997	112011	13463
											Total for GWL 177276			13,463
GWL 180053 (Success)														
Minigwal Loop	20752	20752	20752	20753	20753	20753	21451	22190	22929	23656	23684	24476	24479	3727
											Total for GWL 180053 (Success)			3,727
GWL 181250 (Success)														
Observatory	25784	25786	25787	25907	26164	26729	27378	28241	29053	29720	30175	30487	30520	4736
											Total for GWL 181250 (Success)			4,736
GWL 183402 (Success)														
Alberod Park	9988	9995	9995	10093	10266	10458	10746	11018	11304	11475	11582	11625	11625	1637
											Total for GWL 183402 (Success)			1,637
GWL 200071 (Success)														
Dimago Park												5366	5370	5370
											Total for GWL 200071 (Success)			5,370
GWL 203203 (Success)														
Atwell Community Centre	102183	102183	102183	102291	102337	102510	102821	103231	103663	103865	104081	104130	104130	1947
Atwell Reserve	31485	31498	31498	33216	35762	41995	50643	59738	68459	76174	82616	83704	83704	52219
Aubin Grove Reserve	397486	397507	397508	398094	400052	403977	408106	414839	421778	427106	430385	431843	432006	34520
Balboa	48879	48886	48890	49068	49371	50151	51214	52553	54076	55242	56062	56580	0	7701
Blue Boy	650943	650950	650975	650977	651257	653422	657758	664131	668603	672864	676050	678341	678497	27554

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Bologna Park	41773	41773	41773	41849	42001	42356	42796	43773	43951	44457	44814	45035	45038	3265
Bondi Park	40482	40482	40486	41031	41701	42058	44708	46468	47584	48580	48999	49435	49509	9027
Botany	693950	694396	694809	696370	698514	703869	711607	720207	727755	734129	736929	738916	739397	45447
Brenchley (Now Lydon Park)	15502	15502	15502	15539	15657	15902	16242	16657	16927	17044	17258	17295	17295	1793
Camden POS	48890	48890	48890	48891	48897	48984	49659	50423	51199	51601	51943	52161	52185	3295
Christmas Tree Park	38666	38667	38668	38747	38922	39522	40711	42042	43312	43863	44723	45086	45086	6420
Colorado	154644	154644	154644	154906	154947	154947	156587	158654	160577	162304	163546	164752	165018	10374
Duggan	121076	121076	121077	121141	121308	121852	122790	124114	125381	126453	126749	126907	126907	5831
Durango Turn (The Walk)	161065	161065	161073	161301	161781	162616	163735	165102	166405	167530	168379	169119	169234	8169
Evelyn Massey	37570	37570	37573	37763	38098	39282	40959	42790	44973	46762	47550	47763	47763	10193
Freshwater Reserve	93621	93621	93637	93944	94120	95218	96596	98668	100737	102253	103289	103480	103480	9859
Gaebler (Monticola Gdns)	24439	24439	24450	24488	24557	24696	24698	25063	25270	25437	25552	25589	25598	1159
Gandossi	23996	23996	24125	24128	24319	24533	26121	26750	27371	28086	28252	28347	28347	4351
Hanlon	25036	25036	25056	25132	25212	25454	25788	26400	26967	27333	27489	27616	27616	2580
Harmony Park Bore 1	344872	344972	344972	344982	344991	346046	349869	352333	357143	360335	363000	364509	364509	19637
Harmony Park Bore 2	808000	808041	808044	808054	808064	809023	814280	823128	830124	834856	838323	840164	840164	32164
Harmony Primary School Oval	16721	16724	16724	17042	18090	20044	22783	26188	29426	31560	33077	33387	33387	16666
Horsehire	186312	186312	186329	186502	186868	188110	190606	192988	194954	196594	197305	197681	197682	11370
Jan Hammond	75557	75563	75571	76012	76942	78951	83318	88109	92679	96335	97550	98183	98183	22626
Lewisham Park	19857	19864	19872	20166	20532	20972	21622	22386	22929	23426	23684	23787	23792	3935
Magnolia Gardens (Now Beaumont Pk)	307546	307570	307572	307598	308128	309693	313044	316742	320056	322788	324054	324471	324471	16925
Mosedale	76773	76773	76773	77044	77268	77606	78597	80269	81594	82551	83095	83326	83326	6553
Pipeline	90834	90834	90834	91203	91864	93664	95426	98549	101660	104905	107077	114508	0	23674
Princeton Circuit	126372	126372	126373	126545	126882	127642	128691	129980	131161	132178	132870	133335	133360	6988
Purslane	171781	171781	171791	171851	172152	172809	174475	176621	178670	180286	180973	181220	181223	9442
Radiata POS	92744	92744	92744	93161	94060	95538	97569	100331	102343	104335	105067	106120	106332	13588
Reeves	13706	13718	13718	13897	14134	14679	15623	16579	17529	18473	18903	19022	19034	5328
SS Ashendon-Russel	5183	5183	5183	5196	5204	5237	5460	5638	5811	6061	6085	6085	6085	902

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
SS Freshwater Entry	23581	23581	23582	23853	23880	23894	23897	24190	24842	25212	25520	25563	25563	1982
Starbush	57590	57590	57590	57655	57723	58114	58228	59258	59914	60654	60905	61027	61027	3437
Stiener	81670	81688	82334	82653	83264	84639	86811	88798	89906	92460	93037	93447	93447	11777
Tapper Reserve	199827	200141	202070	204420	205455	207058	207555	207555	207555	207555	207555	207656	207656	7829
Tozer	28838	28838	28838	28903	29153	29728	30445	31419	31419	33017	33478	33565	33565	4727
Versailles	73743	73743	73748	73865	74054	74466	75048	75868	75868	77267	77705	77970	78006	4263
Waterbuttons (The Edge)	220653	220661	220669	221062	221680	222661	225021	227348	229628	231813	232670	233009	233011	12358
Weetman (irrigates Atkins , Irvine , Nelson, Piesley, Seventy Parks & Inverson Blvd	180742	180751	180765	180996	181417	183066	186100	189409	193209	196677	196688	197236	197236	16494
Wentworth POS	152153	152167	152288	152416	153047	154488	158230	161800	165488	169385	170437	171152	171152	18999
GWL 203207 (Success)														
Voyageurs Park	32211	32211	32217	32220	32220	32354	33258	34278	35118	35641	35741	35748	35748	3537
GWL 203205 (Success Sports Complex)														
Success Sports Bore 1	163615	163615	163617	163866	164274	165986	168953	172057	174261	176353	177211	177758	177806	14191
Success Sports Bore 2	227825	227825	227830	228068	228587	230498	234020	237500	239927	242339	243167	243603	243603	15778
Success Sports Bore 3	144769	144769	144769	144997	145408	146954	149782	152409	154344	156271	156977	157340	157340	12571
Success Sports Bore 4	192349	192349	192348	192440	192848	194417	197241	200482	202429	204362	205058	205410	205410	13061
														55,601
GWL 181306 (Thompsons)														
Teramo Park	24793	24802	24853	24907	24998	25231	25784	26282	26713	27152	27321	27326	27326	2533
														2,533
Thompsons (GWL 203255)														
Dickerson Park	61627	61683	61723	62517	63855	65505	67643	69704	71653	73598	74611	75082	75082	13455
Frankland Park North Bore 2	49445	0	0	0	0	0	0	0	0	0	49445	49485	49632	187
Frankland Park South Bore 1	1004	0	0	0	0	0	0	0	0	0	1004	1017	1108	104

City of Cockburn Reserve Name	1 Jul 21	1 Aug 21	1 Sep 21	1 Oct 21	1 Nov 21	1 Dec 21	1 Jan 22	1 Feb 22	1 Mar 22	1 Apr 22	1 May 22	1 Jun 22	1 Jul 22	Total
Henderson Landfill Entry Bore 1	38148	38190	0	38390	38462	38810	39542	39907	40747	41345	41629	41758	41781	3633
Henderson Landfill Bore 2	200622	201005	0	202518	203825	206877	210835	214204	217861	220111	221312	222402	223266	22644
Henderson Landfill S/E Bore 3	8	8	8	19	22	22	22	22	22	22	22	23	23	15
Henderson Landfill North Bore 4	7	7	7	21	20	20	20	20	20	20	20	20	20	13
Marquis North	26882	26883	27067	27185	27322	27632	28284	29252	30171	30870	31191	31316	31316	4434
											Total for GWL 203255 (Thompsons)			44,845
Banjup (GWL 203204)														
Banjup Community Centre	5510	5513	5513	5514	5516	5532	5558	5605	5653	5695	5729	5756	5783	273
Banjup Fire Station	5898	5898	5902	6008	6105	6346	6661	6992	7464	7700	7974	8207	8211	2313
Gibbs	89552	89552	89552	89632	89637	89838	90387	90875	91390	91785	92079	92165	92165	2613
Banjup Trotting Track	33656	33782	33989	34335	34652	35131	35757	36539	37311	37925	38513	38847	39031	5375
Kurrajong Reserve	98495	98499	98499	98636	98842	100136	102047	104557	106988	108567	109719	109904	109904	11409
											Total for GWL 203204 (Banjup)			21,983

Appendix 4: Water quality of selected bores.

	pH	EC µS/cm	TDS mg/L	NO2 mg/L	NO3-N mg/L	NH4-N mg/L	TN mg/L	PO4-P mg/L	TP mg/L
Bibra Lake Picnic Area									
1 Sep 11	6.6	1300							
8 Mar 12	6.9	1100							
3 Sep 12	6.6	1400							
13 Mar 13	7	490							
12 Sep 13	6.9	470							
17 Apr 14	6.6	3160							
11 Sep 14	6.8	1330							
17 Mar 15	6.7	1440							
9 Sep 15	7	1450							
3 Mar 16	6.6	1460							
1 Sep 16	6.9	1470							
13 Mar 17	7.1	1420							
15 Sep 17	6.7	1510	830	<0.02	<0.1	14	12	0.06	0.09
15 Mar 18	6.7	1470	810	<0.02	<0.1	10	9.3	0.05	0.09
4 Sep 18	6.4	1510	830		<0.1	13	11	0.07	0.1
4 Apr 19	6.7	1470	810		<0.1	12	11	0.04	0.11
3 Sep 19	6.7	1510	830		<0.1	14	12	0.07	0.1
8 Apr 20	6.6	1490	820		<0.1	11	9.4	0.06	0.07
7 Sep 20	6.5	1530	840		<0.5	14	11	0.03	0.07
16 Apr 21	6.8	1490	820		<0.5	11	9.7	0.08	0.1
8 Sep 21	6.7	1470	810		<0.1	8.53	9.7	0.02	0.09
7 Apr 22	7.5	1190	650		<0.1	5.81	8.15	0.03	0.1
Durango Park									
9 Sep 15	7.2	690							
3 Mar 16	6.9	620							
1 Sep 16	6.7	460							
13 Mar 17	6.9	680							
15 Sep 17	6.5	540	300	<0.02	<0.1	0.3	0.6	0.04	0.04
15 Mar 18	6.9	650	360	<0.02	<0.1	0.1	0.8	0.06	0.06
4 Sep 18	6.8	720	400		<0.01	0.2	0.3	<0.01	0.07
4 Apr 19	6.9	670	370		0	0.4	0.5	0.09	0.09
3 Sep 19	7.1	700	390		<0.1	0.3	0.9	<0.01	0.09
8 Apr 20	6	460	250		<0.1	0.2	0.4	0.01	0.01
7 Sep 20	6.8	720	400		<0.5	0.3	0.5	0.1	0.01
16 Apr 21	7	670	970		<0.5	0.4	0.5	0.09	0.1
8 Sep 21	6.9	720	400		<0.1	0.23	0.6	0.02	0.08
7 Apr 22	7.1	640	350		<0.1	0.23	0.4	0.08	0.11
Success Sports Complex 1									
8 Mar 12	6.9	1100							
3 Sep 12	7.9	1300							
13 Mar 13	7.2	1200							

	pH	EC µS/cm	TDS mg/L	NO2 mg/L	NO3-N mg/L	NH4-N mg/L	TN mg/L	PO4-P mg/L	TP mg/L
12 Sep 13	7	1300							
17 Apr 14	7.6	1270							
11 Sep 14	7.1	1280							
17 Mar 15	7.3	1330							
9 Sep 15	7.4	1280							
3 Mar 16	7.1	1270							
1 Sep 16	7.2	1300							
13 Mar 17	7.2	1270							
15 Sep 17	7	1210	670	<0.02	<0.1	0.7	1.3	<0.01	0.12
15 Mar 18	7.6	1300	720	<0.02	<0.1	0.7	1.6	0.12	0.13
4 Sep 18	7.2	1290	710		<0.1	0.4	0.8	0.09	0.12
4 Apr 19	7	1160	640		<0.1	0.9	1.95	0.05	0.1
3 Sep 19	7.7	1280	700		<0.1	0.7	1.4	0.11	0.12
8 Apr 20	7.2	1260	690		<0.1	0.6	1.4	0.12	0.12
7 Sep 20	6.7	1060	580		<0.5	0.7	1.6	0.09	0.1
16 Apr 21	7.4	1250	690		<0.5	0.7	1.3	0.12	0.13
8 Sep 21	7.3	1270	700		<0.1	0.78	6.6	0.13	0.21
7 Apr 22	7.2	1250	690		0.25	0.62	1.25	0.11	0.14
Success Sports Complex 2									
8 Mar 12	6.9	1100							
3 Sep 12	7.8	140							
13 Mar 13	7.2	1400							
12 Sep 13	7.3	1370							
17 Apr 14	7.1	1320							
11 Sep 14	7.3	1370							
17 Mar 15	7.1	1330							
9 Sep 15	7.4	1380							
3 Mar 16	7.2	1340							
1 Sep 16	7.4	1420							
13 Mar 17	7.1	1350							
15 Sep 17	7.5	1400	770	<0.02	<0.1	0.7	1.1	0.1	0.12
15 Mar 18	7.3	1370	750	<0.02	<0.1	0.6	1.6	0.08	0.13
4 Sep 18	7.4	1400	770		<0.1	0.4	0.8	0.12	0.12
4 Apr 19	7.2	1350	740		<0.1	0.7	1.5	0.05	0.12
3 Sep 19	7.6	1410	780		<0.1	0.7	1.1	0.12	0.13
8 Apr 20	7.2	1370	750		<0.1	0.7	1.2	0.1	0.1
7 Sep 20	7.4	1450	800		<0.5	0.6	1.1	0.12	0.14
16 Apr 21	7.3	1300	715		<0.5	0.6	1	0.12	0.15
8 Sep 21	7.3	1270	700		<0.1	0.47	1.2	0.09	0.11
7 Apr 22	7.3	1340	740		<0.1	0.47	1.1	0.07	0.12
Success Sports Complex 3									
8 Mar 12	7.1	1200							
3 Sep 12	7.7	1200							
13 Mar 13	7.4	1100							

	pH	EC µS/cm	TDS mg/L	NO2 mg/L	NO3-N mg/L	NH4-N mg/L	TN mg/L	PO4-P mg/L	TP mg/L
12 Sep 13	7	1160							
17 Apr 14	7.1	940							
11 Sep 14	7.1	1100							
17 Mar 15	7.1	1190							
9 Sep 15	7.3	1050							
3 Mar 16	7	930							
1 Sep 16	6.9	870							
13 Mar 17	6.6	720							
15 Sep 17	7.1	980	540	<0.02	<0.1	0.6	1.1	<0.01	0.14
15 Mar 18	7.3	1100	610	<0.02	<0.1	0.7	1.4	0.14	0.15
4 Sep 18	7	990	550		<0.1	0.3	0.9	0.07	0.15
4 Apr 19	7.4	1120	620		<0.1	0.7	1.2	0.13	0.16
3 Sep 19	7.3	1100	610		<0.1	0.6	1.3	0.16	0.16
8 Apr 20	7.4	1160	640		<0.1	0.7	1.3	0.13	0.13
7 Sep 20	6.9	670	370		<0.5	0.5	1.3	0.1	0.12
16 Apr 21	7.3	1150	630		<0.5	0.7	1.1	0.14	0.16
8 Sep 21	7.2	1090	600		<0.1	0.39	1.2	0.13	0.17
7 Apr 22	7.2	1260	690		<0.1	0.54	1.04	0.1	0.16
Success Sports Complex 4									
8 Mar 12	7	1000							
3 Sep 12	7.9	1500							
13 Mar 13	7.9	1600							
12 Sep 13	7.3	1560							
17 Apr 14	7.5	1470							
11 Sep 14	7.4	1580							
17 Mar 15	7.3	1420							
9 Sep 15	7.6	1570							
3 Mar 16	7.5	1490							
1 Sep 16	7.7	1440							
13 Mar 17	7.2	1340							
15 Sep 17	7.5	1600	880	<0.02	<0.1	0.8	1.3	0.14	0.16
15 Mar 18	7.4	1480	810	<0.02	0.1	0.6	1.8	0.1	0.1
4 Sep 18	7.4	1620	890		<0.1	0.5	1	0.09	0.14
4 Apr 19	7.3	1160	640		<0.1	0.7	1.2	0.12	0.15
3 Sep 19	7.4	1100	610		<0.1	0.7	1.5	0.13	0.16
8 Apr 20	7.5	1490	820		<0.1	0.7	1	0.12	0.12
7 Sep 20	7.4	1520	840		<0.5	0.6	1.1	0.14	0.16
16 Apr 21	7.4	1330	730		<0.5	0.7	1.1	0.12	0.14
8 Sep 21	7.4	1470	810		<0.1	0.39	1.1	0.12	0.14
7 Apr 22	7.6	1490	820		<0.1	0.62	1.16	0.12	0.16
Kevin Bowman									
1 Sep 11	7.1	1100							
8 Mar 12	7.2	1400							
3 Sep 12	7.5	1500							
13 Mar 13	7.8	1600							
12 Sep 13	7.1	1460							
17 Apr 14	7.4	2540							
11 Sep 14	7.7	1430							
17 Mar 15	7.4	1560							
9 Sep 15	7.6	1380							

	pH	EC µS/cm	TDS mg/L	NO2 mg/L	NO3-N mg/L	NH4-N mg/L	TN mg/L	PO4-P mg/L	TP mg/L
3 Mar 16	7.2	1560							
1 Sep 16	7.4	1500							
13 Mar 17	7.3	1460							
15 Sep 17	7.4	1380	760	<0.02	0.8	<0.1	0.8	<0.01	0.02
15 Mar 18	7.3	1430	790	0.22	0.7	<0.1	0.9	0.01	0.02
4 Sep 18	7.2	1400	770		1	<0.1	1	0.03	0.03
4 Apr 19	7.4	1480	810		0.7	0.22	1.6	0.02	0.04
3 Sep 19	7.4	1420	780		3.1	<0.1	1	<0.01	0.03
8 Apr 20	7.3	1500	830		0.2	<0.1	0.4	0.01	0.01
7 Sep 20	7.3	1510	830		<0.5	<0.1	0.5	0.02	0.03
16 Apr 21	7.3	1260	695		<0.5	<0.1	<0.1	0.03	0.05
8 Sep 21	7.3	1350	740		0.43	<0.1	0.6	0.04	0.07
7 Apr 22	7.8	1290	710		0.79	<0.1	0.8	0.03	0.03
Kurrajong Reserve									
1 Sep 11	6.8	2600							
8 Mar 12	7	2500							
3 Sep 12	7.8	3100							
13 Mar 13	8	2900							
12 Sep 13	7.5	1700							
17 Apr 14	7.6	2960							
11 Sep 14	7.8	3150							
17 Mar 15	7.4	2890							
9 Sep 15	7.4	2860							
3 Mar 16	7.5	2850							
1 Sep 16	7.7	1500							
13 Mar 17	7.5	2790							
15 Sep 17	7.6	2730	1500	<0.02	<0.1	0.7	2.2	0.01	0.2
15 Mar 18	7.6	2550	1400	<0.02	<0.1	0.7	2.2	0.22	0.22
4 Sep 18	7.3	2850	1600		<0.1	0.6	1.6	0.21	0.21
4 Apr 19	7.5	2730	1500		<0.1	0.7	1.8	0.18	0.2
3 Sep 19	7.5	2950	1620		<0.1	0.7	2.4	0.16	0.16
8 Apr 20	7.4	2600	1430		<0.1	0.7	2.1	0.18	0.18
7 Sep 20	7.5	3040	1670		<0.5	0.8	2.2	0.2	0.2
16 Apr 21	7.3	1160	640		2.1	<0.1	2.1	0.03	0.03
8 Sep 21	7.5	2700	1490		<0.1	0.54	1.9	0.14	0.17
7 Apr 22	7.7	2600	1430		<0.1	0.39	2	0.23	0.23
Manning Park Azelia									
1 Sep 11	6.7	5000							
8 Mar 12	7	1600							
3 Sep 12	7.4	5700							
13 Mar 13	7.7	1000							
12 Sep 13	7.1	6540							
17 Apr 14	7.2	6130							
11 Sep 14	7.6	1620							
17 Mar 15	7.2	1410							
9 Sep 15	7.6	5700							
3 Mar 16	7.1	6180							
1 Sep 16	7.8	3600							
13 Mar 17	7.2	1760							
15 Sep 17	7.1	3040	1700	<0.02	3.2	<0.1	3.4	<0.01	0.02

	pH	EC µS/cm	TDS mg/L	NO2 mg/L	NO3-N mg/L	NH4-N mg/L	TN mg/L	PO4-P mg/L	TP mg/L
15 Mar 18	7.3	5330	2900	<0.02	3.9	0.3	4.1	<0.01	<0.01
4 Sep 18	7	4810	2600		3.6	<0.1	3.8	0.01	0.02
4 Apr 19	7.4	4620	2500		4	<0.1	4.2	<0.01	<0.01
3 Sep 19	7.2	4430	2440		2.8	<0.1	3.1	0.01	0.01
8 Apr 20	7.2	4570	2510		2.7	0.3	2.8	<0.01	<0.01
7 Sep 20	7.2	2710	1490		2.7	<0.1	2.8	0.01	0.02
16 Apr 21	7.3	4730	2600		2.9	<0.1	3	0.02	0.02
8 Sep 21	7.2	1440	790		2.5	<0.1	2.6	0.02	0.02
7 Apr 22	7.3	4300	2370		2.7	<0.1	2.7	0.03	<0.05
Manning Park Glennister									
1 Sep 11	7	830							
8 Mar 12	7	850							
3 Sep 12	7.7	890							
13 Mar 13	7.8	1000							
12 Sep 13	7.6	980							
17 Apr 14	7.4	970							
11 Sep 14	7.4	1020							
17 Mar 15	7.3	990							
9 Sep 15	7.6	970							
3 Mar 16	7.3	980							
1 Sep 16	7.9	980							
13 Mar 17	7.3	980							
15 Sep 17	7.4	960	530	<0.02	4.8	<0.1	4.8	<0.01	0.03
15 Mar 18	7.3	980	540	<0.02	4.5	<0.1	4.7	<0.01	0.01
4 Sep 18	7.2	1000	550		4.2	<0.1	4.2	<0.01	<0.01
4 Apr 19	7.4	990	550		4.3	<0.1	4.5	<0.01	0.02
3 Sep 19	7.7	1010	560		4.3	<0.1	5.7	<0.01	0.02
8 Apr 20	7.2	970	530		4.3	<0.1	4.4	0.01	0.01
7 Sep 20	7.4	950	520		4.5	<0.1	4.6	<0.01	0.01
16 Apr 21	7.3	980	540		3.8	<0.1	4	0.02	0.01
8 Sep 21	7.3	990	540		3.8	<0.1	3.9	0.01	0.01
7 Apr 22	7.5	940	520		3.7	<0.1	3.8	0.02	<0.05
Manning Park Janson									
1 Sep 11	7.1	770							
8 Mar 12	7	800							
3 Sep 12	7.9	830							
13 Mar 13	7.8	1000							
12 Sep 13	7.2	1020							
17 Apr 14	7.3	1020							
11 Sep 14	7.7	980							
17 Mar 15	7.5	1040							
9 Sep 15	7.6	1020							
3 Mar 16	7.3	1000							
1 Sep 16	7.8	1010							
13 Mar 17	7.4	990							
15 Sep 17	7.2	1010	560	<0.02	6.3	<0.1	6.3	<0.01	0.03
15 Mar 18	7.4	990	550	<0.02	6.5	<0.1	6.5	<0.01	<0.01
4 Sep 18	7.2	980	540		5.7	<0.1	5.9	<0.01	<0.01
4 Apr 19	7.4	1000	550		6	<0.1	6.3	<0.01	<0.01
3 Sep 19	7.5	990	540		5.0	<0.1	5.2	<0.1	0.02

	pH	EC µS/cm	TDS mg/L	NO2 mg/L	NO3-N mg/L	NH4-N mg/L	TN mg/L	PO4-P mg/L	TP mg/L
8 Apr 20	7.3	970	530		5.9	<0.1	5.9	<0.01	<0.01
7 Sep 20	7.4	950	520		5.2	<0.1	5.1	<0.01	0.01
16 Apr 21	7.3	970	535		5.7	<0.1	5.8	0.01	0.02
8 Sep 21	7.5	970	530		4.8	<0.1	4.9	<0.01	<0.01
7 Apr 22	7.4	970	530		5.4	<0.1	5.4	0.02	<0.01
Waterbuttons Park									
1 Sep 11	7.1	1100							
8 Mar 12	7.5	1000							
3 Sep 12	7.4	1300							
13 Mar 13	7.8	1300							
12 Sep 13	7.5	1240							
17 Apr 14	7.4	1260							
11 Sep 14	7.6	1240							
17 Mar 15	7.3	1230							
9 Sep 15	7.2	1230							
3 Mar 16	7.3	1260							
1 Sep 16	7.6	1210							
13 Mar 17	7.4	1240							
15 Sep 17	7.5	1210	670	<0.02	<0.1	0.8	1.2	0.11	0.13
15 Mar 18	7.6	1240	680	<0.02	<0.1	0.8	1.3	0.11	0.12
4 Sep 18	7.3	1220	670		<0.1	0.5	1	0.07	0.11
4 Apr 19	7.5	1230	680		<0.1	0.9	1.6	0.08	0.13
3 Sep 19	7.7	1210	670		<0.1	0.8	1.5	0.12	0.12
8 Apr 20	7.3	1160	640		<0.1	0.8	1.3	0.11	0.11
7 Sep 20	7.3	1140	630		<0.5	0.6	1.3	0.12	0.13
16 Apr 21	7.4	1200	660		<0.5	0.8	1.2	0.11	0.14
8 Sep 21	7.3	1120	620		<0.1	0.54	1.4	0.09	0.11
7 Apr 22	6.7	1570	860		<0.1	<0.1	1.47	0.11	0.16

Appendix 5: Comprehensive water analysis of selected bores September 2015

	pH	EC µS/cm	TDS mg/L	Total Alkalinity (CaCO ₃) mg/L	Bicarbonate mg/L	Hardness (CaCO ₃) mg/L	Fe mg/L	Dissolved CO ₂ mg/L
Bibra Lake Picnic	6.8	1330	740	180	220	225	0.87	55
Success Sports Complex								
Bore 1	7.1	1280	710	215	260	265	0.32	33
Bore 2	7.3	1370	760	210	255	285	2.5	20
Bore 3	7.1	1100	610	220	270	220	1.1	34
Bore 4	7.4	1580	870	260	315	310	0.3	20
Kevin Bowman	7.7	1430	790	280	340	350	0.02	11
Kurrajong	7.8	3150	1700	330	405	510	0.67	10
Manning								
Azelia	7.6	2620	1400	295	360	500	0.19	14
Janson	7.4	1020	620	235	285	290	0.05	18
Glenister	7.7	980	590	235	285	290	0.11	9
Waterbuttons	7.6	1240	690	250	305	295	0.56	12

14. Community Services

Nil

15. Governance and Strategy

15.1 Internal Audit Plan 2022-2023

Author(s) Emma Milne
Attachments N/A

Recommendation

That the Committee recommends Council:

(1) ADOPTS the Internal Audit Plan 2022-2023.

Background

The City's current Enterprise Risk Management Framework (RMF), adopted by the former Audit and Strategic Risk Committee (ASFC) at its 15 July 2021 meeting, subscribes to the four lines of defence assurance model promoted by the Office of the Auditor General (OAG), as the mechanism to provide assurance of effective risk management.

This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance.

The OAG model establishes four lines of assurance as follows:

- First line - held by the Business/Service Unit Heads and employees
- Second line - held independently by the Legal and Compliance Service Unit
- Third line - provided by the City's internal/external auditing mechanism
- Fourth line - provided by the external performance and focus audits provided by the regulatory regimes – the Department of Local Government, Sport and Cultural Industries and the OAG.

As a third line of defence 'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes' - definition from the International Professional Practices Framework issued by the Institute of Internal Auditors (IIA), 2017.

The City's Internal Audit Plan was developed by the City's former Risk Review Group (RRG) comprising cross functional managers, and Deloitte, the City's appointed internal auditor.

Deloitte delivered eight internal audits in the period of 2011 to 2016.

In April 2016 the RRG reviewed the Internal Audit Plan and drafted a three-year Strategic Internal Audit Plan for 2016-2019, which was adopted by at the 21 July 2016 ASFC meeting.

That Plan delivered seven internal audits.

In April 2019 the RRG reviewed the Internal Audit Plan and drafted the 2019-2022 Internal Audit Plan, which was adopted at the 18 July 2019 ASFC meeting.

On 15 March 2020, pursuant to section 56 of the *Emergency Management Act 2005*, the Western Australian Minister for Emergency Services, declared a State of Emergency in Western Australia effective 12am, 16 March 2020, due to the pandemic caused by COVID-19.

A range of restrictions were put in place to limit the spread of COVID-19.

Subsequent lockdowns ensued, which meant prioritising the operations and services delivery of the City and requiring non-essential employees to begin a work from home regime.

In view of the restrictions imposed by COVID-19, and following numerous discussions with audit plan stakeholders, the priority of scheduled audits in the Internal Audit Plan for 2019-2022 were reassessed and only one audit which was already underway, the Privacy of Data and Information Audit, was completed.

Submission

N/A

Report

The status of the Internal Audit Plan for 2019-2022 is summarised below with commentary on the status of scheduled audits.

Audit	Status	Comments	Assigned date
1. Fleet Management	Not Commenced. Carried over from Strategic Internal Audit Plan 2016 - 2019		2021/22
2. Strategic Resources Allocation	Not commenced. Carried over from Strategic Internal Audit Plan 2016 -	On 2 June 2020, the Executive Manager Strategy & Civic Support and Manager Financial Services agreed to	2019/20

Audit	Status	Comments	Assigned date
	2019	<p>postpone this Audit. Instead, they proposed to use the audit as a review mechanism to measure the implementation and integration of the then under review <i>Strategic Community Plan</i> and all the other <i>Integrated Planning and Reporting</i> suite of plans.</p> <p>It was estimated that the Audit may be conducted after July 2021.</p>	
3. Privacy of Data and Information	Completed by ES2 on 05 May 2020 – reported to 16 July 2020 ASFC meeting.	<p>Completed by ES2 on 05 May 2020 - reported to 16 July 2020 ASFC meeting.</p> <p>All 25 risks raised from this audit were uploaded into RMSS on 8 September 2020.</p>	2019/20
4. Contract Management	Not Commenced.	<p>On 20 June 2022, the Chief Financial Officer who is responsible for the Procurement function recommended scheduling this Audit for the 2023 calendar year.</p> <p>The Procurement Team are working on tenders and the conversion from Ci to Ci – Anywhere (migration to the Cloud) until December 2022.</p>	2020/21
5. Effectiveness of Service Delivery Planning and Review Processes	Not Commenced.	<p>On 2 June 2020, the Executive Manager Strategy & Civic Support suggested that this Audit be postponed until after the COVID-19 pandemic restrictions are removed because this Audit</p>	2020/21

Audit	Status	Comments	Assigned date
		requires significant input and resources from all business/service units in the organisation.	
6. 2021 Statutory Financial Management Review (Systems and Procedures)	Internal audit requirements removed.	Last completed by Moore Stephens on June 2019 – reported to 18 July 2019 ASFC meeting. As this Financial Management Review is a statutory compliance, next due in 2022, on 11 March 2022 the Head of Finance confirmed that the Finance Business Unit will undertake the next review due in 2022 using an OAG approved external service provider.	2021/22

During the lifetime of this Plan, the OAG took over auditing responsibilities for local government and commenced a program of performance audits.

The OAG's performance audits provide the fourth line of defence outlined in the City's RMF.

Whilst the City actively participates in the delivery and response of the OAG's performance audit program, it is also important as the third line of defence for the City to continue its own internal audit program and review activity based on inherent and individual risks specific to the City.

The City is proposing an Internal Audit Plan for the Financial Year 2023 comprising of the following audit:

- Acting through principles of the *Local Government Act 1995* and their application within the City of Cockburn Administration.

In local government, the CEO delegated with power through the *Local Government Act 1995*, can delegate this power to another employee if there is express power to do so as part of the original delegation.

Not all powers can be delegated, and it is possible for the CEO to act through another person by directing another employee or external entity to complete relevant tasks to ensure that operations and services delivery are possible – this is referred to as *acting through*.

The proposed Audit will examine the City's compliance with the acting through principle and how the power is being exercised by employees.

The Audit will also examine when the CEO engages contractors with instructions or confirmations from the CEO to complete a set task as instructed rather than exercising any discretion over it.

Following completion of the proposed Internal Audit Plan for the Financial Year 2023, a new three-year Internal Audit Plan will be developed and presented to the Audit, Risk and Compliance Committee for adoption, which will give due consideration to the previous incomplete Audit Plans, and the City's Strategic and Organisational Risks.

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

The City has an allocation for internal auditing services included in the annual budget each year.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

The proposed Internal Audit Plan for the Financial Year 2022 is a monitoring tool to evaluate the City's compliance with the acting through principles allowed for in the *Local Government Act 1995*, which enables effective and efficient operations and services delivery.

This Audit is recommended as a measure of good governance.

Should the Plan not be adopted, it will not allow monitoring the effectiveness of the City's compliance and control environment.

Advice to Proponent(s)/Submitters

N/A

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

Nil

15.2 Report on Office of Auditor General Fraud Risk Management - Better Practice Guide, Report 20 and the City of Cockburn's Response

Author(s)	Emma Milne
Attachments	<ol style="list-style-type: none"> Office of Auditor General List of Audits and Reports 1 July 2020 to 17 August 2022 ↓ Office of Auditor General Fraud Risk Management – Better Practice Guide, Report 20 2021-22, 22 June 2022 ↓

Recommendation

That the Committee recommends Council:

- (1) RECEIVES the Office of Auditor General Fraud Risk Management – Better Practice Guide, Report 20: 2021-22, 22 June 2022, as attached to the Agenda.

Background

The Office of the Auditor General (OAG) has published 57 audits and reports in the period 1 July 2020 to 17 August 2022 (the reporting period) (refer Attachment 1), with 10 performance audits focussed on Local Government, as follows:

- Waste Management – Service Delivery, 20 August 2020
- Regulating Minor Pollutants, 26 November 2020
- Regulation and Support of the Local Government Sector, 30 April 2021
- Local Government General Computer Controls, 12 May 2021
- Audit Results Report – Annual 2019-20 Financial Audits of Local Government Entities, 16 June 2021
- Local Government COVID-19 Financial Hardship Support, 15 October 2021
- Cyber Security in Local Government, 24 November 2021
- Viable Cycling in the Perth Area, 09 December 2021
- Fraud Risk Management – Better Practice Guide, 22 June 2022
- Information Systems Audit Report 2022 – Local Government Entities 28 June 2022
- Financial Audit Results – Local Government 2020-21, 17 August 2022.

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, June 2018
2. Records Management in Local Government, 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 report recommendations and any appropriate control measures that the City has in place or proposes implementing as opportunities for improvement.

This report submission to ARC is informed by Attachment 2 Office of Auditor General Fraud Risk Management – Better Practice Guide, Report 20 2021-22 June 2022.

Submission

N/A

Report

Purpose of the OAG Guide

The purpose of the OAG guide is to raise the standard of fraud and corruption control across the Western Australian public sector, including local government.

The guide follows the establishment of the OAG Forensic Audit team reported in the OAG document Forensic Audit Report – Establishment Phase, 08 December 2021.

The guide is intended to empower entities to do more to discharge their governance responsibilities by better controlling their risks of fraud and corruption.

Summary of significant matters identified in the OAG Guide

While fraud risk cannot be entirely eliminated, a robust and well-resourced fraud risk management program can minimise the likelihood and consequences of a fraud event.

The guide provides practical guidance on the process of developing a fraud and corruption risk management program with a range of tools included in the appendices.

Fraud Control Principles

The OAG Guide states that to build a robust and effective fraud risk management program requires 10 essential principles.

These are listed in the table below along with the City's response on implementation status:

Principle	Comments	City of Cockburn Response
1. Strong leadership	An entity's leadership must model a commitment to fraud control, establishing a strong 'tone at the top' culture to demonstrate their personal commitment to operating with integrity and encouraging a 'finding fraud is good' mindset.	The recent restructure of management at the City allows for the ExCo, SLT and People Leaders to effectively communicate leadership to all City staff. The organisational values and Code of Conduct, which include acting with integrity, honesty and leading by example are expected of all staff. Staff are rewarded when they excel in demonstrating these values in the organisation.
2. Recognise fraud as a business risk	Entities must acknowledge they are vulnerable to fraud. Fraud should be viewed and treated in the same way as an entity's other enterprise risks.	The City recognises that it is vulnerable to fraud. The City facilitated in-house Fraud Awareness Training (delivered by LGIS) and conflict of interest and public interest disclosure (delivered by Public Sector Commission) in November 2020 for key staff with greater risk exposure, as nominated by management.
3. Adequate control resourcing	Entities should invest in appropriate levels of fraud control resourcing including specialist information system security management personnel.	The City has a dedicated staff resource to monitor cyber security risks, although this is currently vacant. The City will consider this comment as an opportunity for improving its fraud control processes and systems.
4. Clear accountability for fraud control	Entities should establish clear personal accountabilities for fraud control at the governance, executive management, and	The City's Fraud and Misconduct Control and Resilience policy and framework have been published in the intranet.

Principle	Comments	City of Cockburn Response
	management levels.	Additionally, the new code of conduct is being implemented with compulsory online training for all staff.
5. Implement and maintain an effective fraud control system	An effective fraud control system (FCS) can reduce the opportunity for fraud. It needs to align with better practice guidance, be fully implemented, monitored, and updated periodically.	The City will consider this comment as an opportunity for improving its fraud control processes and systems.
6. Periodic assessments of fraud risks	Fraud risk assessments should be carried out periodically or whenever a significant change that affects the entity occurs.	Identified fraud risks are captured in the City's enterprise risk register system. The City reviews its enterprise risk register at least annually. The City will consider this comment as an opportunity for improving its fraud control processes and systems.
7. Effective awareness raising program across the entity	To ensure employees recognise red flags for fraud, entities should establish an effective awareness program.	<p>The City will consider this comment as an opportunity for improving its fraud control processes and systems.</p> <p>The City conducts training for procurement compliance that covers fraud risk.</p>
8. Open channels to report suspicions of fraud	<p>To encourage whistle-blowers to come forward entities should support:</p> <ul style="list-style-type: none"> • active reporting of fraud through accessible anonymised reporting channels • ensure that the entire workforce is aware of organisational expectations for reporting detected or suspected case of fraud • ensure they have robust 	The City recognises that it is vulnerable to fraud. The City facilitated in-house Fraud Awareness Training (delivered by LGIS) and conflict of interest and public interest disclosure training (delivered by Public Sector Commission) in November 2020 for key staff with roles that have a greater risk exposure, as nominated by

Principle	Comments	City of Cockburn Response
	whistle-blower protection policies and procedure that includes assurance that victimisation of those who, in good faith, make such reports will not be tolerated.	management. No fraud risk has been identified and registered into the risk register.
9. Implement a fraud detection program	An effective fraud detection program that includes detection measures such as data analytics and post-transactional review are important.	The City will consider this comment as an opportunity for improving its fraud control processes and systems. The City has previously performed analyses across its supplier database and employee master file. A Supplier Integrity Project was run 8 April 2021.
10. Consistent response to fraud incidents	<p>Rapid and robust response to suspected fraud events with effective investigation procedures will drive decisive action and result in better outcomes for detected fraud incidents.</p> <p>A strong and consistent response to all fraud events will send a strong message to the workforce that the entity will not tolerate fraud, no matter how minor.</p>	<p>The City will consider this comment as an opportunity for improving its fraud control processes and systems.</p> <p>The City has established lines of reporting and accountability for responding to and investigating fraud events.</p>

Fraud Control Maturity

The OAG Guide delved into the 8 December 2021 OAG document *Forensic Audit Report – Establishment Phase*, and selected a sample of 12 entities for detailed analysis on a question from that audit: ‘*Has the entity completed an assessment of its fraud and corruption risks?*’

The essence of this analysis is listed in the table below along with the City’s responses:

Theme	Summary	City of Cockburn Response
1. Lack of a risk framework	Some entities did not have an overall risk framework that	The City has an Enterprise Risk Management policy

Theme	Summary	City of Cockburn Response
	could be applied in the context of fraud risk.	and framework, as well as a Fraud and Misconduct Control and Resilience policy and framework, and an embedded mature risk culture. Identified fraud risks are captured in the City's enterprise risk register system. The City reports strategic, organisational, cyber security, harassment and bullying and WHS risks to the Audit, Risk and Compliance (ARC) Committee on a regular basis.
2. Entity size not an indicator of quality	Several larger entities provided insufficient details to show they had undertaken a fraud risk assessment. This suggests that inadequate resourcing is not the sole cause of poor fraud risk assessments being conducted.	Identified fraud risks are captured in the City's enterprise risk register system. The City reviews its enterprise risk register at least annually. The City will consider this comment as an opportunity for improving its fraud control processes and systems.
3. Lack of collaboration	Our analysis suggested a lack of collaboration with risk and process owners in the identification and analysis of the entity's fraud risks.	Senior management in the City use risk processes to identify and mitigate fraud risk and put in place appropriate control measures. The City will consider this comment as an opportunity for improving its fraud control processes and systems.
4. No fraud risk register	Many entities did not have a fraud risk register, despite this being a requirement of their fraud control program.	The City does not have separate risk registers for fraud risk and instead subscribes to an enterprise risk management philosophy. The current risk

Theme	Summary	City of Cockburn Response
		management framework is flexible to support a fraud risk category, in a similar manner that cyber security risk category has recently been added.
5. Failure to assess fraud risk	It was clear from our analysis that a significant proportion of entities had not assessed their fraud risks. In many cases entities mistook a fraud control framework for a fraud risk assessment.	<p>The operational / service delivery areas most prone to fraud in the City are finance, procurement, front counter cash handling and payroll. Identified fraud risks are captured in the City's enterprise risk register system.</p> <p>The City will consider this comment as an opportunity for improving its fraud control processes and systems.</p>
6. Data analytics not targeted	Entities had not identified and assessed relevant fraud risks prior to undertaking data analytics to identify fraudulent transactions.	The City will consider this comment as an opportunity for improving its fraud control processes and systems.
7. Excessive generalisation	Fraud risks that were identified were excessively general rather than being linked to specific processes.	The City will consider this comment as an opportunity for improving its fraud control processes and systems.
8. Risk register limited to strategic risks	Fraud had been identified as an overall strategic risk; however, we saw little evidence that specific fraud risks were identified for individual business units or that a comprehensive fraud risk assessment had been undertaken across all parts of the organisation.	Fraud risks have been identified in the operational risk register for specific business areas and processes. The City will consider this comment as an opportunity for improving its fraud control processes and systems.

Robust and effective risk management program – alignment with Australian Standards

The OAG Guide states that to effectively manage fraud risks, entities should develop and implement a robust and effective fraud risk management program and should cover:

- the three areas where fraud vulnerabilities can be found, based on clause 3.2 of the Australian Standard AS 8001:2021 *Fraud and corruption control* – this is discussed below
- the six-stage process to manage risks, based on clause 3.3 of the Australian Standard AS ISO 31000:2018 *Risk management-Guidelines*.

The City's Enterprise Risk Management Framework is aligned with this standard and we are confident that the City complies with the requirements of the standard.

Robust and effective risk management program – Fraud Control System

In accordance with AS 8001:2021, effective management of fraud risk requires a comprehensive examination of three areas:

- an entity's overall fraud control system (FCS)
- external threats
- operational (or internal) activities.

A fraud control system comprises tools and techniques used to control an entity's fraud risks.

When considering fraud risks, analysing the existing controls is important to assess how closely it aligns to better practice.

AS 8001:2021 identifies four elements for an FCS listed in the table below along with the City's response status update:

FCS Elements	Overview	City of Cockburn Status
1. Foundation	Adequate resourcing to implement a multi-faceted approach to managing fraud risks. Examples include specialist resourcing, awareness training, risk management, and information security management systems.	The City facilitated in-house Fraud Awareness Training (delivered by LGIS) and conflict of interest and public interest disclosure (delivered by Public Sector Commission) in November 2020 for key staff with greater risk exposure, as nominated by management. The City will consider the overview as an opportunity for improving its fraud control processes and systems.
2. Prevention	Prevention controls are the most common and cost-	The City's fraud and misconduct control and

FCS Elements	Overview	City of Cockburn Status
	<p>effective way to mitigate fraud.</p> <p>Examples include an integrity framework, internal controls, workforce screening, and physical security.</p>	<p>resilience policy and framework have been published in the intranet. Additionally, the new code of conduct is being implemented with compulsory online training for all staff.</p> <p>The City will consider the overview as an opportunity for improving its processes and systems.</p>
3. Detection	<p>Detection controls can help to identify when fraud has occurred but are not as cost-effective as prevention measures.</p> <p>Examples include post-transactional review, data analytics, and whistle-blower management.</p>	<p>The City will consider the overview as an opportunity for improving its fraud control processes and systems.</p>
4. Response	<p>Response controls can assist the entity to respond to a fraud incident after it has occurred and are the least cost-effective, however can significantly reduce the impact of present and future frauds.</p> <p>Examples include investigation, disciplinary procedures, crisis management, and recovery.</p>	<p>The City will consider the overview as an opportunity for improving its fraud control processes and systems.</p>

Robust and effective risk management program – External threats

External threats come from outside an entity and are largely beyond their control. AS 8001:2021 recommends entities consider the 6 external factors that can impact an organisation: Political, Economic, Social, technological, Legal and Environmental, known by its acronym as the PESTLE model.

The PESTLE model is described in the table below along with the City's response status update:

PESTLE Factor	Overview	City of Cockburn Status
1. Political	To identify the political situation of the country, state or local	The City will consider the overview as an opportunity

PESTLE Factor	Overview	City of Cockburn Status
	government area in which the entity operates, including the stability and leadership of the government, whether there is a budget deficit or surplus, lobbying interests and local, regional, national or international political pressure.	for improving its enterprise risk management framework.
2. Economic	To determine the economic factors that could have an impact on the entity including interest rates, inflation, unemployment rates, foreign exchange rates and monetary or fiscal policies.	The City will consider the overview as an opportunity for improving its enterprise risk management framework.
3. Social	To identify the expectation of society by analysing factors such as consumer demographics, significant world events, integrity issues, cultural, ethnic and religious factors, and consumer opinions.	The City will consider the overview as an opportunity for improving its enterprise risk management framework.
4. Technological	To identify how technology, including technological advancements, social media platforms and the role of the internet more broadly, is affecting or could affect the entity.	The City will consider the overview as an opportunity for improving its enterprise risk management framework.
5. Legal	To identify how specific legislation, including industry specific regulations, and case law are affecting or could affect the entity's future operations.	The City will consider the overview as an opportunity for improving its enterprise risk management framework.
6. Environmental	To identify how national and international environmental issues are affecting or could identify the entity.	The City will consider the overview as an opportunity for improving its enterprise risk management framework.

Robust and effective risk management program – Operational risks

The OAG Guide states that operational fraud risks are fraud risks associated with an entity's day-to-day operations.

There will be risks that are common to all entities (e.g. procurement, payroll and asset management) and those that are entity specific (e.g., property development, grant administration and major projects).

Operational risks will also include changes in function or activity (e.g., new government initiative and creation of a relief fund in response to a natural disaster).

The OAG document discusses fraud risk management in the context of AS ISO 31000:2018.

Additionally, the OAG document offers some tools, including an example of a risk matrix, to assist in developing an effective risk management framework aligned to the requirements on AS ISO 31000.

The City's Enterprise Risk Management Framework is aligned with this standard and, while the City has identified some fraud risks, there are opportunities to review the risk register in the light of the content of the OAG document and add a risk category of Fraud Risk.

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

Sections 7.1, 7.12AJ and 7.12.A(3) of the *Local Government Act 1995* refer.

Community Consultation

N/A

Risk Management Implications

OAG performance audits constitute the fourth line of defence in the OAG's 'Four Lines of Defence Assurance Model' which the City has adapted in the *City of Cockburn Enterprise Risk Management Framework*.

The OAG report has highlighted areas in fraud management and prevention that the City will consider as an opportunity to improve its fraud control processes and systems.

Advice to Proponent(s)/Submitters

N/A

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

Nil

Office of Auditor General List of Audits and Reports 1 July 2020 to 17 August 2022

1. Working with Children Checks – Managing Compliance, 15 July 2020
2. Opinion on Ministerial Notification – Agriculture Digital Connectivity Report, 30 July 2020
3. Waste Management Service Delivery, 20 August 2020
4. Managing the Impact of Plant and Animal Pests: Follow-up, 31 August 2020
5. Transparency Reports: Current Status of WA Health's COVID-19 Response Preparedness, 24 September 2020
6. Transparency Report: Major Projects, 29 October 2020
7. Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities, 11 November 2020
8. Regulating Minor Pollutants, 26 November 2020
9. Western Australian Registry System – Application Controls Audit, 26 November 2020
10. COVID-19: Status of WA Public Testing Systems, 09 December 2020
11. COVID-19 Relief Fund, 21 December 2020
12. Grants Administration, 28 January 2021
13. Opinion on Ministerial Notification – Release of Schedule of Stumpage Rates, 24 February 2021
14. Opinion on Ministerial Notification – Hotel Perth Campaign Reports, 24 February 2021
15. Opinions on Ministerial Notifications – Tax and Funding Information Relating to Racing and Wagering Western Australian, 26 February 2021
16. Application Controls Audit 2021, 09 March 2021
17. Department of Communities' Administration of Family and domestic Violence Services, 11 March 2021
18. Regulation of Consumer Food Safety by the Department of Health, 01 April 2021
19. Opinion on Ministerial Notification – Bennet Brook Disability Justice Centre, 08 April 2021
20. Opinions on Ministerial Notifications – Policing Information, 28 April 2021
21. Regulation and Support of the Local Government Sector, 30 April 2021
22. Opinion on Ministerial – Hospital Facilities Service, 06 May 2021
23. Local Government General Computer Controls, 12 May 2021
24. Opinion on Ministerial Notification – DPIRD Capability Review, 18 May 2021
25. Delivering Essential Services to Remote Aboriginal Communities – Follow-up, 02 June 2021
26. Audit Results Report – 2020 Financial Audits of Universities and TAFEs, 02 June 2021
27. Opinion on Ministerial Notification – Port Agreements, 11 June 2021
28. Western Australian Public Sector Financial Statements – Better Practice Guide, 14 June 2021

29. Information Systems Audit Report 2021 – State Government Entities, 16 June 2021
30. Audit Results Report – Annual 2019-20 Financial Audits of Local Government Entities, 16 June 2021
31. Improving Prisoner Literacy and Numeracy, 23 June 2021
32. Disclaimer of Opinion on Ministerial Notification – Bushfire Centre of Excellence, 23 June 2021
33. Temporary Abbreviated State Procurement Control Requirements, 30 June 2021
34. Opinion on Ministerial Notification – FPC Arbitration Outcome, 29 July 2021
35. SafeWA – Application Audit, 02 August 2021
36. Staff Exit Controls, 05 August 2021
37. Public Building Maintenance, 24 August 2021
38. Local Government COVID-19 Financial Support, 15 October 2021
39. Roll-out of State COVID-19 Stimulus Initiatives: July 2020 – March 2021, 20 October 2021
40. Water Corporation: Management of Water Pipes – Follow-up, 17 November 2021
41. WA’s COVID-19 Vaccine Roll-out, 18 November 2021
42. Cyber Security in Local Government, 24 November 2021
43. Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities, 24 November 2021
44. Forensic Audit Report – Establishment Phase, 08 December 2021
45. Viable Cycling in the Perth Area, 09 December 2021
46. Information Systems Audit Report 2022 – State Government Entities, 31 March 2022
47. Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities Part 2: COVID-19 Impacts, 09 May 2022
48. COVID-19 Contact Tracing System – Application Audit, 18 May 2022
49. Staff Rostering in Corrective Services, 18 May 2022
50. 2022 Transparency Report: Major Projects, 17 June 2022
51. Opinion on Ministerial Notification – FPC Sawmill Volumes, 20 June 2022
52. Forensic Audit – Construction Training Fund, 22 June 2022
53. Fraud Risk Management – Better Practice Guide, 22 June 2022
54. Delivering School Psychology Services, 23 June 2022
55. Information Systems Audit Report 2022 – Local Government Entities, 28 June 2022
56. Opinion on Ministerial Notification – AWU Funding Agreement, 28 June 2022.
57. Financial Audit Results – Local Government 2020-21, 17 August 2022.

Western Australian Auditor General's Report



Fraud Risk Management – Better Practice Guide



Report 20: 2021-22
22 June 2022

Office of the Auditor General
Western Australia

Report team:

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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.

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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.

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

**Fraud Risk Management
– Better Practice Guide**

Report 20: 2021-22
June 2022

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**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

FRAUD RISK MANAGEMENT – BETTER PRACTICE GUIDE

This report has been prepared for submission to Parliament under the provisions of section 23(2) and 24(1) of the *Auditor General Act 2006*.

Better practice checklists regularly feature in my Office's performance audit reports as a means of providing guidance to help the Western Australian public sector perform efficiently and effectively. This is the third comprehensive stand-alone better practice guide we have produced.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER
AUDITOR GENERAL
22 June 2022

Contents

Auditor General's overview.....	2
Part 1: Introduction	3
1.1 About this guide.....	3
1.2 Who should use this guide	3
1.3 What is fraud and corruption.....	3
1.4 Fraud control principles	4
1.5 Acknowledgements	5
Part 2: Why develop a fraud risk management program	6
2.1 Overview	6
2.2 Public sector requirements	6
2.3 Impact of fraud in the WA public sector	6
2.4 Status of fraud control maturity across the sector	8
Part 3: How to develop a fraud risk management program	10
3.1 Overview	10
3.2 Where to look for fraud vulnerabilities.....	11
3.3 Fraud risk management process	12
Appendix 1: Glossary	25
Appendix 2: References	27
Appendix 3: Fraud control system benchmarking tool	28
Appendix 4: External threat assessment tool.....	32
Appendix 5: Tools to support the fraud risk management process	37
A5.1 Communication and consultation tool.....	37
A5.2 Scope context and criteria tool.....	38
A5.3 Risk assessment tools	39
A5.4 Risk treatment tools	50

Auditor General's overview

Fraud and corruption are ever present and growing threats to businesses, including the Western Australian public sector. As well as loss of funds, fraud and corruption can result in loss of confidence in government institutions. The community needs to have faith that the public sector is serving them well for democracy to work.



The social contract between taxpayer and Government is threatened when public money is misappropriated or other wrongdoing occurs. It strikes at the core of trust, accountability and transparency in Government.

Good governance is important to protect our power, water, justice and transport infrastructure, as well as our health, education and regulatory systems from ineffectiveness, inefficiency and of course failure to deliver what people need when they need it.

It is therefore critical that all levels of the Western Australian (WA) public sector commit to good governance to safeguard public assets from fraudulent or corrupt activity. To do this, every WA public sector entity must understand, in detail, the risks that occur generally within the public sector environment and the specific risks relevant to the activities they undertake.

A common motivator for most people who join the public sector is a desire to do a good job. To assist with this we develop and share guidance on better practice. The purpose of this Better Practice guide is to raise the standard of fraud and corruption control across the WA public sector. Parts 1 and 2 of this guide are aimed at decision makers, highlighting the importance of a fraud and corruption risk management program and the current state of fraud control in the WA public sector. Part 3 is aimed at guiding those responsible for developing and implementing an entity's fraud risk management program.

The guide follows the establishment of our Forensic Audit team as set out in my report of December 2021, its purpose being to uplift fraud resilience within the WA public sector. As has always been the case, public sector entities are responsible for the prevention and detection of fraud and corruption. This guide is intended to empower entities to do more to discharge their governance responsibilities by better controlling their risks of fraud and corruption.

We encourage entities to use this guide along with the tools and other available resources to manage the risk of fraud against their entity. While fraud risks cannot be eliminated, a robust and well-resourced fraud risk management program can minimise the likelihood and consequences of fraud events.

We thank the Commonwealth Fraud Prevention Centre for their generous support in helping develop this guide as well as McGrathNicol Advisory for their guidance. We also extend our appreciation to the State entities that provided valuable feedback on the draft guide.

Part 1: Introduction

1.1 About this guide

This Better Practice Guide aims to help Western Australian (WA) public sector entities to manage their fraud and corruption risks. It outlines why fraud and corruption risk management is important (Part 2) and provides practical guidance on the process of developing a fraud and corruption risk management program (Part 3).

The guide refers to a range of tools which are included in the appendices and available on our website (www.audit.wa.gov.au). The online tools will be updated as required.

1.2 Who should use this guide

This guide is intended for use by WA public sector entities (entities) and may be applicable to other organisations.

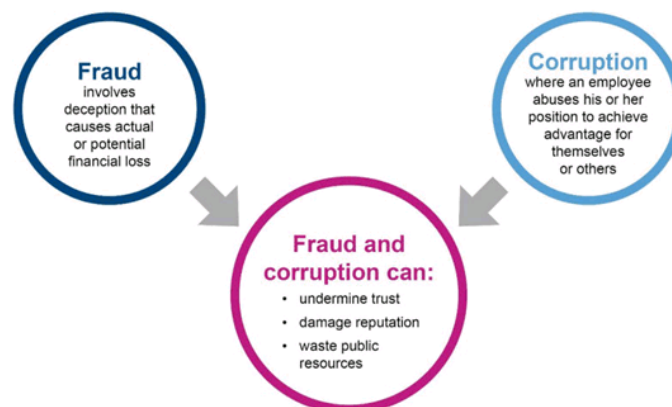
Parts 1 and 2 are intended for directors general, chief executive officers, managers and other key decision makers. Part 1 outlines the high-level principles entities should apply to fraud and corruption risk management and Part 2 highlights the importance of entities implementing an effective fraud and corruption risk management program.

Part 3 is for those tasked with fraud risk management within an entity. It aims to step them through the process of developing, executing and monitoring an entity's fraud and corruption risk management program.

Ultimately, preventing and detecting fraud and corruption is the responsibility of every person in the WA public sector, and as such, this guide may be relevant for all public sector employees.

1.3 What is fraud and corruption

Fraud and corruption involve a benefit being obtained through dishonesty and/or an abuse of position to the detriment of another person or entity (Figure 1). They can pose a risk to an entity's finances, reputation, and service delivery. More seriously, they go to the heart of trust and confidence in Government. In this guide, we use the term fraud to include corruption.



Source: OAG using information from the Victorian Auditor General's Office – *Fraud and Corruption Control* report, March 2018

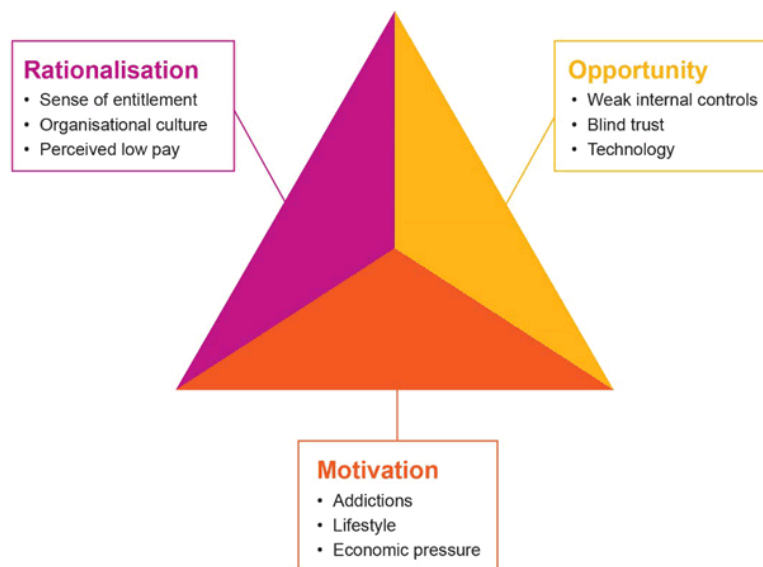
Figure 1: Definitions of fraud and corruption

Not all fraud can be prevented – every organisation, public or private, is vulnerable. A robust and rigorous fraud control system, with appropriate prevention and detection processes, can reduce the risk of fraud occurring and minimise losses.

To effectively fight fraud an entity must first acknowledge that fraud occurs and then seek to understand how and why it occurs. The fraud triangle (Figure 2) outlines 3 key elements that are generally present when fraud has occurred in an entity:

- **Opportunity** – a vulnerability within systems or processes is identified and exploited.
- **Motivation** – also referred to as pressure, is the reason someone commits fraud.
- **Rationalisation** – how someone justifies their fraudulent behaviour to themselves.

With the right mix of motivation, opportunity and rationalisation even the most trusted employee can be tempted to commit a fraudulent act.



Source: OAG adapted from Other People's Money¹

Figure 2: The fraud triangle

A fraudster's personal motivation and the ability to rationalise their behaviour is largely beyond an entity's control although, entities will benefit from being alert to and aware of behavioural red flags in respect of their staff and suppliers. The most effective way for an entity to manage its risk of fraud is by controlling the opportunity – implementing or enhancing controls aimed at preventing fraud or detecting it quickly if it does occur.

1.4 Fraud control principles

To build a robust and effective fraud risk management program requires 10 essential principles. Each of the following principles link to 1 or more stages of a better practice fraud risk management program as set out in this guide.

¹ *Other People's Money: A Study in the Social Psychology of Embezzlement*, Dr Donald Cressey, Free Press 1953.

Strong leadership	An entity's leadership must model a commitment to fraud control, establishing a strong 'tone at the top' culture to demonstrate their personal commitment to operating with integrity and encouraging a 'finding fraud is good' mindset.
Recognise fraud as a business risk	Entities must acknowledge they are vulnerable to fraud. Fraud should be viewed and treated in the same way as an entity's other enterprise risks.
Adequate control resourcing	Entities should invest in appropriate levels of fraud control resourcing including specialist information system security management personnel.
Clear accountability for fraud control	Entities should establish clear personal accountabilities for fraud control at the governance, executive management and management levels.
Implement and maintain an effective fraud control system	An effective fraud control system (FCS) can reduce the opportunity for fraud. It needs to align with better practice guidance, be fully implemented, monitored and updated periodically.
Periodic assessment of fraud risks	Fraud risk assessments should be carried out periodically or whenever a significant change that affects the entity occurs.
Effective awareness raising program across the entity	To ensure employees recognise red flags for fraud, entities should establish an effective awareness program.
Open channels to report suspicions of fraud	To encourage whistle-blowers to come forward entities should support: <ul style="list-style-type: none"> • active reporting of fraud through accessible anonymised reporting channels • ensure that the entire workforce is aware of organisational expectations for reporting detected or suspected cases of fraud • ensure they have robust whistle-blower protection policies and procedure that includes assurance that victimisation of those who, in good faith, make such reports will not be tolerated.
Implement a fraud detection program	An effective fraud detection program that includes detection measures such as data analytics and post-transactional review are important.
Consistent response to fraud incidents	Rapid and robust response to suspected fraud events with effective investigation procedures will drive decisive action and result in better outcomes for detected fraud incidents. A strong and consistent response to all fraud events will send a strong message to the workforce that the entity will not tolerate fraud, no matter how minor.

Source: OAG

Table 1: Foundation principles for fraud control

1.5 Acknowledgements

We would like to express our appreciation to the entities and their employees who contributed to the development of this guide.

We also acknowledge and express our appreciation to the Commonwealth Fraud Prevention Centre (CFPC) and Standards Australia, who willingly shared their original intellectual property in the development of this guide, and McGrathNicol Advisory, who were engaged to provide technical expertise.

Part 2: Why develop a fraud risk management program

2.1 Overview

In this part of the guide, we outline why entities should develop a fit for purpose fraud risk management program. In summary:

- there are WA government requirements to implement integrity measures to protect the financial and reputational position of entities
- the financial, reputational and human impact on an entity and its employees when fraud occurs can be significant
- entities' fraud control maturity is not meeting best practice.

Fraud risk management has a critical role in preventing and promptly detecting fraud to minimise loss, retain trust in entities and protect employees.

2.2 Public sector requirements

Entities are required to consider their risks and implement protections.

Treasurer's Instruction (TI) 825 requires all WA State government entities to develop and implement a risk management program. The TIs state, where possible, entities' policies and procedures should be consistent with Australian Standards including:

- AS ISO 31000:2018 – *Risk management - Guidelines* (risk standard)
- AS 8001:2021 – *Fraud and corruption control* (fraud control standard).

Similarly, Regulation 17 of the Local Government (Audit) Regulations 1996 requires local government CEOs to review their entity's systems and procedures, including for risk management, to ensure they are effective and appropriate for the entity's needs.

In addition to these requirements, the Public Sector Commission encourages all entities to commit to implementing its *Integrity Strategy for WA Public Authorities 2020-2023*. This strategy includes the *Integrity Snapshot Tool* which enables entities to self-assess their current integrity position and help identify areas for improvement.

This guide is intended to aid all entities in the application of the above Australian Standards and is not a replication of them. Entities should obtain a copy of the above from Standards Australia or from an authorised distributor to ensure a full and proper understanding of the content and their compliance with them.²

2.3 Impact of fraud in the WA public sector

The Association of Certified Fraud Examiners Report to the Nations 2022, estimated that fraud losses in businesses, government and not-for-profits are approximately 5% of their

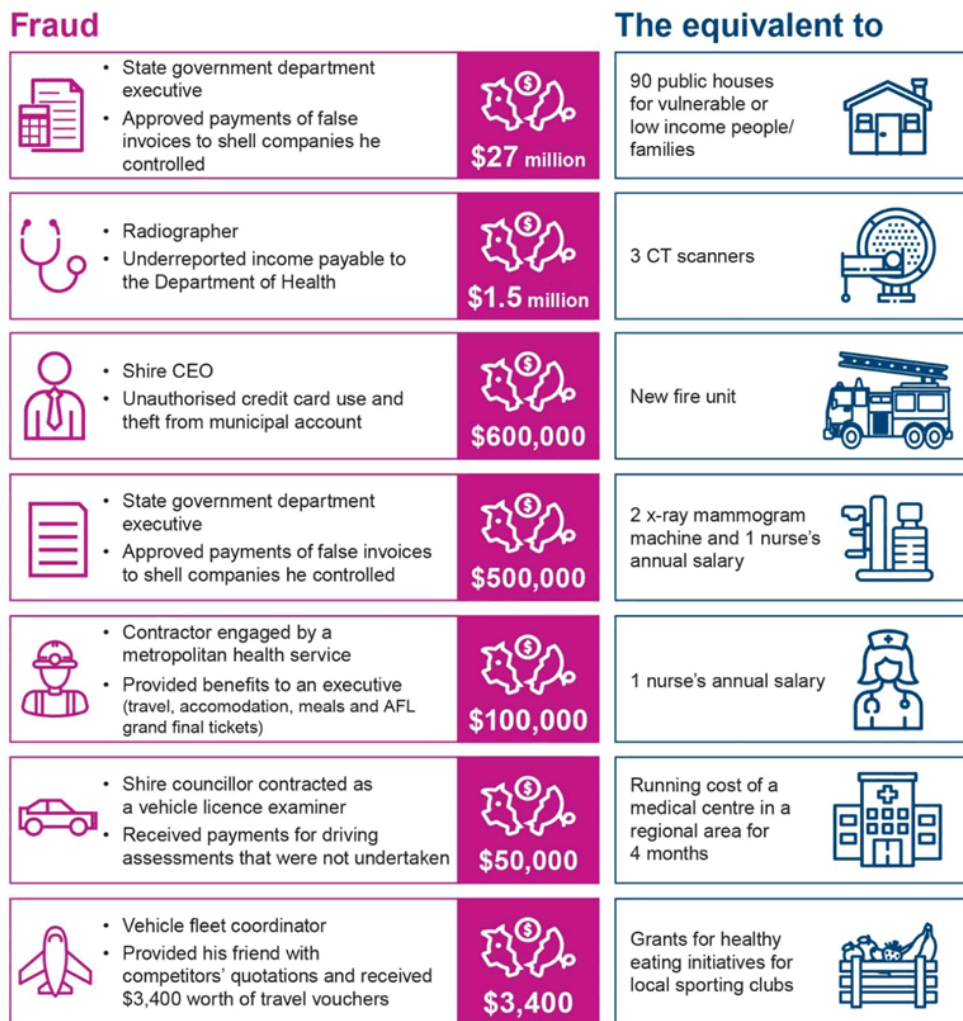
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annual turnover.³ If this estimate is an accurate reflection of actual fraud losses within the WA public sector, the impact on the people of WA, and the services to them, is considerable.

Fraud within the WA public sector is typical of instances in other jurisdictions and sectors where investigations regularly find deficiencies within entities' controls. These deficiencies may have been identified earlier if the entities had a robust and rigorous fraud risk management program in place.

The following is a short summary of some detected fraud events within the WA public sector in the last 15 years and the practical impact on service delivery. These incidents demonstrate that the WA public sector remains vulnerable to fraud by members of its own workforce as well as external fraudsters.



Source: OAG

Figure 3: Examples of known fraud in the WA public sector

³ Association of Certified Fraud Examiners, *Occupational Fraud 2022: A Report to the Nations*.

The impact of fraud goes beyond financial and service delivery losses and includes:

- **Human impact:** Those who rely on government services (such as the elderly, the vulnerable, the sick and the disadvantaged) are often the ones most harmed by fraud, increasing the disadvantage, vulnerability and inequality they suffer.
- **Reputational impact:** When it is handled poorly, fraud can result in an erosion of trust in government and industries, and lead to a loss of international and economic reputation. This is particularly true when fraud is facilitated by corruption.
- **Industry impact:** Fraud can result in distorted markets where fraudsters obtain a competitive advantage and drive out legitimate businesses, affecting services delivered by businesses and exposing other sectors to further instances of fraud.
- **Environmental impact:** Fraud can lead to immediate and long-term environmental damage through pollution and damaged ecosystems and biodiversity. It can also result in significant clean-up costs.⁴
- **Organisational impact:** The impact of fraud on employees can be significant. It can lead to low morale, mistrust, inefficient additional oversight and ultimately staff leaving due to the entity's damaged reputation. It can also result in reduced efficiency and effectiveness of the entity's activities.

2.4 Status of fraud control maturity across the sector

In 2021, we conducted a high-level review of State government entities' fraud risk management. As reported in our *Forensics Audit Report – Establishment Phase*, we found many entities fell well short of better practice. We reported similar results in our 2013 report, *Fraud Prevention and Detection in the Public Sector*, and in our 2019 report, *Fraud Prevention in Local Government*. Significant work is required across the public sector to raise the standard of fraud risk management to a satisfactory level.

As part of our 2021 review we asked: "Has the entity completed an assessment of its fraud and corruption risks?" Set out at Table 2 is an analysis of the findings of that review.

Responses			
Assessment completed	Assessment in progress	Assessment not completed	Total
71	12	11	92

Source: OAG

Table 2: Number of entities who have completed an assessment of their fraud and corruption risks

We selected a sample of 12 entities for more detailed analysis. This further analysis highlighted several key themes as set out in Table 3 below:

Theme	Summary	Why it matters
Lack of a risk framework	Some entities did not have an overall risk framework that could be applied in the context of fraud risk.	An overall risk framework ensures consistency in approach to all the entity's identified risks.

⁴ Commonwealth Fraud Prevention Centre, *The total impacts of fraud* (accessed 17 May 2022).

Theme	Summary	Why it matters
Entity size not an indicator of quality	Several larger entities provided insufficient details to show they had undertaken a fraud risk assessment. This suggests that inadequate resourcing is not the sole cause of poor fraud risk assessments being conducted.	The public sector collectively provides a diverse range of services and entities should apply a fit for purpose approach to their fraud risk assessment.
Lack of collaboration	Our analysis suggested a lack of collaboration with risk and process owners in the identification and analysis of the entity's fraud risks.	Collaboration is important because different employees bring different perspectives and experience.
No fraud risk register	Many entities did not have a fraud risk register, despite this being a requirement of their fraud control program.	Entities cannot efficiently monitor and review fraud risks if they have not been documented. The appropriate way to document an entity's fraud risks is in a fraud risk register.
Failure to assess fraud risk	It was clear from our analysis that a significant proportion of entities had not assessed their fraud risks. In many cases entities mistook a fraud control framework for a fraud risk assessment.	Entities must ensure they have a sound understanding of fraud risks that could impact their organisation – this can only be done by implementing a comprehensive process to identify, analyse and evaluate specific fraud risks that could impact the entity.
Data analytics not targeted	Entities had not identified and assessed relevant fraud risks prior to undertaking data analytics to identify fraudulent transactions.	Data analytics is a useful tool for the prevention and detection of fraud, but it requires discipline for it to be efficient and effective. Entities risk implementing inefficient and costly data analytics that are not effective for fraud risks specific to their entity.
Excessive generalisation	Fraud risks that were identified were excessively general rather than being linked to specific processes.	Entities must properly identify and define their vulnerabilities to enable implementation of effective controls.
Risk register limited to strategic risks	Fraud had been identified as an overall strategic risk; however, we saw little evidence that specific fraud risks were identified for individual business units or that a comprehensive fraud risk assessment had been undertaken across all parts of the organisation.	

Source: OAG

Table 3: Themes identified from survey of entities' fraud control maturity

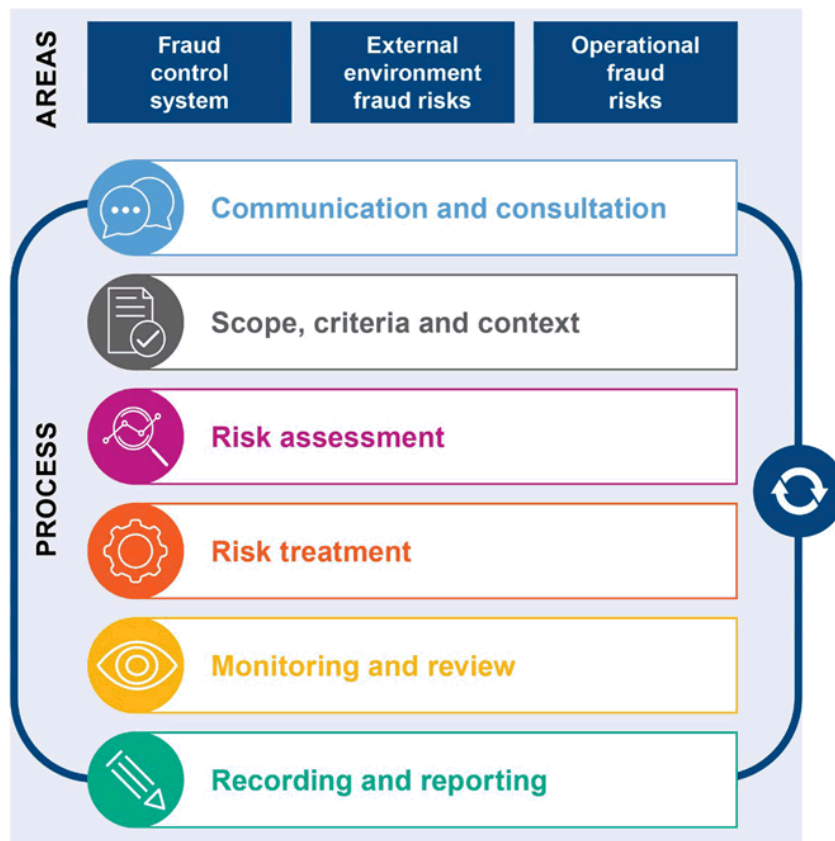
Part 3: How to develop a fraud risk management program

3.1 Overview

To effectively manage fraud risks, entities should develop and implement a robust and effective fraud risk management program. The program should be tailored to an entity's objectives, environment and risk profile and cover:

- the 3 areas where fraud vulnerabilities can be found (based on AS 8001:2021 – *Fraud and corruption control*) – section 3.2
- the 6-stage process to manage risks (based on AS ISO 31000:2018 *Risk management – Guidelines*) – section 3.3.

The diagram below is a simple illustration of the fraud risk management program.



Source: OAG based on AS 8001:2021 and AS ISO 31000:2018

Figure 4: Risk management process including 3 areas of fraud risks to consider

3.2 Where to look for fraud vulnerabilities

In accordance with AS 8001:2021, effective management of fraud risk requires a comprehensive examination of an entity's overall fraud control system (FCS), external threats and operational (or internal) activities.

Our survey of State government entities found that most entities who had taken steps to manage their risk of fraud only considered 1 of the 3 vulnerability areas and none provided evidence that they had considered all 3.

The following is a brief overview of the 3 areas of fraud vulnerability. Whilst we have focused the fraud risk management process that follows at 3.3 on operational risks, it can be applied to the other 2 areas of fraud vulnerability.

A fraud control system is the tools and techniques used to mitigate an entity's fraud risks. When considering fraud risks, analysing the existing control environment is important to assess how closely it aligns to better practice.

AS 8001:2021 – *Fraud and corruption Control Clause 2.10* identifies 4 elements for an FCS: foundation, prevention, detection and response, examples of these are included in the table below:

FCS elements	Overview
Foundation	Adequate resourcing to implement a multi-faceted approach to managing fraud risks. Examples include specialist resourcing, awareness training, risk management, information security management systems.
Prevention	Prevention controls are the most common and cost-effective way to mitigate fraud. Examples include an integrity framework, internal controls, workforce screening, physical security.
Detection	Detection controls can help to identify when fraud has occurred but are not as cost-effective as preventative measures. Examples include post-transactional review, data analytics, whistle-blower management.
Response	Response controls can assist the entity to respond to a fraud incident after it has occurred and are the least cost-effective, however can significantly reduce the impact of present and future frauds. Examples include investigation, disciplinary procedures, crisis management, recovery.

Source: OAG based on AS 8001:2021 – *Fraud and corruption control Clause 2.10*

Table 4: Elements of a fraud control system

Entities may not have formally documented their FCS, but it is likely they have several existing controls.

Designing and implementing a robust fraud risk management program will inevitably strengthen an entity's FCS. It is for this reason it is recommended an entity assess their FCS against better practice prior to undertaking the fraud risk management process.

The fraud control standard (Clause 2.10) sets out an approach to developing and implementing an entity's FCS and a structure for documenting it. Appendix 3 is a tool for entities to benchmark their current FCS maturity against the fraud control standard.

Updating the fraud control system documents throughout the fraud risk management process assists entities to monitor their increased maturity.

External threats come from outside an entity and are largely beyond their control. The fraud control standard recommends entities consider the 6 external factors that can impact an organisation, known as the PESTLE model. The model is explained in the table below and a complete tool is provided in Appendix 4:

PESTLE factor	Overview
Political	To identify the political situation of the country, State or local government area in which the entity operates, including the stability and leadership of the government, whether there is a budget deficit or surplus, lobbying interests and local, regional, national or international political pressure.
Economic	To determine the economic factors that could have an impact on the entity including interest rates, inflation, unemployment rates, foreign exchange rates and monetary or fiscal policies.
Social	To identify the expectations of society by analysing factors such as consumer demographics, significant world events, integrity issues, cultural, ethnic and religious factors, and consumer opinions.
Technological	To identify how technology, including technological advancements, social media platforms and the role of the internet more broadly, is affecting or could affect the entity.
Legal	To identify how specific legislation, including industry specific regulations, and case law are affecting or could affect the entity's future operations.
Environmental	To identify how national and international environmental issues are affecting or could affect the entity.

Source: OAG based on AS 8001:2021 – *Fraud and corruption control*, Clause 2.9

Table 5: External factors that can impact an entity

Operational fraud risks are the fraud risks associated with an entity's day-to-day operations. There will be risks that are common to all entities (e.g. procurement, payroll, asset management) and those that are entity specific (e.g. property development, grant administration, major projects). Operational risks will also include changes in function or activity (e.g. new government initiative, creation of a relief fund in response to a natural disaster). The following section, Fraud risk management process, is focused on managing your operational fraud risks and discusses this in more detail. We also provide further tools in the appendix to assist with better managing them.

3.3 Fraud risk management process

In this section we have mapped out the 6 stages in the risk management process as summarised in Figure 4 above. It is not a linear process; each stage will connect to others at different times throughout the risk management cycle.

We describe the stages and introduce several tools which can be used to assist in developing an effective fraud risk management program. The complete tools are included in the appendices and are available on our website. These tools are not an exhaustive list, there are many tools available (free and for a fee) and entities should determine which ones best suit their needs.

Communication and consultation

To effectively identify fraud risks within an entity’s processes and systems, it is essential that the people who best know and run or control the business processes and business area are adequately engaged throughout the fraud risk management process. Entities should also consider if subject matter experts need to be engaged, such as information system security specialists.



Communication and consultation are intended:
“...to assist stakeholders in understanding risk, the basis on which decisions are made and the reasons why particular actions are required.”⁵

Employees can feel challenged when asked to respond to questions or contribute to discussions about fraud risks – they may feel that considering this issue with them or in their presence is, in effect, calling their integrity into question. Those tasked with the fraud risk management program should keep the people they need engaged and at ease throughout the process to ensure the best outcome.

Communication and consultation	Better practice
Promote awareness and understanding of fraud risks	<ul style="list-style-type: none"> • Implement multimodal training programs specific to fraud risks – “What is a fraud risk” • Effectively communicate to employees that the objective is to protect the integrity of the entity and employees
Bring different expertise together throughout the process using effective mechanisms	<ul style="list-style-type: none"> • Engage different levels of expertise and experience to bring various perspectives • Use a variety of communication methods such as emails, workshops, one-on-one interviews and surveys to obtain a wide range of feedback and opinions
Build a sense of inclusiveness and ownership for process owners (e.g. one-on-one interviews, focus groups)	<ul style="list-style-type: none"> • Use fraud risk workshops to obtain “buy in” from process operators and owners • Invite all relevant employees, regardless of seniority, to attend a workshop
Obtain sufficient knowledge from relevant stakeholders of business processes to facilitate fraud oversight and decision making	<ul style="list-style-type: none"> • Facilitate fraud risk workshops to discuss and map business processes and internal controls • Ask attendees to consider “what could go wrong?” in processes they engage with or manage • Identify areas of fraud risk in a process map that requires internal controls
Engage with relevant stakeholders to obtain feedback and information to support decision-making	<ul style="list-style-type: none"> • Structure emails and/or surveys that focus on fraud risks for specific processes • Adopt appropriate modes of communication

Source: OAG

Table 6: Better practice examples of the communication and consultation stage

⁵ AS ISO 31000:2018 *Risk management - Guidelines* Clause 6.2.

One way to enhance communication is by meeting one-on-one to facilitate a better understanding of relevant risk and control issues.

To help with communication and consultation, entities should prepare a communication plan that outlines the intended methods, people and timelines for consultation. This also forms the basis of reporting to any oversight committees on the progress of projects in the fraud risk management program. Examples of methods of communication and consultation are provided in Appendix 5.1.

Scope, context, and criteria

Establishing the scope, context and criteria for the fraud risk assessment is done using the communication and consultation processes outlined above. They will differ for each entity and will be determined by the size and complexity of the process being assessed.



"...Scope, context and criteria involve defining the scope of the process and understanding the external and internal context."⁶

Case study 1: Example of scope, context and criteria for a risk assessment of selected parts of the Procure to Pay process

Factor	Procure to Pay
Scope	<ul style="list-style-type: none"> • The specific parts of the Procure to Pay process to be assessed are: supplier selection, onboarding vendors, purchase validation (business case, receipt of goods/services) and release of payment. • We will engage with the finance business unit and operational staff responsible for purchase orders and validation of receipt of goods/service. • The entity's risk assessment policy dated 31 January 2020 will be applied in conjunction with the approved fraud risk assessment program dated 30 June 2021. • As the entity's procurement staff are across the State, we will need to engage in a number of online meetings with potential site visits. • Timeline: <ul style="list-style-type: none"> ○ engagement with procurement staff by 30 June 2022 ○ identification of risks by 31 October 2022 ○ completion of risk register and mapping of risks by 31 December 2022 ○ first review to Internal Audit and Risk Committee (IARC) by 28 February 2023 ○ second review to IARC by 30 April 2023 ○ submission to Board for approval by 31 May 2023.

⁶ AS ISO 31000:2018 *Risk management - Guidelines* Clause 6.3.

<p>Context</p>	<p>Internal factors include:</p> <ul style="list-style-type: none"> the strategic objectives of the entity are: community focused delivery of services, sound business practices and quality services. A list of the specific goods, services or works to be procured are provided in Annexure A the existing employee level in the Procure to Pay process is sufficient, however, their experience is inadequate. No training has been delivered in identifying indicators of potential fraud there is no assessment of fraud controls within vendors the entity has policies and processes in respect of independence for supplier selection panels and purchase validation. <p>External factors include:</p> <ul style="list-style-type: none"> increasing fraud trends targeting procurement and finance teams (i.e. business email compromise - fake emails impersonating an internal senior person or a vendor) recent known scams in the public domain that have been uncovered.
<p>Criteria</p>	<ul style="list-style-type: none"> The below risk criteria are taken from the entity's risk assessment policy dated 31 January 2020. The entity rates likelihood risk on a scale from extremely unlikely to almost certain. Within the Procure to Pay process, rare is conceivable but unlikely, unlikely is conceivable and has occurred in the past but unlikely in the next year. The entity rates consequence risk on a scale from negligible to catastrophic across the following loss factors: financial, reputational, legal, service delivery. Within the Procure to Pay process, negligible has no negative consequence, low disrupts internal non-management process and has no external financial loss, moderate requires corrective action by senior management, potential disciplinary action and minor financial impact etc.

Entities will need to develop a scope, context and criteria for all activities and processes they perform. The CFPC's *Fraud Risk Assessment Leading Practice Guide* provides a strategic profiling tool in support of its recommendation that entities responsible for multiple activities and processes prioritise the areas of the entity that are at higher risk for fraud.

Scope, context and criteria	Better practice
<p>Define the scope of the activity being assessed for fraud risk including objectives and decisions to be made prior to commencing any fraud risk assessment</p>	<ul style="list-style-type: none"> Clearly document the scope and objective of the process that is being assessed for fraud risks Circulate a document that sets out the scope to all employee participating in the fraud risk assessment Break down complex processes into manageable scopes

Scope, context and criteria	Better practice
Establish the context of the fraud risk activity	<ul style="list-style-type: none"> • Understand the external environment • Understand the internal operating environment • Reflect the specific environment of the activity to which the fraud risk management process is to be applied
Align the fraud criteria with an overarching risk management framework used to assess all business risks for consistency	<ul style="list-style-type: none"> • Review the entity's existing risk management framework prior to commencing to ensure up-to-date and fit-for-purpose • Align consequence and likelihood criteria and the risk rating matrix with existing framework
The fraud risk assessment criteria should reflect the organisation's values, objectives and resources and be consistent with policies and statements about risk management	<ul style="list-style-type: none"> • Review the entity's existing risk management policy to understand the entity's risk appetite

Source: OAG

Table 7: Better practice examples of the scope, context and criteria stage

Appendix 5.2 provides a guide on how you could outline your scope, context and criteria.

Risk assessment

Once the scope, context and criteria are established, entities need to assess their fraud risks.

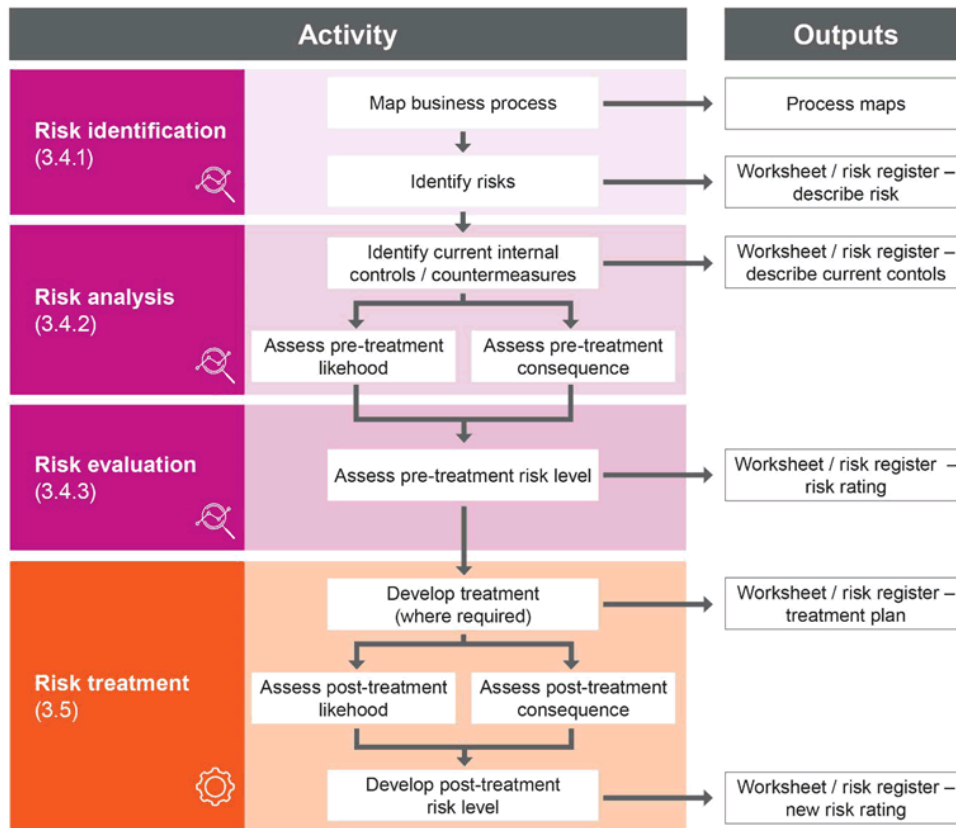
If an entity has a detailed risk assessment approach, then it is logical and likely more efficient to apply that for fraud risks as well.

AS ISO 31000:2018 *Risk Management - Guidelines* sets out 3 sub-phases in the risk assessment stage:

- risk identification
- risk analysis
- risk evaluation.

The assessment stage is followed by treatment. An overview of the risk assessment and treatment stages is set out below.





Source: OAG based on AS ISO 31000:2018 Risk Management - Guidelines Clause 6.4 and 6.5

Figure 5: Risk assessment and treatment stages overview

Identifying risks

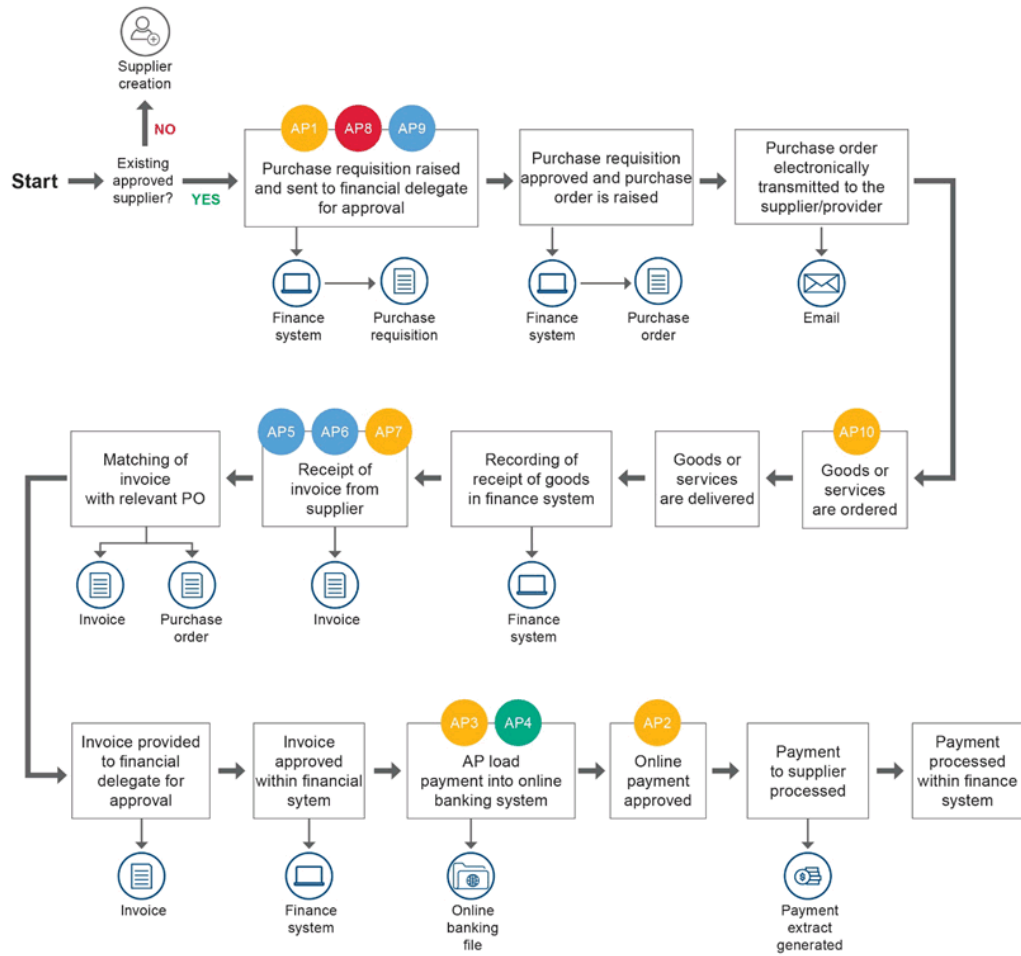
Think like a fraudster. Discover what you don't know.

Risk identification involves:
 "... finding, recognising and describing risks that might help or prevent an organisation achieve its objectives."⁷

It is important to avoid the temptation to be defensive and dismiss risks before they have been properly analysed and evaluated.

Identifying fraud risks should be viewed as a creative process. Brainstorm the various fraud schemes that have and could be committed within or against the entity. An effective way to identify fraud risks is to map the process that is being assessed and identify vulnerabilities within the process. Below is an example of an accounts payable process map, sometimes referred to as a flow chart. The coloured circles represent identified fraud risks in the accounts payable (AP) process.

⁷ AS ISO 31000:2018 Risk management - Guidelines Clause 6.4.2.



Source: OAG

Figure 6: Accounts payable process map

A fraud risk assessment should consider common methods used by fraudsters and look for vulnerabilities within the entity’s processes and activities. This will involve challenging assumptions about, and existing processes within, an entity to identify gaps and thinking of creative ways to circumvent internal controls.

Common frauds are a good place to start but entities should not stop there. Risk identification needs to be realistic but at the same time entities should remember that even the most far-fetched fraud scheme can occur when the right balance of motivation, rationalisation and opportunity are present. Asking hypothetical questions about how fraud could be perpetrated in a structured and controlled way will put the fraud risk assessment process on the right path.

Finally, a good fraud description will allow you to understand ways to prevent or detect the fraud. One way to identify and describe your fraud risks is to consider who did what and what the result was, also described below as the Actor, Action, Outcome method⁸:

⁸ Commonwealth Fraud Prevention Centre, *Fraud Risk Assessment – Leading Practice Guide*.

- actor – accounts payable (AP) officer
- action – submits and processes fictitious invoice
- outcome – payment of invoice results in money going to AP officer's bank account.

Fraud risks that have been identified should be adequately documented on a fraud risk worksheet. Fraud risk worksheets can function as an aid to the risk assessment but also as a fraud risk register and an implementation worksheet.

Appendix 5.3 includes:

- an example of a fraud risk worksheet
- risk assessment and treatment process overview
- key questions you could ask when trying to identify fraud risks
- the CFPC's Actor, Action, Outcome method of describing fraud risks
- an example diagrammatic presentation of assessed fraud risks
- a short summary of fraud risks that are commonly found in the public sector environment. The summary is not intended to be an exhaustive list. The examples in section 2.3 would also be useful in this exercise.

Analysing fraud risks

Once the potential fraud risks within the business unit or process have been identified the next step is to analyse the risks.

Risk analysis is:

*"... a detailed consideration of uncertainties, resources, consequences, likelihood, events, scenarios, controls and their effectiveness."*⁹

Fraud risk analysis requires input from employees within the business unit(s) being assessed and any additional subject matter experts who can add value to the process.

An analysis of each risk includes considering:

- **the likelihood** of the risk occurring
- **the consequence** for the entity if it did occur
- **resourcing constraints** impacting controls
- **the effectiveness of existing controls** intended to mitigate the risks.

The entity should use its established risk analysis matrix to analyse the likelihood, consequences, and strength of existing controls to assign a risk rating to each fraud risk. It is critical that every business unit within an entity use the same risk analysis matrix to allow for a proper comparison of risks across the entity.

Figure 7 below is an example of a risk assessment matrix that shows the likelihood combined with the consequences risks results:

⁹ AS ISO 31000:2018 *Risk management - Guidelines* Clause 6.4.3.

Likelihood		Consequence				
		Negligible	Low	Moderate	Major	Extreme
Almost Certain	Medium	High	Very High	Very High	Very High	
Likely	Medium	High	High	Very High	Very High	
Possible	Low	Medium	High	High	Very High	
Unlikely	Low	Low	Medium	High	High	
Rare	Low	Low	Low	Medium	Medium	

Source: OAG

Figure 7: Example of a risk assessment matrix

Sometimes an entity undertaking a fraud risk assessment can overestimate the effectiveness of internal controls. One technique to fully assess their effectiveness is to conduct a walk-through of the relevant process or activity and determine if the controls are currently operating effectively. Applying a sceptical approach to the controls and adopting the mindset of a determined fraudster can help to assess if a control can be overridden or avoided. Internal audit resources can also be helpful in this assessment.

Risk analysis	Better practice
Consider uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness	<ul style="list-style-type: none"> Detailed documentation of the analysis including reasoning for decisions for example if a risk is determined to be HIGH for consequence document why and what inputs were used
Events can have multiple causes and consequences and affect multiple objectives	<ul style="list-style-type: none"> Deep dive analysis to identify all causes, both internally, externally and potential consequences
Scrutiny of existing controls	<ul style="list-style-type: none"> Sufficiently analyse and test existing controls including walk-throughs and penetration testing Consider engaging specialists to identify gaps in existing system controls

Source: OAG

Table 8: Better practice examples of the risk analysis stage

Evaluating fraud risks

Once an entity’s fraud risks have been analysed, they need to be evaluated against the entity’s risk appetite and tolerance. This should be defined in the entity’s risk management policy and framework. The evaluation is used to determine if further action is required to reduce identified residual risks to an acceptable level.

Entities’ risk appetites and tolerances vary and depend on factors such as the circumstances of a particular program, the cost-benefit of implementing controls to reduce the risk of fraud, resources or other constraints and reputational risk. Risk tolerance is not static and should be determined on a case-by-case basis for each risk identified.

The purpose of risk evaluation is to:

“... support decisions. Risk evaluation involves comparing the results of the risk analysis with the established risk criteria to determine where additional action is required.”¹⁰

It is important that the evaluation of fraud risks involves detailed input from the process and risk owners and includes senior employees who can consider the cost of countering fraud against the entity’s risk tolerance. The evaluation considers the residual fraud risk and should conclude with one of the following outcomes¹¹:

- avoid the risk
- accept the risk
- remove the risk source
- change the likelihood
- change the consequences
- share the risk
- retain the risk.

These conclusions, and links to any supporting documentation, should be included in the fraud risk assessment worksheet.

Risk evaluation	Better practice
Evaluate results from risk assessment	<ul style="list-style-type: none"> • Comparing the results of the risk analysis with the established risk criteria to determine if and where additional action is required
Record and communicate evaluation results	<ul style="list-style-type: none"> • Risk evaluation outcomes are recorded, communicated and then validated at appropriate levels of the organisation

Source: OAG

Table 9: Better practice examples of the risk evaluation stage

Risk treatment

After finalising the risk assessment, the risk treatment process is undertaken. An entity’s evaluation of the risks and its risk appetite will determine if the residual risk is at an acceptable level or if treatment is required. Risk treatments can include enhancing existing controls, implementing new controls, or avoiding the risk altogether by no longer undertaking the activity, program or service.



An entity needs to consider how to mitigate the residual fraud risks that remain above the entity’s tolerance level. The objective of treating the fraud risk is to reduce the residual risk identified in the assessment to an acceptable level.

¹⁰ AS ISO 31000:2018 *Risk management - Guidelines* Clause 6.4.4.

¹¹ AS ISO 31000:2018 *Risk management - Guidelines* Section 6.5.2.

The aim of risk treatment is to:

*".. select and implement options for addressing risk."*¹²

An overview of the risk treatment process has been set out in Figure 5.

Some treatments may enhance existing controls or introduce new controls. Fraud controls are specific measures, processes or functions that are intended to prevent or detect fraud events or to enable the entity to respond to them. These would be suitable to address the following outcomes:

- accept the risk
- change the consequence
- change the likelihood
- change both the consequence and likelihood
- share the risk
- retain the risk.

Subject to the entity's risk appetite and tolerance, not every risk will require the development and implementation of treatments.

Risk treatment	Better practice
Determine appropriate risk treatments	<ul style="list-style-type: none"> • Select risk treatment options with the entity's objectives, risk criteria and available resources • Balance the potential benefits against cost, effort or disadvantage of implementation
Document implementation plan	<ul style="list-style-type: none"> • Document the treatment plan outlining the responsibilities, resources and other relevant implementation information in the fraud risk worksheet
Risks that do not have a treatment option	<ul style="list-style-type: none"> • If no treatment options are available or if treatment options do not sufficiently modify the fraud risk, the risk is recorded and kept under ongoing review
Remaining risk is documented	<ul style="list-style-type: none"> • Inform decision makers and other stakeholders of the nature and extent of the remaining risk after treatment • Document the remaining risk and subject to monitoring, review and, where appropriate, further treatment
Consider beyond economic consequences	<ul style="list-style-type: none"> • Justification for risk treatment is broader than solely economic consequences and considers the entity's obligations, voluntary commitments and stakeholder views

Source: OAG

Table 10: Better practice examples of the risk treatment stage

¹² AS ISO 31000:2018 *Risk management - Guidelines* Clause 6.5.

A useful way to examine your controls is to ensure they are specific, measurable, achievable, relevant and timed (SMART). This model and examples of internal controls that may be applied with a view to change the consequence, likelihood or both are provided at Appendix 5.4.

Monitoring and review

Entities should actively monitor the implementation of fraud risk treatments, because until the new or improved controls are in place, the fraud risk will remain above this tolerance level. Fraud risk owners will be responsible for ensuring the controls are implemented in a timely manner and remain effective. When a new or improved control has been implemented the entity should review the control in practice over time to ensure it continues to be effective.



Further, it is essential that entities have a program to continuously monitor and review their fraud risks. Sometimes only small changes to a business process or function can alter the inherent fraud risk rating, result in the emergence of new fraud risks, or impact the effectiveness of existing controls.

Monitoring and review is:

“... to assure and improve the quality and effectiveness of process design implementation and outcomes.”¹³

Monitoring and review	Better practice
Monitoring and review takes place during all elements of fraud risk management program	<ul style="list-style-type: none"> Monitoring and review includes planning, gathering and analysing information, recording results and providing feedback
Monitoring and review progress is reported	<ul style="list-style-type: none"> Results of monitoring and review are incorporated throughout the entity’s performance management, measurement, and reporting activities

Source: OAG

Table 11: Better practice examples of the monitoring and review stage

Recording and reporting

As noted earlier, fraud risks identified through a fraud risk assessment can be integrated into the entity’s broader enterprise risk register. Whether entities combine all risks into a single source risk register or maintain a separate fraud risk register, they must be documented and reported. Entities should report to appropriate oversight committees and management including any audit committees which are responsible for overseeing the entity risk management and internal controls.



Risk management process and its outcomes should be:

“... documented and reported through appropriate mechanisms.”¹⁴

¹³ AS ISO 31000:2018 *Risk management - Guidelines* Clause 6.6.

¹⁴ AS ISO 31000:2018 *Risk management - Guidelines* Clause 6.7.

The fraud risk assessment worksheet details several key processes and outcomes that should be documented including the methodology for the risk assessment, the results and the response.

Recording and reporting	Better practice
Detailed recording of fraud risk assessment process	<ul style="list-style-type: none"> Worksheets include adequate information that demonstrates reason for decisions made and actions taken
Ongoing monitoring and periodic review of the fraud risk management process and its outcomes is planned, and responsibilities clearly defined	<ul style="list-style-type: none"> Updates provided to senior management and those charged with governance on progress Monitoring through audit committee Documented responsibilities for undertaking fraud risk management are outlined in the entities' FCS

Source: OAG

Table 12: Better practice examples of the recording and reporting stage

Conclusion

Fraud is a pervasive and growing issue within Australia. Fraud can be initiated by employees or close associates of an entity and, increasingly, by parties with no apparent connection to the entity. It can also involve collusion between internal and external parties.

Historically, the approach of many Australian entities to fraud risk management has been wholly reactive. Entities that embrace adequate and proportionate approaches to managing fraud risks will increase their chance of reducing fraud events.

We encourage entities to use this guide along with the tools and any other available resources when applying AS ISO 31000:2018 – *Risk management - Guidelines* and AS 8001:2021 – *Fraud and corruption control* to manage the risk of fraud against their entity. While fraud risks cannot be eliminated, a robust and well-resourced fraud risk management program can minimise the likelihood and consequences of fraud events.

Appendix 1: Glossary

Term	Definition
Better practice guide (BPG)	A fraud risk assessment better practice guide (this report).
Bribery	Offering, promising, giving, accepting or soliciting of an undue advantage of any value (either financial or non-financial) directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.
Cloud computing	The practice of using a network of remote servers hosted on the internet to store, manage, and process data, rather than a local server or a personal computer.
Close associate	A person with a close connection with the organisation other than an employee (e.g. director, consultant, contractor).
Collusive tendering	The act of multiple tenderers for a particular contract colluding in preparation of their bids – also often referred to as bid rigging.
Conflict of interest	A situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.
Corruption	Dishonest activity in which a person associated with an entity (e.g. director, executive or employee) acts contrary to the interests of the entity and abuses their position of trust in order to achieve personal advantage or advantage for another person or entity.
Cryptocurrency	A digital currency in which transactions are verified and records maintained by a decentralised system using cryptography, rather than by a centralised authority.
Data theft	Also known as information theft. The illegal transfer or storage of personal, confidential, or financial information.
Enterprise risk	Risks arising from the general operation of an entity that can impact on the entity's ability to meet its objectives (refer also definition of 'risk' below).
FCS	Fraud Control System - a framework for controlling the risk of fraud against or by an entity.
Fraud	Dishonest activity causing actual or potential gain or loss to any person or entity including theft of moneys or other property by persons internal and/or external to the entity and/or where deception is used at the time, immediately before or immediately following the activity.
Identity fraud	Also known as identity theft or crime. It involves someone using another individual's personal information without consent, often to obtain a benefit.
Internal control	Internal control is a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance that information is reliable, accurate and timely.
Malware	Malicious software intentionally designed to cause disruption to a computer, server, client, or computer network, leak private information, gain unauthorised access to information or systems, deprive user's access to information or which unknowingly interferes with the user's computer security and privacy.

Term	Definition
Nepotism and/or Cronyism	Where the appointee is inadequately qualified to perform the role to which he or she has been appointed. The appointment of friends and associates to positions of authority, without proper regard to their qualifications.
OAG	The Office of the Auditor General.
PESTLE model	Consideration of 6 external environmental factors that can impact an entity, namely the political, economic, social, technological, legal and environmental factors.
Phishing and/or Spear-phishing	Cyber-intrusion. Theft of intellectual property or other confidential information through unauthorised systems access.
Ransomware	Form of malware designed to encrypt files on a device, rendering any files and the systems that rely on them unusable.
Risk	The effect of uncertainty on objectives. An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats.
Risk appetite	The level of overall risk an entity is prepared to accept in pursuing its objectives.
Risk tolerance	The level of risk an entity is prepared to accept in relation to specific aspects of its operation – the practical application of the concept of 'risk appetite' to specific risk categories (relevantly to the subject of this guide, this can include application of an entity's risk appetite to the concept of fraud risk).
Social engineering	A broad range of malicious activities accomplished through human interactions (e.g. psychological manipulation of people into performing actions or divulging confidential information).

Appendix 2: References

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Appendix 3: Fraud control system benchmarking tool

An important component of the periodic assessment of the efficacy of an entity's FCS is to determine whether an entity's FCS aligns with the requirements and guidance set out in the standard, in effect, a benchmarking of the entity's fraud control program against the requirements and guidance of the standard. An organisation's performance against each element of the standard can be assessed in accordance with a 5-element rating scheme as set out below.

Alignment with AS 8001:2021 – <i>Fraud and corruption control best practice model</i>	Rating
Meeting better practice	5
Approaching better practice	4
Minimum acceptable level	3
Inadequate but some progress made towards better practice	2
Inadequate – no progress towards achieving better practice	1

The following are the relevant steps required to prepare and deliver an FCS benchmarking project:

Step 1	Consult and collaborate across the entity in a consideration of the FCS benchmarking model and determine which, if any, elements of the model are not relevant to the entity's own circumstances, make necessary adjustments to the model in preparation for analysis. ¹⁵
Step 2	<p>Gather all entity documentation pertaining to the control of fraud risk within the entity – this would include:</p> <ul style="list-style-type: none"> • current FCS documentation • current governing body charter • most recent fraud risk assessment • the entity's disciplinary procedures • recent analysis of awareness raising activities within the entity • most recent external environmental scan analysis

¹⁵ e.g. requirements and guidance of AS 8001:2021 Section 3.6 *Performance Based Targets* may not be relevant to public sector entities and could therefore be removed from the model.

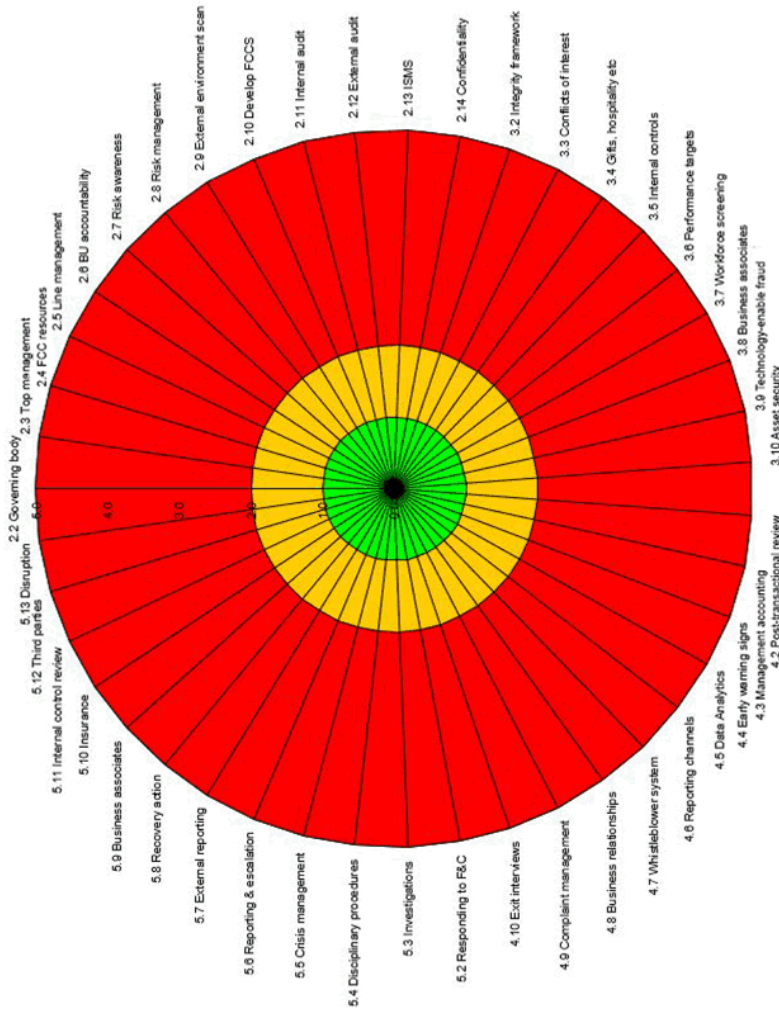
	<ul style="list-style-type: none"> • internal audit charter • any recent internal audit reports in relation to fraud risk management • all integrity related documentation • current workforce screening policy • current cybersecurity / information system management policies • a summary of the last 5 years fraud incidents covering results could provide insight into common activities, themes and weaknesses. Details such as number of events per year, fraud theme (procurement, CC etc), quantum, fraud substantiated Y/N, vulnerability identified, how vulnerability treated, date vulnerability treated • reports of analysis of internal control efficacy including pressure testing transactions. <p>Consult broadly across the entity to arrive at a realistic and reliable assessment of the entity's current performance against each relevant element of AS8001:2021. Consultation would include:</p>
Step 3	<ul style="list-style-type: none"> • if a relevant policy or procedure is currently in place or is proposed • the frequency of review of all relevant policies and procedures • if there is adequate resourcing to ensure that the FCS is properly and effectively administered • the culture within the entity in terms of adherence to the key elements of the FCS.
Step 4	Collaborate with relevant system and process owners to arrive at a rating on a scale of 1 to 5 for each element of the FCS being assessed in terms of its current alignment with AS 8001:2021.
Step 5	Consult broadly within the organisation in relation to initiatives currently in train for implementation in the future, collaborate with relevant system and process owners to arrive at a rating on a scale of 1 to 5 for each element of the FCS being assessed in terms of its future alignment with AS 8001:2021 on the assumption that the initiative is fully implemented.
Step 6	Enter scores into the model and review the output chart.
Step 7	Present to the relevant oversight committee within the entity.
Step 8	Implement remedial action required for the entity to better align with the better practice model per AS 8001:2021.
Step 9	Monitor the ongoing efficacy of the FCS in light of this analysis over time.

Presentation of the benchmarking analysis

The outcome of this analysis can be usefully presented in a variety of tabular or graphical formats. The way in which the benchmarking analysis results are presented will depend on the needs of the entity. One particularly visual way of presenting the outcomes of the benchmarking analysis is by way of a 'spider-web' diagram as shown below.

A Microsoft Excel tool is provided on our website with detailed instructions to assist in the preparation of this analysis and production of the spider web diagram is detailed below.

The spider web diagram is particularly useful for presenting current and future state alignment of an entity's FCS with AS 8001:2021 and for showing improvement over time. For example, if a spider web diagram depicting the current and anticipated alignment of the entity's FCS with AS 8001:2021 is presented to each meeting of the relevant oversighting committee (e.g. an audit committee) the committee would be able to efficiently monitor progress against action items initiated to address identified gaps.



The green area	Represents the entity's current alignment with the requirements and guidance of AS 8001:2021.
The amber area	Represents the entity's anticipated future alignment with the requirements and guidance of AS 8001:2021 once initiatives currently in train are fully implemented. Theoretically, the amber area should progressively turn to green over the projected implementation time frame.
The red area	Represents the current 'gap' between either the current alignment (green) or anticipated future alignment (amber) with the requirements and guidance of AS 8001:2021.

31 | Western Australian Auditor General

Appendix 4: External threat assessment tool

Assessment of external threats using the PESTLE model requires a rigorous 7-step process as follows:

- Step 1:** Consult and collaborate across the entity, make necessary adjustments to the worksheet in preparation for analysis.
- Step 2:** Gather all documentation pertaining to external threats in the environment in which the entity operates or is considering operations.
- Step 3:** Consider the most recent fraud risk assessment conducted in relation to the entity's operation.
- Step 4:** In collaboration with risk and process owners, consider the six PESTLE factors that could impact the entity's fraud risks.
- Step 5:** Identify external factors that need to be addressed by the entity to more effectively control fraud risks.
- Step 6:** Develop risk treatments for risks that need to be further mitigated and adjust in fraud risk assessment and fraud control system.
- Step 7:** Review external threats periodically.

The following is an example worksheet for assessing external threats against an entity using the PESTLE model.

PESTLE factor	Example questions to consider	External threat assessment	Action to be taken (risk assessment, risk treatments, fraud control system)
Political To identify the political situation of the country in which the organisation operates, including the stability and leadership of the government, whether there is a budget deficit or surplus, lobbying interests and international political pressure.	<ol style="list-style-type: none"> Has there been a recent change in government (at local, state or federal level)? Is there any anticipated change in government funding foreshadowed? How will a change in funding impact the entity's fraud exposure (e.g. an increase in funding for grants or a decrease in funding for administration)? Is there any legislative change anticipated in relation to employment law that may impact the entity's ability to manage its fraud exposure? 	Insert text	Insert text

PESTLE factor	Example questions to consider	External threat assessment	Action to be taken (risk assessment, risk treatments, fraud control system)
	<ol style="list-style-type: none"> 4. Is there a likely increase or reduction in government mandated regulation? 5. If yes, will that give rise to an increase in the entity's fraud exposure (either internally or externally initiated fraud)? 6. Are there any other political factors the entity should consider? 		
Economic			
<p>To determine the economic factors that could have an impact on the organisation, including interest rates, inflation, unemployment rates, foreign exchange rates and monetary or fiscal policies.</p>	<ol style="list-style-type: none"> 1. Are all economies in which the entity operates currently stable? 2. If there are indications of instability in an economy in which the entity operates, to what degree will this impact the risk of fraud within or against the entity? 3. Are there any key economic decisions (either recently implemented or in contemplation) likely to have an impact on the entity's fraud exposure (e.g. rising interest rates, a change in taxation rates)? 4. Is there currently significant pressure on wages and salaries that could act to reduce disposable income of the general population and to what degree could that impact on the entity's fraud exposure? 5. Is there likely to be a change in employment levels in the economy in the next three to five years? 	Insert text	Insert text

PESTLE factor	Example questions to consider	External threat assessment	Action to be taken (risk assessment, risk treatments, fraud control system)
	6. Is there likely to be a change in working arrangements that may increase the risk of fraud within the entity (e.g. remote working, flexible working arrangements)? 7. Are there any other economic factors the entity should consider?		
Social To identify the expectations of society by analysing factors such as consumer demographics, significant world events, integrity issues, cultural, ethnic and religious factors, and consumer opinions.	1. Has there been a marked decline in integrity standards within the broader community or is this anticipated going forward? How could these changes impact the entity's fraud exposures in the future? 2. Is it likely that the entity will only be able to attract adequate human resource is by offering work arrangements that are not sustainable for the entity? 3. Are there any other social factors they should consider?	Insert text	Insert text
Technological To identify how technology, including technological advancements, social media platforms and the role of the internet more broadly, is affecting or could affect the organisation.	1. Does the entity have a heavy reliance on technology internally? 2. Does the entity have a heavy reliance on technology to interact with external parties including business associates, customers, clients	Insert text	Insert text

PESTLE factor	Example questions to consider	External threat assessment	Action to be taken (risk assessment, risk treatments, fraud control system)
	and the general public? 3. Does the entity embrace leading edge cyber-security? 4. Does the entity have strict policies governing the use of its IT equipment by the workforce for personal purposes? 5. Does the entity have strong controls over the use of technology in the course of remote working? 6. Does the entity closely monitor developments in technology-enabled fraud? 7. Are there any other technological factors that the entity should consider?		
Legal			
To identify how specific legislation, including industry specific regulations, and case law are affecting or could affect the organisation's future operations.	1. Does the entity have a strong compliance function? 2. Does the entity have a strong sense of its own duties of integrity when interacting with external parties (i.e. is there a risk of the entity itself being accused of fraudulent or other illegal conduct)? 3. Are there indicators of significant change in the regulatory landscape affecting the entity? 4. Is the entity aware of its vicarious liabilities in relation to the conduct of members of its own		

PESTLE factor	Example questions to consider	External threat assessment	Action to be taken (risk assessment, risk treatments, fraud control system)
	workforce? 5. Are there any other legal factors that the entity should consider?		
Environmental			
To identify how local, national and international environmental issues are affecting or could affect the organisation.	1. Does the entity operate in circumstances where there is a likelihood of a high environmental impact? 2. If so, does this give rise to any raised risk of manipulation of financial or non-financial reporting? 3. Are there any other environmental factors that the entity should consider?		

Appendix 5: Tools to support the fraud risk management process

A5.1 Communication and consultation tool



Fraud risk owners can sometimes encounter problems with those responsible for developing, implementing and maintaining fraud controls relating to their risks. This may be because a control owner is experiencing staffing or funding constraints or they lack the requisite expertise. In these circumstances the person tasked with performing the fraud risk program can assist through:

- requesting progressive pieces of work
- fostering productive linkages between parties responsible for fraud control
- providing expert advice to stakeholders
- seeking strategic support from the senior staff to formulate solutions to impediments at the operational or program level.

The table below describes some methods for communication and consultation across an entity.

Structured one-on-one discussion with the process / risk owners	Speak with relevant business units – the people who work with the systems and processes every day. Meet one-on-one to facilitate an enhanced understanding of relevant risk and control issues.
Convene focus groups with process and risk owners and stakeholders	Facilitate detailed discussion of fraud risks with focus groups along with one-on-one meetings as an effective way to identify risks, internal controls that should mitigate those risks, whether they are operating as intended (think like a fraudster), assessing risks and developing effective risk treatments.
Seek input on fraud risk matters from across the entity	Invite the entire workforce to provide their input in relation to the entity's fraud exposures in an online survey.
Regular reporting to the project management committee	A project to manage fraud risk should be subject to a rigorous program of two-way communication between the oversight committee and the practitioner/team tasked with the project.
External communication and consultation	The project committee and the team responsible for delivering the project should consider the benefits of communication and consultation with parties external to the entity such as regulators, subject matter experts and peer organisations.
Reporting to the audit and risk committee	It is important for an audit and risk committee to be informed of developments in relation to fraud risks because they are responsible for overseeing the entity's risk management and internal controls.



A5.2 Scope context and criteria tool

Fraud risk assessment “XX Process”	
Factor	Definition
Scope	<p>The boundaries within which the fraud risk assessment will take place.</p> <ul style="list-style-type: none"> The specific parts of the XX process to be assessed for fraud risks. The business units and operational teams involved in the processes to be assessed. Tools to be used in the fraud risk assessment. Logistical considerations, milestones and timelines for completing the fraud risk assessment.
Context	<p>The internal and external factors influencing the environment the entity operates in.</p> <p>Internal factors may include:</p> <ul style="list-style-type: none"> The strategic objectives of the entity and how this influences the XX process. The existing employee level in the XX process and their experience, as well as their level of training in identifying indicators of potential fraud. <p>External factors include:</p> <ul style="list-style-type: none"> Increasing fraud trends targeting XX process. Recent known scams in the public domain that have been uncovered.
Criteria	<p>Likelihood and consequence criteria aligned to an entity's existing risk framework that can be used to rate fraud risks identified in the fraud risk assessment.</p> <ul style="list-style-type: none"> Likelihood criteria is a rating scale (i.e. Extremely unlikely to Almost certain) set by the entity to identify the expected frequency of a fraud risk in the XX process being realised, both with no internal controls in place (inherent) and existing controls in place (residual). Consequence criteria is a rating scale (Low – Catastrophic) across a number of defined loss factors (i.e. financial damage, reputational damage, legal damage), to identify the expected impact of a fraud risk in the XX process being realised both with no internal controls in place (inherent) and existing controls in place (residual). What is acceptable frequency / consequence.



A5.3 Risk assessment tools

A5.3.1 Example fraud risk assessment worksheet

A fraud risk assessment worksheet can be used to document all relevant information for each risk identified and assessed. Having applied the worksheet for this purpose it can also then be used as a risk register (alternatively, identified and assessed fraud risks could be included in the entity's enterprise risk register).

Fraud Risk (Short Title)		Risk Level		Description of Risk		
AP 1	Corruption in procurement (kickbacks)	Pre-treatment Very High	Post-treatment High	Proposed Treatment (if Applicable)	Rating Responsibility	Priority Responsibility
Current Internal Controls		Rating		Proposed Treatment (if Applicable)		Rating
Documented policies and procedures for procurement transactions >\$50,000 are in place.	Partially Effective	Overall Ratings		Training and awareness initiatives for staff.	Effective	High
Conflict of interest declaration forms are required to be completed by all staff.	Effective	Pre-treatment	Partially Effective	Regular review of the conflict of interest declaration register.	Effective	Medium
Independent evaluation of tender bids are undertaken	Ineffective	Internal Control	Major	Documented evaluation reports to be prepared and submitted to those charged with governance.	Effective	High
Missing control: There is no regular transaction review of purchases over \$50,000.	Ineffective	Consequence	Likely	Finance to review regular reports (i.e. monthly) with expenditure broken down by vendor.	Effective	Medium
Due diligence is performed on successful vendors.	Partially Effective	Likelihood	Possible	Due diligence checks should include open source information background checks on Directors.	Effective	Low
An independent party reviews any vendor complaints from the tender process.	Partially Effective	Post-treatment				
Risk Owner	HJG	Department	Procurement	Division	Finance	Date Assessed
			Accounts Payable			13 May 22
				Entered By	JNH	

The following is a short summary of the information that would be recorded on each risk assessment sheet (note that much of the information referred to in the following table will not have been prepared in the risk identification stage when the fraud risk worksheet is first created. The worksheet is intended to build over time as the entity works its way through the identification, analysis, evaluation and treatment development phases).

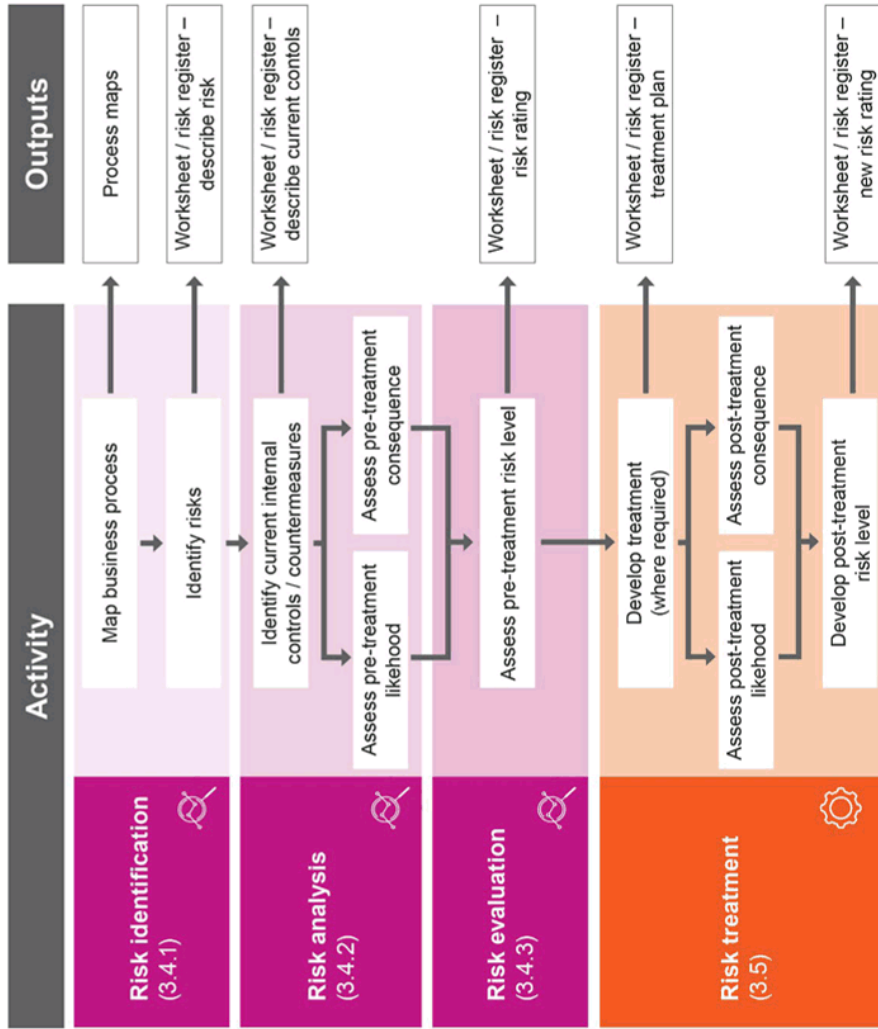
As noted above, each identified risk should be recorded on a separate risk assessment worksheet. The risk assessment worksheet can then be used as the entity's register of fraud risks. Alternatively, identified and assessed fraud risks can be recorded in the entity's enterprise risk register.

Data field	Information to be recorded (for each risk)
Fraud Risk Number	A reference number unique to each risk – the risk number is used in all outputs of the risk assessment process.
Fraud Risk (Short Title)	Short description of the risk that is generally used to identify the risk being discussed in relevant outputs.
Description of Risk	A more detailed outline of the risk consistent with the short title.
Risk Owner	The individual or position within the business unit who has primary responsibility for the business systems relevant to the identified fraud risk.
Department	The department to which the business unit belongs (see below).
System Business Unit	The business unit that has most control of the business systems and processes relevant to the identified risk.
Entered By	The individual or position who entered the fraud risk particulars into the risk assessment worksheet.
Date Assessed	The date on which the worksheet was populated.
Current Internal Controls	A short active title / description of each existing internal control (e.g. "System controls only allow limited authorised users to change bank accounts") and a short statement as to how the internal control mitigates the risk.
Current Internal Controls Rating	A rating on an appropriate scale (i.e. "Ineffective", "Partially Effective" or "Effective") of the effectiveness of each internal control on mitigating the risk.
Proposed Treatment (If Applicable)	Treatments the entity proposes to take to strengthen the existing internal control framework and reduce the risk rating to an acceptable level.
Proposed Treatment (If Applicable) Rating	A rating on an appropriate scale (i.e. "Ineffective", "Partially Effective" or "Effective") of the effectiveness of each treatment on mitigating the risk.
Proposed Treatment Priority	The proposed priority of the treatment.
Overall Ratings – Pre-treatment Internal Control	A rating on an appropriate scale (i.e. "Ineffective", "Partially Effective" or "Effective") of the overall effectiveness of the existing internal control framework on mitigating the risk.

Data field	Information to be recorded (for each risk)
Overall Ratings – Pre-treatment Likelihood	A rating on an appropriate scale (i.e. "Almost Certain" to "Rare") of the likelihood of a risk being realised with the existing internal control framework.
Overall Ratings – Pre-treatment Consequence	A rating on an appropriate scale (i.e. "Extreme" to "Negligible") of the consequence of a risk being realised with the existing internal control framework.
Overall Ratings – Post-treatment Internal Control	A rating on an appropriate scale (i.e. "Ineffective", "Partially Effective" or "Effective") of the overall effectiveness of the post-treatment internal control framework on mitigating the risk.
Overall Ratings – Post-treatment Likelihood	A rating on an appropriate scale (i.e. "Almost Certain" to "Rare") of the likelihood of a risk being realised with the post-treatment internal control framework.
Overall Ratings – Post-treatment Consequence	A rating on an appropriate scale (i.e. "Extreme" to "Negligible") of the consequence of a risk being realised with the post-treatment internal control framework.
Overall Risk Rating Pre-treatment	A rating on an appropriate scale (i.e. "Very High" to "Low") of the fraud risk level by reference to the risk matrix (taking into account the assessed effectiveness of pre-existing internal controls).
Overall Risk Rating Post-treatment	A rating on an appropriate scale (i.e. "Very High" to "Low") of the fraud risk level by reference to the risk matrix taking into account the assessed effectiveness of the post-treatment internal control framework.



A5.3.2 Risk assessment and treatment process overview



Source: OAG based on AS ISO 31000:2018 Risk management - Guidelines Clause 6.4 and 6.5



A5.3.3 Key fraud risk identification questions

Some key questions to ask when trying to identify fraud risks are listed below.

Key questions that need to be asked in identifying fraud risks
If I wanted to steal from this entity, knowing what I know about the current business systems process and internal controls, how would I do it?
If I wanted to get some sort of improper financial or non-financial advantage out of my position, how would I do it?
What do I know about this process that nobody else knows or checks?
Who has sole control over specific systems or processes that nobody else has visibility over?
What forms of payment does this process have – is it cash, card, EFT etc?
How can this process be made easier for the process owner at the expense of the entity?

A5.3.4 Commonwealth Fraud Prevention Centre’s ‘Actor, Action, Outcome’ method of describing fraud risks¹⁶

An effective method for describing fraud risk is to consider the actor, action and outcome. The level of detail is important when describing fraud risks. Without sufficient detail it becomes difficult to consider the factors (i.e. actors and actions) that contribute to the fraud risk and how fraud controls will specifically address these contributing factors.

An example of a poorly defined fraud risk from the invoice payment process provided would be “Fraud in the invoice payment process”.

The following are more accurately defined fraud risks from the same example:

- “a service provider (Actor) submits a falsified invoice (Action) to receive a payment for services not provided (Outcome)”
- “a service provider (Actor) coerces an official to approve and/or process a falsified invoice (Action) to receive a payment for services not provided (Outcome)”
- “an official (Actor) manipulates the finance system (Action) to divert an invoice payment to their own bank account (Outcome)”.

Judgement should be applied in striking a balance between capturing sufficient detail and documenting a manageable number of fraud risks. This could be achieved by combining similar risks and clearly documenting the various contributing factors (actors and actions).

¹⁶ Commonwealth Fraud Prevention Centre ‘Fraud Risk Assessment – Leading Practice Guide’.

The description can help with an entity's assessment of its fraud risks and how it considers ways in which to control it. Some of these controls may already exist and some may be new.

For example, an entity might limit the opportunity for an accounts payable officer to submit and processes a fictitious invoice that pays into an employee's account by:

- splitting the authorising powers (submit and process)
 - segregation of duties between invoice entry and payment authority
- validating the invoice details (fictitious invoice)
 - third party verification of goods/services being received
 - check supplier details in your supplier master file are an exact match to public records (e.g. Australian Business Register)
- cross-checking internal records (employee account)
 - compare bank accounts in supplier payment file against employee bank accounts.

Entities can link each of the above controls back to distinct parts (actor, action, outcome) of the fraud description.



A5.3.5 Example diagrammatic presentation of assessed fraud risks

It can be useful to present identified and assist fraud risks in diagrammatic form.

The following example shows the relative ratings of likelihood and consequence and the resulting overall risk rating for ten accounts payable related fraud risks. Diagrammatic analysis is also useful to show the projected change in risk rating as a result of implementation of a treatment plan introducing new or revised internal controls / fraud controls. The change in rating in relation to risk PR-1 is due to the introduction of new or revised internal controls that will reduce the consequence of the risk if it did occur (although in this example the likelihood remains unchanged).

Accounts payable





A5.3.6 Example public sector fraud risks

The following is a short summary of fraud risks that are commonly found in the public sector environment. This summary is not intended to be an exhaustive list, but it can be used as a ‘thought provoker’ in the identification of operational risks types facing the entity being assessed.

Accounts payable fraud	
False invoicing (creation of a fictitious vendor)	A fictitious vendor is created in the finance system to which payments for false invoices are made for goods/services not ordered and not delivered (typically fraud of this type involves personnel within the entity but it can be perpetrated at times by external parties acting alone or by external parties operating in collusion with a member of the target entity's workforce)
Fraudulent change to vendor master file	Fraudulent change to the entity's vendor master file (i.e. change of bank details to divert legitimate vendor payments to an account controlled by the perpetrator) – this can be done by a person internal to the entity, a person external to the entity or by collusion between internal and external persons
Online banking fraud	Manipulation of vendor or other payments in the online banking system immediately prior to execution of the payment file in the entity's online banking system – the fraudulent manipulation of the online payment file is concealed by making false entries in the entity's accounting records
False invoicing (existing vendor)	Manipulation and processing of fraudulent payments for invoices apparently rendered by a legitimate vendor but, in fact, fraudulently generated and issued by the perpetrator who is generally a member of the entity's own workforce
Duplicate payments for the invoices already settled	More than one payment is made for the same invoice – this can be initiated inadvertently by a vendor who issues the same invoice twice in error but the vendor then fails to report the double receipt and fraudulently converts the duplicate payment
Procurement and tendering	
Corruption of the procurement process (involving personnel within the entity)	Corruption involving an employee of the entity and a vendor in the selection of a winning bid or tender often involving bribery / kickbacks but often motivated by personal or family association between the bidder and the entity's employee without direct financial reward – corruption can involve provision of a confidential bid price, contract details or other sensitive information to gain an advantage for one tenderer over other tenderers
Bid rigging (excluding personnel within the entity)	Collusive tendering between multiple bidders for the same contract for mutual advantage (no involvement of the entity's personnel)

Procurement and tendering	
Conflicts of interest	Undeclared association between an employee of an entity and a tenderer giving rise to an actual or perceived bias in awarding of a contract
Improperly receiving hospitality, gifts and benefits	An employee receiving or soliciting hospitality, gifts or benefits from a vendor or potential vendor hoping to gain a commercial advantage in doing so – depending on the circumstances, this behaviour may constitute fraud
Falsification and manipulation of claims for work-related expenditure	
Use of the entity's funds for personal expenditure	Claiming employee expenses for business-related expenditure not incurred or incurred for personal use or benefit (supported by false or inflated receipts / invoices)
Double-dipping	Claiming multiple reimbursements for the same expenses or claiming for expenses paid personally using receipts for purchases already made via another of the entity's reimbursement systems
Diversion of incoming funds	
Accounts receivable fraud	Redirection of incoming receipts to a spurious account followed by write-off of accounts receivable balance
Unauthorised discounts	Processing unauthorised discounts for early payment of invoices where the discount value is fraudulently transferred to the employee's own bank account
An authorised application of unknown receipts	Funds can be received by an entity where the source of the funds is unknown and the funds are allocated to a suspense account pending rectification – a possible fraud involves the transfer of part of the balance of the suspense account to an employee's own benefit with a manipulation of the accounting system to conceal the theft
Inflating invoice value	Inflating the value of an invoice raised by the entity with receipts in payment of the invoice directed to a spurious account controlled by the staff member concerned who then redirects the correct (reduced) value of the invoice to the entity's correct account
Vendor overpayment	Deliberately overpay a vendor in payment of an invoice for goods or services validly received, claim a refund for the overpayment and then direct the remittance to a spurious bank account
Theft of cash all funds received	Fraudulently failing to record receipt of cash received and then misappropriate for own benefit

Payroll	
Timesheet fraud	Fraudulent submission of falsified timesheets for casual employees who did not work with diversion of resulting remuneration generated to own account
Fraudulent alteration of remuneration rates	Alteration of remuneration rates (salaries or hourly rates) in the payroll system in relation to the employee making the change or for another employee in exchange for personal benefit
Ghost employee fraud	Fabrication of fictitious employees on the payroll with remuneration paid to own account
Fraudulently failing to record personal leave	An employee taking personal leave (annual, long-service, sick or carer's leave) without recording the leave in the HR system
Worker's compensation fraud	Worker's compensation fraud – fraudulent claims for injuries not sustained
Assets and Inventory	
Asset theft	Theft of the entity's assets, including computers and other IT related assets
Information theft	Theft or abuse of proprietary or confidential information (customer information, intellectual property, pricing schedules, business plans, etc)
Unauthorised private use of employer property	Use of employer property for personal use or benefit
Cash theft	Theft of petty cash
Manipulation of financial reporting	
Fraudulent manipulation of an entity's financial reporting	Fraudulent manipulation of financial reports in order to make it appear that a business entity has performed better (in financial or non-financial terms) than it has actually performed – this can be motivated by a need to demonstrate a certain level of personal performance in order to secure a performance bonus but may also be driven in the public sector by the need to meet political expectations

Cyber-borne attack	
Business email compromise	Emails impersonating vendors or an executive instructing payment to be made to a spurious bank account or a change to existing bank details
Phishing emails	Emails designed to dupe employees into providing personal information (i.e. by clicking on a link or opening an attachment)
Malware	Installing malware onto a computer or computer system within the entity which then issues fraudulent instructions (e.g. to change the bank account of a vendor in the vendor masterfile or change the payroll bank account of one or more employees)



A5.4 Risk treatment tools

A5.4.1 SMART principle for co-designing fraud controls¹⁷

Think about the fraud risk you have described and ways in which you might be able to prevent, monitor or detect the exploitation.

The following table outlines the 'SMART' principle which can be applied to help co-design controls with key risk stakeholders.

Specific	The control should have a clear and concise objective. They should also be well defined and clear to anyone with a basic knowledge of the work. Consider: who, what, where, when and why.
Measurable	The control and its progress should be measurable. Consider: <ul style="list-style-type: none"> • What does the completed control look like? • What are the benefits of the control and when they will be achieved? • The cost of the control (both financial and staffing resources).
Achievable	The control should be practical, reasonable and credible and should also consider the available resources. Consider: <ul style="list-style-type: none"> • Is the control achievable with available resources? • Does the control comply with policy and legislation?
Relevant	The control should be relevant to the risk. Consider: <ul style="list-style-type: none"> • Does the control modify the level of risk (through impacting the causes and consequences)? • Is the control compatible with the entity's objectives and priorities?
Timed	The control should specify timeframes for completion and when benefits are expected to be achieved.

¹⁷ Commonwealth Fraud Prevention Centre 'Fraud Risk Assessment – Leading Practice Guide'.

A5.4.2 Example internal controls that may be effective in controlling fraud risks

The following is a short summary of internal controls that experience has shown may be effective in controlling fraud risks in each of the categories contemplated in A5.3.6 above.

Once again, this is not intended as an exhaustive list and is intended to promote consideration of current and possible internal controls within each WA public sector entity when undertaking a targeted fraud risk assessment. It is anticipated that these internal controls may be effective in controlling fraud by:

- preventing a fraudulent transaction from being processed
- quickly detecting a fraudulent transaction after it has been processed thereby preventing any further transactions and minimising loss
- assisting an entity to respond to fraud incidents that have been detected.

The internal controls set out below can be used to:

- identify internal controls already in place during the risk analysis phase of the risk assessment
- identify internal controls that may be useful in further mitigating fraud risk in the risk evaluation phase of the risk assessment.

Accounts payable fraud
• Separate procurement and payment functions
• Separate handling (receipt and deposit) functions from record keeping functions (recording transactions and reconciling accounts)
• Require reconciliation to be completed by an independent person who does not have record keeping responsibilities
• Monitor the entity's financial activity, compare actual to budgeted revenues and expenses
• Require procurement and accounts payable employees to take leave of a minimum duration (e.g. two weeks at a time) with another member of the team performing their role in their absence
• If the entity is so small that duties cannot be separated, require an independent check of work being done supplemented by appropriate and effective data analytics and other reviews appropriate to the entity's situation

Procurement and tendering
<ul style="list-style-type: none"> Implement a tendering / contracting panel made up of independent personnel (i.e. unconnected to the procurement processes), to oversight the awarding of contracts
<ul style="list-style-type: none"> Standard contract conditions and specifications to be used with variations to be approved by senior management
<ul style="list-style-type: none"> Use evaluation criteria as agreed by the contract panel prior to tendering
<ul style="list-style-type: none"> Contract terms and conditions should be those of the purchasing department and not subject to change without the written approval of senior management
<ul style="list-style-type: none"> Clear audit trails with written records including formal authorisation of changes to original documentation
<ul style="list-style-type: none"> Independent post-transactional review of a substantial sample of tendering and contracting transactions with a particular focus on high-risk transaction types
<ul style="list-style-type: none"> Splitting of contacts should not be permitted unless authorised by senior management
<ul style="list-style-type: none"> Management reviews of the reasonableness and competitiveness of prices
<ul style="list-style-type: none"> Ensure contractors with a poor performance record are removed from the approved supplier's list
Falsification and manipulation of claims for work-related expenditure
<ul style="list-style-type: none"> Limit the number of entity issued purchasing cards and users
<ul style="list-style-type: none"> Set account limits with purchasing card providers (value, items that can be purchased etc.)
<ul style="list-style-type: none"> Require employees with entity issued purchasing cards to submit itemised, original receipts for all purchases followed by lodgement of hard copy supporting documentation
<ul style="list-style-type: none"> Independent rigorous examination of credit card transactions each month including detailed review of relevant receipts, invoices and other supporting documentation

Falsification and manipulation of claims for work-related expenditure
<ul style="list-style-type: none"> • Periodic review of a sample of hardcopy supporting documentation • Monitor the entity's financial activity, compare actual to budgeted revenues and expenses • Require an explanation of significant variations from budget
Diversion of Incoming receipts
<ul style="list-style-type: none"> • Send official notification to all regular providers / suppliers with particulars of the entity's bank account with statement that this is the only account to which refunds should be remitted • Independent post-transactional view of a sample of invoices rendered to identify any manipulations • Independent post-transactional review of emails between accounts payable / accounts receivable personnel within the entity and customers / clients to determine if there is any indication of manipulation of invoices raised or payments made
Payroll
<ul style="list-style-type: none"> • Payroll system procedures and training • Segregation of duties preventing payroll batch file payments or payroll master file changes without two approvers • Limited system administrator access to the payroll system • System controls to prevent changes to pay rates or salaries without approval • Changes to payroll masterfile (e.g. particularly for bank account numbers) only available to employees via an HR 'kiosk' in the HR system – system unable to process a change of bank account number outside of the HR kiosk • HR system to automatically generate a confirmation email to the employee where there has been a change of masterful data • Rigorous approval process for creation of new employees in the payroll system

Payroll
<ul style="list-style-type: none"> • Timely notification process from HR to Payroll of employees due to resign from the entity
<ul style="list-style-type: none"> • Periodic review of payroll system audit logs
<ul style="list-style-type: none"> • Management review of variance reports from previous payroll run to confirm reasons for significant differences
<ul style="list-style-type: none"> • Employee background checks for new hires with access to the payroll system – this should include criminal record screening and specific questions about any previous integrity concerns / disciplinary findings etc.
<ul style="list-style-type: none"> • Mandatory password changes for those with access to the payroll system to a suitable strength and complexity
<ul style="list-style-type: none"> • Physical security of computers used by payroll staff with direct system access
<ul style="list-style-type: none"> • Electronic timesheet systems and approval process for overtime
Assets and Inventory
<ul style="list-style-type: none"> • Physical security of desirable assets (i.e. laptops, IT equipment)
<ul style="list-style-type: none"> • Password protection and remote wiping capability in the case a laptop is lost or stolen
<ul style="list-style-type: none"> • Regular stocktakes of assets and inventory and updating asset registers
<ul style="list-style-type: none"> • Security of cash (i.e. petty cash) and gift vouchers in locked tins or a safe
<ul style="list-style-type: none"> • Tracking systems for assets and approval process for transfer of location
<ul style="list-style-type: none"> • Maintain vehicle logs, listing the dates, times, mileage or odometer readings, purpose of the trip, and name of the employee using the vehicle

Manipulation of financial reporting
<ul style="list-style-type: none"> • Active engagement with entity's external auditor in relation to the annual audit (i.e. working collaboratively with the auditor to identify any manipulation of the financial reporting)
<ul style="list-style-type: none"> • Analysis to identify unusual activity
<ul style="list-style-type: none"> • Detailed review of journal and other adjustments to the general Ledger with a focus, as a minimum, on high value transactions
Cyber-borne attack
<ul style="list-style-type: none"> • BitLocker protection of all IT assets to ensure security of data
<ul style="list-style-type: none"> • Access to databases/systems require unique user logon identification and password authentication
<ul style="list-style-type: none"> • Document authorisation that is needed to establish accountability and issue, alter, or revoke user access
<ul style="list-style-type: none"> • Prohibit shared user logon IDs and passwords, and user logon IDs and passwords
<ul style="list-style-type: none"> • Set database user access permissions that are based on the principles of privilege and separation of duties
<ul style="list-style-type: none"> • Restrict access to servers and office locations which contain sensitive and confidential data by physical security to authorised personnel
<ul style="list-style-type: none"> • Access to databases/systems require unique user logon identification and password authentication

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Auditor General's 2021-22 reports

Number	Title	Date tabled
19	Forensic Audit – Construction Training Fund	22 June 2022
18	Opinion on Ministerial Notification – FPC Sawmill Volumes	20 June 2022
17	2022 Transparency Report – Major Projects	17 June 2022
16	Staff Rostering in Corrective Services	18 May 2022
15	COVID-19 Contact Tracing System – Application Audit	18 May 2022
14	Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities Part 2: COVID-19 Impacts	9 May 2022
13	Information Systems Audit Report 2022 – State Government Entities	31 March 2022
12	Viable Cycling in the Perth Area	9 December 2021
11	Forensic Audit Report – Establishment Phase	8 December 2021
10	Audit Results Report – Annual 2020-21 Financial Audits of State Government Entities	24 November 2021
9	Cyber Security in Local Government	24 November 2021
8	WA's COVID-19 Vaccine Roll-out	18 November 2021
7	Water Corporation: Management of Water Pipes – Follow-Up	17 November 2021
6	Roll-out of State COVID-19 Stimulus Initiatives: July 2020 – March 2021	20 October 2021
5	Local Government COVID-19 Financial Hardship Support	15 October 2021
4	Public Building Maintenance	24 August 2021
3	Staff Exit Controls	5 August 2021
2	SafeWA – Application Audit	2 August 2021
1	Opinion on Ministerial Notification – FPC Arbitration Outcome	29 July 2021



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Western Australia



15.3 Operational Risk Report

Author(s) Emma Milne
Attachments 1. Risk Register Risk Rating [↓](#)

Recommendation

That the Committee recommends Council:

- (1) RECEIVES the Operational Risk Register Report for noting by Council.

Background

This report provides an overview to the Audit, Risk and Compliance (ARC) Committee of the City of Cockburn (the City) Operational Risk Register.

RMSS is the cloud-based online enterprise risk management software utilised by the City.

This report to the ARC is an update status update on the City's Operational Risk Register.

Submission

N/A

Report

This report is for the period 15 July 2021 to 08 September 2022.

The first seven are the strategic risks, then the following 272 are operational risks. All operational risks are owned by Heads of Business / Service Units, except where the BU / SU reports directly to a Chief / Executive.

The following 5 operational risks were archived during the period as they were no longer credible:

RISK ID	Description	Reason
Risk ID 47 [formerly 330]	<i>Lucky Orange</i> (<i>Lucky Orange</i> service may not comply with the City of Cockburn Information and Cyber Security Policy).	The City's Information and Technology Business Unit has verified that this service does not collect Personally Identifiable Information and complies with the policy
Risk ID 49 [formerly 335]	<i>Access security</i> (Unenforced user access for all accounts, means that access to systems which contain Personally	The City's Information and Technology Business Unit has confirmed that user1 and user2 accounts have been closed, and

RISK ID	Description	Reason
	Identifiable Information (PII), are not accountable and or traceable to a specific person)	therefore this risk is no longer a credible scenario
Risk ID 56 [formerly 42]	<i>Operations Centre safety</i> (Failure to controls plant and equipment at the Operations Centre)	This risk was associated with the activities during the construction phase of the Operations Centre and is now closed
Risk ID 286	<i>User Principal Name (UPN) standardisation</i> - (User Principal Names (UPN) are not standardised and require standardisation of format and attributes to allow for future integration of Role Based Access Control, Identity Access Management & Privilege Access Management [IAM/PAM])	The City's Information and Technology Business Unit has verified that UPNs are standardised in the email format adopted by the City and IAM/PAM is yet to be implemented
Risk ID 287	<i>Digital Records Management (DRM) or Record Management System (RMS) Integrity</i>	Manual registration of documents within ECM is a standard process across the City. An automated process is ideal, but not essential, but requires development from <i>TechnologyOne</i> .

The 272 operational risks are presented in *Figure 1* and *Figure 2* below.

There are 13 operational risks in the City's risk register which are rated substantial or greater. An update of these 13 risks is shown in Attachment 1.

Risk level	Number of risks		Change in number
	15 July 2021	08 September 2022	
Low	143	135	- 8
Moderate	121	124	+ 3
Substantial	8	10	+ 2
High	3	1	- 2
Extreme	2	2	0
Total operational risks	277	272	- 5

Table 1: RMSS Operational Risks Residual Risk Levels

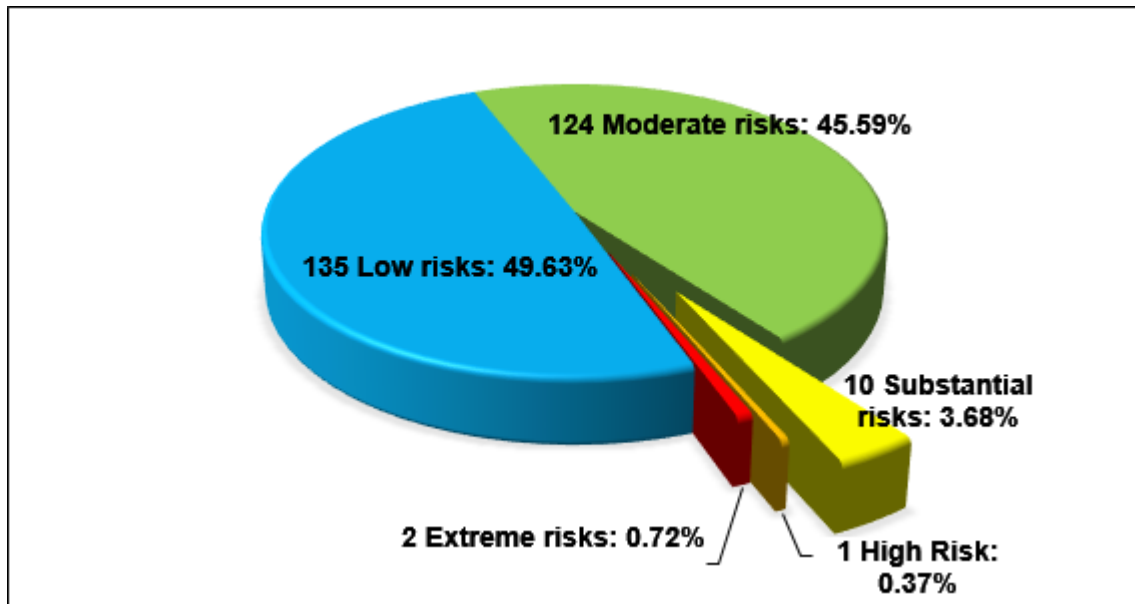


Figure 1: RMS risk register composition as of 12 July 2022

		Likelihood				
		Rare 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5
Consequence	Insignificant 1	Low 1 9 Risks	Low 2 1 Risks	Low 3	Low 4	Moderate 5
	Minor 2	Low 2 10 Risks	Low 4 79 Risks	Moderate 6 11 Risks	Moderate 8 3 Risks	Substantial 10 2 Risks
	Major 3	Low 3 23 Risks	Moderate 6 67 Risks	Moderate 9 30 Risks	Substantial 12 1 Risk	High 15
	Critical 4	Low 4 13 Risks	Moderate 8 13 Risks	Substantial 12 3 Risks	High 16 1 Risk	Extreme 20
	Catastrophic 5	Moderate 5	Substantial 10 4 Risks	High 15	Extreme 20 2 Risks	Extreme 25
Risk rating		Description				
Extreme 20-25		Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring.				
High 15-16		Risk acceptable with effective controls, managed by ExCo. Subject to quarterly monitoring or continuous review throughout project lifecycle.				
Substantial 10-12		Accepted with detailed review and assessment. Action Plan prepared and continuous review.				

Moderate 5-9	Risk acceptable with adequate controls, managed by specific procedures. Subject to semi-annual monitoring or continuous review throughout project lifecycle.
Low 1-4	Risk acceptable with adequate controls, managed by routine procedures. Subject to annual monitoring or continual review throughout project lifecycle.

Figure 2: Risk Register / Risk Matrix

This report confirms that the City has in place appropriate and effective systems to manage risk which area aligned to standard AS ISO 31000:2018 *Risk Management-Guidelines*.

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

Local Government (Audit) Regulations 1996

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.*
- (3) *The CEO is to report to the audit committee the results of that review.*

Community Consultation

N/A

Risk Management Implications

Failure to adopt the recommendations will result in the inability to support an integrated and effective approach to risk management and lack of guidance on the arrangements for designing, implementing, monitoring and continually improve risk management processes.

Advice to Proponent(s)/Submitters

N/A

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

Nil

Table 2: Update - Risk Register risks rated ≥ Substantial

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
8	315	Community infrastructure damage from climate change impacts	Reduced public safety, health and wellbeing caused by climate change impacts (changes to rainfall and increased bushfires, temperatures and extreme weather events).	Catastrophic 5	Likely 4	Extreme 20	Chris Beaton [ExCo member: Daniel Arndt]
<p>Action update</p> <ol style="list-style-type: none"> Design building for climate resilience and improve energy management, through implementation of ESD guidelines - ongoing; Ensure all City owned buildings (within Bushfire Prone Areas) have bushfire risk assessments completed, ongoing; Review capacity of existing City buildings to withstand more severe weather events - ongoing; Consistent with Planning Policy provisions continue to ensure: <ul style="list-style-type: none"> all proposed structure plans are accompanied and informed by a Bushfire Management Plan -ongoing; new building design approval process (within Bushfire Prone Areas) incorporate bush fire management – ongoing. Review, update and implement the <i>Bushfire Risk Management Plan</i> and <i>Local Emergency Management Plan</i> - ongoing. 							
9	316	Public health decline from climate change	Reduced public safety, health and wellbeing caused by climate change impacts (changes to rainfall and increased bushfires, temperatures and extreme weather events).	Catastrophic 5	Likely 4	Extreme 20	Chris Beaton [ExCo member: Daniel Arndt]
<p>Update</p> <ol style="list-style-type: none"> Undertake a climate change health vulnerability assessment and map vulnerable residents and areas, - ongoing; 							

Table 2: Update - Risk Register risks rated ≥ Substantial

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
2. Review, update and implement the <i>Public Health Plan</i> - ongoing; 3. Review, update and implement the <i>Bushfire Risk Management Plan</i> and <i>Local Emergency Risk Management Plan</i> - ongoing; 4. Review existing warning systems and identify potential gaps and opportunities for improvement – ongoing.							
10	312	Biodiversity loss from climate change impacts	Damage to or loss of biodiversity and natural habitat, caused by climate change impacts (decreased rainfall and increased bushfires, temperatures and extreme weather events).	Critical 4	Likely 4	High 16	Chris Beaton [ExCo member: Daniel Arndt]
Update 1. Review and implement the <i>Coastal Adaptation Plan</i> with latest climate science, scenario mapping and WALGA recommendations - ongoing; 2. Review and maintain ongoing coastal monitoring program -ongoing; 3. Review capacity of existing City buildings to withstand more severe weather events - ongoing; 4. Obtain legal advice to clarify the liability of the City in the event of coastal climate change risk scenarios - ongoing; 5. Prepare site specific foreshore management plans – ongoing.							
11	313	Coastal impacts from sea level rise	Legal liability and damage to or loss of natural environment, infrastructure and coastal land, caused by sea level rise.	Major 3	Likely 4	Substantial 12	Chris Beaton [ExCo member: Daniel Arndt]
Update 1. Review and implement the <i>Coastal Adaptation Plan</i> with latest climate science, scenario mapping and WALGA recommendations - ongoing;							

Table 2: Update - Risk Register risks rated ≥ Substantial

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
2. Review and maintain ongoing coastal monitoring program - ongoing; 3. Obtain legal advice to clarify the liability of the City in the event of coastal climate change risk scenarios - ongoing; 3. Prepare site specific foreshore management plans – ongoing.							
12	246	Community support	Failure to obtain community support for strategic planning functions.	Critical 4	Possible 3	Substantial 12	Carol Catherwood [ExCo member: Daniel Arndt]
Update 1. Risk controls remain effective - ongoing; 2. Extensive internal planning goes into community engagement in strategic planning - ongoing; 3. Four more officers attended community engagement training.							
13	324	<i>Dropbox</i>	Use of <i>Dropbox</i> may compromise the position of the City with regard to the protection of privacy information entrusted to the organisation.	Critical 4	Possible 3	Substantial 12	Brett Fellows [ExCo member: Stuart Downing]
Update 1. <i>Mimecast Large File Send</i> (2GB Limit); 2. <i>OneDrive Business</i> with Multi-Factor Authentication (MFA) and data Loss Prevention (DLP) controls. 3. The City has discontinued <i>Dropbox</i> as a service provided by Information and Technology for sending files (advocating <i>Mimecast Large File Send</i> instead), but there are still cases where an external sender may choose to use <i>Dropbox</i> .							

Table 2: Update - Risk Register risks rated \geq *Substantial*

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
14	344	<i>PerfectGym</i> at Cockburn ARC	Personally identifiable information (PII) breach by allowing anyone using <i>Amazon</i> to send email on behalf of cockburnarc.com.au	Critical 4	Possible 3	Substantial 12	Andrew Tomlinson [ExCo member: Anton Lees]
Update 1. <i>PerfectGym</i> conduct annual penetration testing of application and systems in addition to quarterly general security testing with issues resolved in order of severity; 2. The Cockburn Aquatic and Recreation Centre management has contacted <i>PerfectGym</i> who are aware of this issue through recent penetration tests they have conducted and hope to have a plan in place by October 2022 to resolve this issue.							
15	285	Landfill capping	Failure to fund the capping of existing exposed landfill cells.	Catastrophic 5	Unlikely 2	Substantial 10	Lou Vieira [ExCo member: Anton Lees]
Update 1. Cell 6 was capped in 2020. The cost to cap the remaining cells (4, 5 and 7) is \$17.5M and the operating cost to manage the Site until 2063 is \$10.5m. The current Reserve balance is \$12.5m. With the energy from waste plants due for completion in 2022, there is a narrow window for landfill to generate sufficient income through the sale of airspace to establish a reserve of a minimum of \$28m; 2. The current strategy to increase the Waste and Recycling Reserve will not be adequate.							

Table 2: Update - Risk Register risks rated ≥ Substantial

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
16	311	Reduced water availability from decreased rainfall	Decreased liveability, reduced water availability, loss of urban vegetation and biodiversity caused by climate change impacts (decreased rainfall).	Minor 2	Almost certain 5	Substantial 10	Chris Beaton [ExCo member: Daniel Arndt]
<p>Update</p> <ol style="list-style-type: none"> 1. Implement <i>Urban Forest Plan</i> - ongoing; 2. Review and Implement <i>Water Efficiency Action Plan</i> to address climate change - ongoing; 3. Implement <i>Water Sensitive Urban Design initiatives</i> - ongoing; 4. Conduct water audits - ongoing; 5. Maintain dialogue with Water Corporation to enhance storm water drainage systems on Wetlands – ongoing. 							
17	314	Urban forest decline from climate change	Urban forest decline caused by climate change impacts (increased temperatures and decreased rainfall).	Minor 2	Almost certain 5	Substantial 10	Lou Vieira [ExCo member: Anton Lees]
<p>Update</p> <ol style="list-style-type: none"> 1. Design building for climate resilience and improve energy management, through implementation of ESD guidelines - ongoing; 2. Ensure all City owned buildings (within Bushfire Prone Areas) have bushfire risk assessments completed - ongoing; 3. Review capacity of existing City buildings to withstand more severe weather events - ongoing; 							

Table 2: Update - Risk Register risks rated \geq *Substantial*

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
<p>4. Consistent with Planning Policy provisions continue to ensure:</p> <ul style="list-style-type: none"> all proposed structure plans are accompanied and informed by a Bushfire Management Plan - ongoing; new building design approval process (within Bushfire Prone Areas) incorporate bush fire management – ongoing. <p>5. Review, update and implement the <i>Bushfire Risk Management Plan</i> and <i>Local Emergency Management Plan</i> – ongoing.</p>							
18	169	Bushfire legislation	Failure to meet bushfire legislation obligations.	Catastrophic 5	Unlikely 2	Substantial 10	Mike Emery [ExCo mentor: Emma Milne]
<p>Update</p> <p>1. Fire control orders released with rates notice and property inspection program has been developed;</p> <p>2. All required inspections have been made in the rural areas;</p> <p>3. Funds are on budget to employ a specialist staff member for this role to ensure compliance and consistency.</p>							
288	New risk	Child safe organisation	Failure by the City of Cockburn to resource for, and anticipate legislative requirements, to comply with the National Principles for Child Safe Organisations	Catastrophic 5	Unlikely 2	Substantial 10	Brittany Cover [ExCo mentor: Victoria Green]

Table 2: Update - Risk Register risks rated \geq Substantial

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
<p>Action update</p> <ol style="list-style-type: none"> 1. Develop policy to assist the City to comply with impending Western Australian government legislation; 2. Develop and promote an organisational framework comprising people and experience to assist the City to comply with impending Western Australian government legislation by supporting employees to: <ol style="list-style-type: none"> (a) speak up about concerning behaviours to help prevent child abuse; (b) assist to improve organisational systems and processes for preventing and dealing with child abuse; (c) enable submission of complaints and reports of abuse about their staff; 3. Promote awareness through employee training or inductions of the National Principles for Child Safe Organisations as outlined by the <i>Child Safe Organisations National Principles</i>, Australian Human Rights Commission, Sydney 2018, summarised as follows - <p>A child safe organisation consciously and systematically:</p> <ul style="list-style-type: none"> • creates an environment where children’s safety and wellbeing is the centre of thought, values and actions • places emphasis on genuine engagement with, and valuing of children • creates conditions that reduce the likelihood of harm to children and young people • creates conditions that increase the likelihood of identifying any harm • responds to any concerns, disclosures, allegations or suspicions. 							

Table 2: Update - Risk Register risks rated ≥ Substantial

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
289	New risk	Workplace psychosocial hazards	Inability to provide for workers a safe work place free from exposure to bullying and harassment	Catastrophic 5	Unlikely 2	Substantial 10	Jemma Iles ExCo Member
<p>Update</p> <ol style="list-style-type: none"> 1. Development and implementation of People Experience Management Framework to ensure Employees and People Leaders and appropriately informed and educated on reasonable and respectful workplace behaviours. Training is being rolled out on bullying and harassment across the organisation, commencing with Council and SLT on 18 August 2022; 2. Policy and Reporting Procedure relating to Respectful Workplaces to be created as part of People Experience Management Framework. Due for delivery by 30 November 2022; 3. Implementing the City's code of conduct for employees <i>The Cockburn Way</i>; 4. Video record the City / its consultants during face to face consultations forums and advise participants of this; 5. Confirm that all contractors are appropriately experienced and qualified to manage any risk in the context of their engagement; 6. Consider number of participants to facilitator ratios depending on contractor experience; 7. Consider incorporating duress alarms in meeting rooms; 8. Create and publicise guidelines setting out the expected behaviours of our members of the public that the City considers acceptable and unacceptable for its workers and elected members to encounter; 							

Table 2: Update - Risk Register risks rated \geq Substantial

Risk ID		Risk name	Risk description	Consequence	Likelihood	Risk rating	Risk owner
New	Previous						
							<p>9. Draft guidelines to:</p> <ul style="list-style-type: none"> (a) Inform workers of the risk of psychological hazards prior to their engagement (b) Provide the City details regarding the workers' experience and qualifications in managing the risk of psychological hazards generally (c) Detail the workers' experience and qualifications in managing the risk of psychological hazards generally. <p>10. Continue to consult, coordinate and cooperate with workers to ensure that the risk of psychological hazards is eliminated or mitigate so far as is reasonably practicable.</p>

15.4 Review of Operational Risks - Cyber Security, Harassment and Bullying, and Workplace Health and Safety

Author(s) Emma Milne

Attachments 1. Extract City Operational Risk Register [↓](#)

Recommendation

That the Committee recommends Council:

- (1) RECEIVES the Review of Operational Risks – Cyber Security, Harassment and Bullying and Workplace Health and Safety Risks Report.

Background

This report is in response to Agenda Item 13.5 Audit, Risk and Compliance Committee – Annual Calendar of Business, of the 17 March 2022 Audit, Risk and Compliance Committee (ARC) which deals with the ‘Review of organisational risks, OSH, Cyber, Harassment& Bullying’ and requires a report to be presented to the ARC at the 22 September 2022 meeting.

The report provides an overview to the ARC of the risks which have been registered into the City of Cockburn (the City) operational risk register, and have been designated as cyber security risks, harassment and bullying risks, and work health and safety (WHS) risks.

Submission

N/A

Report

As of 08 September 2022, the City’s risk register contains 272 operational risks which have been identified as:

- 11 cyber security risks
- 3 harassment and bullying risks
- 30 work health and safety risks
- 228 other operational risks.

The 272 operational risks are presented in *Figure 1* below:

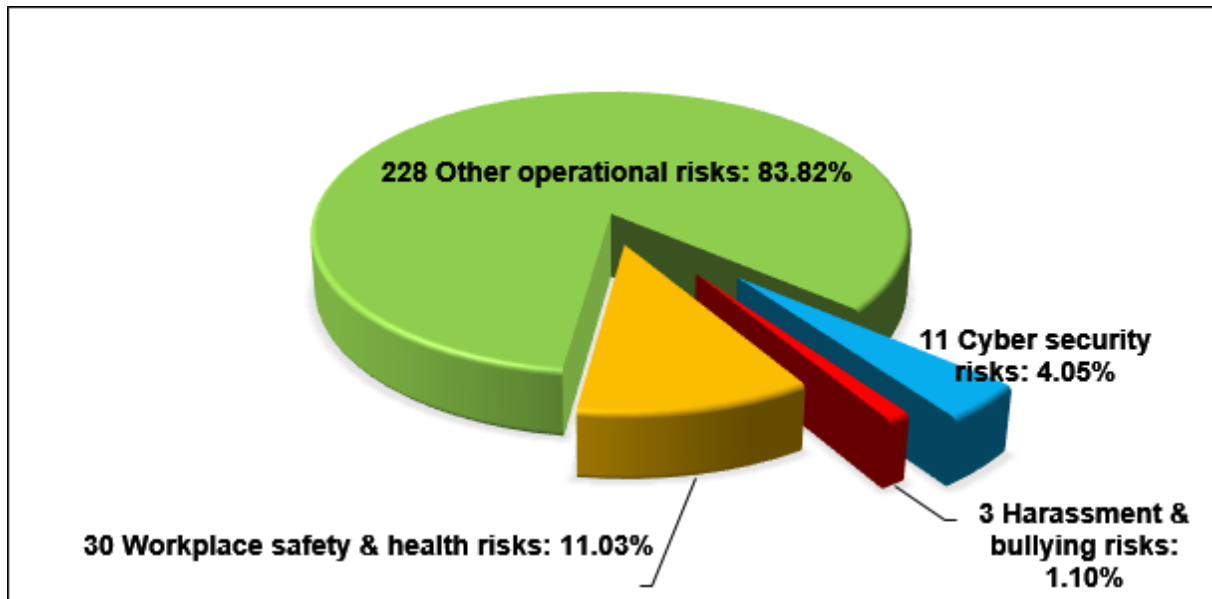


Figure 1: City of Cockburn operational risk register compositions of 08 September 2022

An update of these risk is shown in Table 1:

Attachment 1 to this report provides an extract of the City's Operational Risk Register, identifying Cyber Security Risks, Harassment & Bullying Risks and Workplace Safety & Health Risks.

The Attachment identifies each risk categorisation, the risk name and risk description, as well as an update to Council on the current risk mitigation practices.

This report confirms that the City has in place appropriate and effective systems to manage risk which are aligned to standard AS ISO 31000:2018 *Risk Management-Guidelines* and identifies those risks that are currently subject to regular oversight to ensure risk mitigation practices are effective, up to date, and regularly reviewed.

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

Work Health and Safety Act 2020 and Work Health and Safety (General) Regulations 2022 refer.

Community Consultation

N/A

Risk Management Implications

Review of this report by the Committee results in substantial insight into the risks registered in the City's operational risk register categorised as cyber security, harassment and bullying, and work health and safety (WHS) risks, as requested by the ARC at its 17 March 2022 meeting.

Advice to Proponent(s)/Submitters

N/A

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

Nil

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Cyber security	13	<i>Dropbox</i>	Use of <i>Dropbox</i> may compromise the position of the City with regard to the protection of privacy information entrusted to the organisation.	Critical 4	Possible 3	Substantial 12	Brett Fellows [ExCo member: Stuart Downing]
Update 1. <i>Mimecast Large File Send</i> (2GB Limit); 2. <i>OneDrive Business</i> with Multi-Factor Authentication (MFA) and Data Loss Prevention (DLP) controls; 3. The City has discontinued <i>Dropbox</i> as a service provided by Information and Technology for sending files (advocating <i>Mimecast Large File Send</i> instead), but there are still cases where an external sender may choose to use <i>Dropbox</i> .							
Cyber security	14	<i>PerfectGym</i> at Cockburn Aquatic & Recreation Centre (ARC)	Personally identifiable information (PII) breach by allowing anyone with specialist knowledge using <i>Amazon</i> to send email on behalf of cockburnarc.com.au	Critical 4	Possible 3	Substantial 12	Andrew Tomlinson [ExCo member: Anton Less]
Update 1. <i>PerfectGym</i> conduct annual penetration testing of application and systems in addition to quarterly general security testing with issues resolved; 2. The Cockburn Aquatic & Recreation Centre management has contacted <i>PerfectGym</i> who are aware of this issue through recent penetration tests they have conducted and hope to have a plan in place by end October 2022 to resolve this issue.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Cyber security	48	Security classification	There is no simple Information Security Classification Framework (ISCF) across the City's information enterprise architecture, whose main aim is to be able to identify that information which requires the most protection, including Personally identifiable information (PII).	Major 3	Possible 3	Moderate 9	Brett Fellows [ExCo member: Stuart Downing]
<p>Update</p> <ol style="list-style-type: none"> 1. There is no Information Security Classification Framework (ISCF) currently in place at the City) – Information and Technology Business Unit expects that an ISCF will be complete by end of FY 2023; 2. City has funded a Cyber Security Officer position and is working towards establishing an Information Security Framework in accordance with the requirements of Standards Australia AS ISO/IEC 27001:2015 <i>Information technology – Security techniques – Information security management systems- Requirements</i>; 3. Recruiting for Cyber Security Officer to progress the City's Information Security Management System (ISMS) which includes defining an ISCF. Position is currently vacant, expected to be filled by November 2022. 							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Cyber security	50	End of life operating systems	Windows versions Server 2003, 2008, 2008 R2, 2012, Windows 7 are 'end-of-life': no security patches are being issued for new vulnerabilities.	Major 3	Possible 3	Moderate 9	Brett Fellows [ExCo member: Stuart Downing]
<p>Update</p> <ol style="list-style-type: none"> 1. Implementing network segregation of end-of-life systems, and upgrading of systems to a supported version, Server 2016,2019 and Windows 10; 2. Many Windows 2008 servers have been decommissioned, though some remain. 							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Cyber security	290	Information Security Management System (ISMS)	Failure to maintain the confidentiality, integrity and availability of information by not applying a risk based ISMS which gives confidence to interested parties that cyber security risks are adequately managed in accordance with the key provision of the international standard ISO/IEC 27001:2013 <i>Information technology — Security techniques — Information security management systems — Requirements.</i>	Major 3	Possible 3	Moderate 9	Brett Fellows [ExCo member: Stuart Downing]
<p>Update</p> <ol style="list-style-type: none"> Draft and implement visionary statements and mandatory declarations of ISMS Framework in the existing <i>City of Cockburn Risk Management Council Policy</i>; Draft and implement ISMS Framework policies to support the operational function of ISMS under the City's Risk Management policy; Increase cybersecurity operational capacity within the City by appointment of multiple role-specific cybersecurity analysts (vulnerability specialist, Governance Risk and Compliance specialist, network security engineer); Cyber security risks are entered into the City's enterprise risk register, currently supported by RMSS. 							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Cyber security	285	Security	Current vulnerability management lifecycle is immature.	Minor 2	Possible 3	Moderate 6	Brett Fellows [ExCo member: Stuart Downing]
Update 1. Developed appropriate vulnerability lifecycle protocols in accordance with the requirements of clause A12.6 of the Standards Australia AS ISO/IEC 27001:2015 <i>Information technology – Security techniques – Information security management systems- Requirements</i> . Further work is required to achieve full end-to-end lifecycle of vulnerability; 2. To be progressed by Cyber Security Officer.							
Cyber security	134	Security	Failure to proactively monitor security data and usage to prevent unauthorised usage and abuse of systems.	Major 3	Unlikely 2	Moderate 6	Brett Fellows [ExCo member: Stuart Downing]
Update 1. Review the effectiveness of processes used by the City to monitor security data and usage to prevent unauthorised usage and abuse of systems; 2. Security Information and Event Management (SIEM) system currently being evaluated to monitor security data.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Cyber security	69	Supplier security	Use of cloud services may compromise the position of the City with regard to the protection of privacy information entrusted to the organisation.	Major 3	Unlikely 2	Moderate 6	Tony Natale [ExCo member: Stuart Downing]
<p>Update</p> <ol style="list-style-type: none"> Specific supplier security policy is not required - this should be captured within the City's Privacy Policy specific to data security requirements within the City's systems; Supplier security was reviewed with the City of Cockburn ISO Gap Assessment Report, conducted by Cyber CX on 03 December 2021. The action requires a bespoke IT Procurement sourcing process to be determined with the Cyber Security Officer. 							
Cyber security	70	USB scan	Potential for malicious software or virus to become installed on the City's IT equipment.	Major 3	Unlikely 2	Moderate 6	Brett Fellows [ExCo member: Stuart Downing]
<p>Update</p> <ol style="list-style-type: none"> Investigating various USB device control systems (group policy). The City has implemented the following: <ul style="list-style-type: none"> Enterprise grade antivirus software Application whitelisting software, which significantly reduces this risk Managed Threat Hunting service to reduce this risk. The City's firewalls actively block attempts of malware on an ongoing basis. The City is confident with these proactive measures that are in place. Reporting is also available to demonstrate the efficacy of the City's protection. 							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Cyber security	120	Cyber security	Failure to secure the City's data and information systems.	Major 3	Unlikely 2	Moderate 6	Brett Fellows [ExCo member: Stuart Downing]
Update 1. Review the effectiveness of Confidentiality of Sensitive Data Security Policies Property Security.							
Cyber security	123	Weak passwords on the domain	The current password policy allows for weak user and service account passwords.	Major 3	Unlikely 2	Moderate 6	Brett Fellows [ExCo member: Stuart Downing]
Update 1. Review the adequacy and effectiveness of the City-wide password policy; 2. The City endorsed and adopted a password policy in 2018. This provides strong passwords for users. This policy does not yet apply to service accounts that run on servers (e.g. <i>TechOne</i>). Information and Technology Business Unit expects this policy will be reviewed by the Cyber Security Officer.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Harassment and Bullying	289	Workplace psychosocial hazards	Inability to provide for workers a safe work place free from exposure to bullying and harassment.	Catastrophic 5	Unlikely 2	Substantial 10	Jemma Iles ExCo Member
<p>Update</p> <ol style="list-style-type: none"> Development and implementation of People Experience Management Framework to ensure Employees and People Leaders and appropriately informed and educated on reasonable and respectful workplace behaviours. Training is being rolled out on harassment and bullying across the organisation, commencing with Council and Senior Leadership Team on 18 August 2022. Policy and Reporting Procedure relating to Respectful Workplaces to be created as part of People Experience Management Framework – due for delivery by 30 November 2022; Implementing the City's code of conduct for employees <i>The Cockburn Way</i>; Video record the City / its consultants during face to face consultations forums and advise participants of this; Confirm that all contractors are appropriately experienced and qualified to manage any risk in the context of their engagement; Consider number of participants to facilitator ratios depending on contractor experience; Consider incorporating duress alarms in meeting rooms; Create and publicise guidelines setting out the expected behaviours of our members of the public that the City considers acceptable and unacceptable for its workers and elected members to encounter; Draft guidelines to: <ol style="list-style-type: none"> Inform workers of the risk of psychological hazards prior to their engagement Provide the City details regarding the workers' experience and qualifications in managing the risk of psychological hazards generally Detail the workers' experience and qualifications in managing the risk of psychological hazards generally. Continue to consult, coordinate and cooperate with workers to ensure that the risk of psychological hazards is eliminated or mitigate so far as is reasonably practicable. 							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Harassment and Bullying	164	Aggression from customers	Physical and / or psychological injury to City employees.	Critical 4	Rare 1	Low 4	Colleen Miller [ExCo member: Victoria Green]
<p>Update</p> <ol style="list-style-type: none"> 1. Service areas have existing procedures to respond to customer aggression; 2. Duress alarms and procedures located behind Front counter and in each Interview Room; 3. The following training is undertaken by frontline City employees: <ul style="list-style-type: none"> • Verbal Judo • Dealing with difficult people / customers • Dealing with antisocial behaviour • Customer Service training • Other role specific training. 4. Employee Assistance Program is available to all City employees; 5. Perspex screen installed at Front Counter creates physical barrier between Customers and Front Counter staff. 							
Harassment and Bullying	262	Statutory planning legislation - staff safety	Failure to provide statutory planning service staff with safe and suitable work environment.	Major 3	Rare 1	Low 3	Lorenzo Santoriello [ExCo member: Daniel Arndt]
<p>Update</p> <ol style="list-style-type: none"> 1. PPE, WHS policies and procedures, staff training, maintenance programs (fleet and equipment), incident / accident reporting system, on-the-job training, Liaise with local police, mobile phones. 							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
WHS	20	Staff work safety	Failure to provide a safe operation of plant and equipment and a safe work environment for Parks and Environment staff.	Major 3	Possible 3	Moderate 9	Lou Vieira [Exco Member: Anton Lees]
Update 1. Toolbox meetings promote safe practices run in accordance with annual scheduling and all minutes located in ECM and available on the mobility platform for crews to reference; Job Safety Analysis (JSA) regularly reviewed and or prepared; and Hazard reporting through the mobility architecture in the Parks Service unit; 2. Equipment checked and appropriately maintained; and Plant serviced in accordance with manufacturers recommendations. Changing consequence: Checklists are a requirement of each project with the operational crews having to complete on the mobility tablets prior to commencing a work order; All small plant and equipment which reached its useful life was traded in 2018/19; A new list was prepared for 2019/20; and Major plant is being renewed in accordance with the Fleet replacement program managed by Fleet Management Business Unit. Retaining the risk by informed decision: HR reporting monthly statistics; Safety representatives appointed and trained; and Staff undertake training in the use of the RMSS system to report incidents.							
WHS	24	Staff safety – Citywide	Failure to provide a safe working environment for staff.	Major 3	Possible 3	Moderate 9	Cheryl Taveira [Exco Member: Jemma Iles]
Update 1. The WHS Team will develop an action plan based on the August 2022 WHS systems review findings which aim to drive safety performance, minimise claim exposure and provide a safer work environment for all workers. 2. The action plan will focus on Management Commitment, Planning, Consultation and Reporting, Hazard Management and Training and Supervision. There will be 100% compliance with the new WHS legislation enacted on 31 March 2022. The Action Plan will be finalised by 30 September 2022.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
WHS	25	Rangers' safety	Failure to provide a safe working environment for Rangers staff.	Major 3	Possible 3	Moderate 9	Mike Emery [Exco Member: Jemma Iles]
Update 1. Ranger safety is constantly assessed - recently the Ranger team has been fitted with improved radios, body cameras, new uniforms and high visibility vest. 2. Improved processes have been drafted to ensure there is improved officer safety; 3. Ongoing reviews to ensure appropriate PPE is in place for Rangers to function occurs regularly; 4. Ongoing safety meetings are attended to by a nominated Ranger and safety is part of the Ranger team daily meetings and monthly Business Unit meetings.							
WHS	26	Events safety	Failure to provide a safe environment for City held events.	Major 3	Possible 3	Moderate 9	Brittany Cover [Exco Member: Victoria Green]
Update 1. Events Risk Management Plan Developed, including risk management plans submission tools and template; The risk assessments are rigorous for City large events – the City engages appropriate suppliers; 2. The events staff write and implement detailed plans and the Environmental Health Team check and sign these off. This only covers City events. 3. The City's Environmental Health Team regulate this in line with the <i>Health (Public Buildings) Regulations 1992</i> – Regulations 4 and 5.							
WHS	44	Library facilities safety	Failure to provide a safe and socially inclusive library facilities.	Major 3	Possible 3	Moderate 9	Brittany Cover [Exco Member: Victoria Green]
Update 1. Proactive policies and procedures. Trained staff. Appropriate customer service model. Monitor use of space.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
WHS	56	Operations Centre safety	Failure to control plant and equipment at the Operations Centre.	Critical 4	Unlikely 2	Moderate 8	Lou Vieira [Exco Member: Anton Lees]
Update 1. Operations Centre based plant and equipment is maintained by Fleet Management, JSA's have been developed for the safe operation of all plant. Inductions are undertaken with operators and applicable accreditations are required for operation of all plant and equipment.							
WHS	61	Waste trucks operations safety and standards	Failure for waste trucks to provide waste collection services which meet/comply with safety, road & industry standards and legislation.	Critical 4	Unlikely 2	Moderate 8	Lou Vieira [Exco Member: Anton Lees]
Update 1. Conduct a Safety Hazard Assessment for all Waste Operations and all results and recommendations have been incorporated into JSAs; New JSAs have been developed to ensure safe driver operations and public protection; Workshop maintenance schedules function with ongoing focus on Zero; New JSAs for Waste and Verge Truck Operations were created to further assist drivers to manage their workloads safely; and New JSA was created for Waste Truck operation that included specific details on maintenance and fault reporting in order to further reduce risk; 2. Waste Collection have significantly reduced their incidents to a point where our insurer has reduced our premiums by \$11,300.							
WHS	39	Aquatic facilities safety	Failure to provide safe, clean & secure environment for Aquatic facility users.	Major 3	Unlikely 2	Moderate 6	Andrew Tomlinson [Exco Member: Anton Lees]

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Update 1. Staff Training, Maintenance schedules and audits, Procedures, Code of practice, rules of entry, conditions of use, Signage, staff rotation, Emergency management response Lifeguard Training Plan External Audit Established cleaning program Contracted cleaners Monthly OSH Audits.							
WHS	43	Front counter cash handling	Inability to accurately handle cash at front counter in a safe manner.	Minor 2	Possible 3	Moderate 6	Colleen Miller [ExCo member: Victoria Green]
Update 1. CCTV screen of front counter and interview rooms located in the Contact Centre; 2. Cash handling Training and Procedures; 3. Drop Boxes available – for excess cash up to \$3,000 which is then cleared to safe by Team Leader; 4. Lockable cash drawers; 5. Duress alarm at each counter – direct through to CoSafe 6. Perplex screen at front counter.							
WHS	76	Port Coogee Marina environment	Failure to provide a safe and secure environment at the Port Coogee Marina.	Major 3	Unlikely 2	Moderate 6	Andrew Tomlinson [Exco Member: Anton Lees]
Update 1. Risk reviewed, WEMP and SEMP in place CCTV provision has been expanded and made fully operational, similarly the lighting activation from movement on the jetties and with vessels entering the marina at night, and the security camera/system installation on Maraboo Bridge. Regular inspection of the Marina and coastal environment is undertaken and reactive maintenance works is completed in a timely manner.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
WHS	97	Health & safety legislation	Failure to comply with health & safety legislation.	Major 3	Unlikely 2	Moderate 6	Cheryl Taveira [Exco Member: Jemma Iles]
Update 1. Creation and endorsement of Health and Safety Policy to reinforce the City's commitment (and legislative obligation) to the health and safety of Employees by October 2022. 2. Creation and implementation of action items that have been assessed as priority areas as a result of the Assessment Report delivered by LGIS in August 2022 by 30 June 2023. 3. Clearly defined roles, responsibilities and accountabilities for WHS for Employees, People Leaders and Officers. 4. Clearly defined and communicated WHS planning and consultation processes, with regular reporting occurring to the Executive to ensure compliance with WHS Legislation. 5. Continuation of training for all Employees to ensure familiarisation and awareness of WHS legislation.							
WHS	129	Library staff safety	Failure to provide a safe working environment for employees at libraries.	Major 3	Unlikely 2	Moderate 6	Brittany Cover [Exco Member: Victoria Green]
Update 1. Staff training plus thorough induction. OH&S representation. Proactive policies and procedures. Incident reporting. Team meetings. Engaged library management. CCTV and live access at Coolbellup Review of staff allocations.							
WHS	144	Contact with COVID-19 infected person	Contracting COVID-19 from providing First Aid to infected person.	Critical 4	Rare 1	Low 4	Cheryl Taveira [Exco Member: Jemma Iles]

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Update 1. Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020. 2. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022.							
WHS	147	Contact with COVID-19 infected person	Contracting COVID-19 from infected Customer / Community source / City employee.	Critical 4	Rare 1	Low 4	Cheryl Taveira [Exco Member: Jemma Iles]
Update 1. Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020. 2. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022.							
WHS	148	Contact with COVID-19 infected person	Contracting COVID-19 from infected City employee coming to work.	Critical 4	Rare 1	Low 4	Cheryl Taveira [Exco Member: Jemma Iles]
Update 1. Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020. 2. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
WHS	150	Contact with COVID-19 infected person	Contracting COVID-19 when handling mail / parcel delivery.	Critical 4	Rare 1	Low 4	Brett Fellows [Exco Member: Stuart Downing]
Update 1. Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020. 2. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022. 3. All records Officers wear disposable gloves when opening the incoming mail. All shared work equipment and work surfaces are also disinfected at the start of each day and after use. Hand sanitizer is also provided for the team and they are also encouraged to wash hands regularly.							
WHS	153	Port Coogee Marina refuelling	Failure to provide adequate and safe environment fuelling environment at Port Coogee Marina.	Minor 2	Unlikely 2	Low 4	Andrew Tomlinson [Exco Member: Anton Lees]
Update 1. The Port Coogee Marina Fuel Facility was rectified and commissioned in October 2018 and has been managed by Baileys Marine Fuels Australia (BMFA) since. The BMFA Emergency Response Plan has been incorporated into the marina SEMP; 2. The hours of the fuel dispensers is restricted from 6am – 7pm to minimise risk of a spill onto nearby Ngarkal Beach; 3. All user of the dispensers are required to complete an induction prior to a BMFA account card being issued.							
WHS	157	Civic support working environment	Failure to provide a safe environment for staff working in civic support and other staff and visitors.	Minor 2	Unlikely 2	Low 4	Emma Milne Exco Member

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Update 1. Appropriate training including Safe Food Handling; Crowd Control; Chemical Awareness; Warden training; Safe food handling practices; safe manual handling and equipment (e.g., ladders) use procedures; Provision of appropriate PPE; First Aid training.							
WHS	160	Safety standards	Failure of HR to monitor and influence safety standards and behaviour within the organisation.	Critical 4	Rare 1	Low 4	Chantelle Hanrahan [Exco Member: Jemma Iles]
Update 1. Development and implementation of the People Experience Management Framework by 31 December 2022 to ensure best practice human resources. 2. Education as part of the development of People Experience Management Framework will be delivered to ensure Employees and People Leaders are aware of the expectations of behaviours within the workplace. 3. Delivery of <i>The Cockburn Way</i> , including induction, to ensure that Employees are aware of the minimum expectations of behaviours within the workplace and how to report unreasonable workplace behaviours.							
WHS	162	Contact with COVID-19 infected person	Contracting COVID-19 when contacting shared office equipment, e.g., photocopier, meeting room computer keyboard and mouse.	Critical 4	Rare 1	Low 4	Cheryl Taveira [Exco Member: Jemma Iles]

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Update 1. Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020. 2. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022; 3. Currently only hospitals and aged care facilities are mandated and require proof of vaccination prior to entry.							
WHS	163	Contact with COVID-19 infected person	Contracting COVID-19 when handling office structures, e.g., door handles, tables, chairs.	Critical 4	Rare 1	Low 4	Cheryl Taveira [Exco Member: Jemma Iles]
Update 1. Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020. 2. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
WHS	165	Council meetings	Public access to Council Chambers during Council meetings leading to City employee/ Elected Member/ members of the Community contracting COVID-19 from infected City employee/ Elected Member/ members of the Community.	Critical 4	Rare 1	Low 4	Michelle Todd [Exco Member: Emma Milne]
<p>Update</p> <p>1. Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020.</p> <p>2. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022.</p>							
WHS	170	Operations Centre Safety	Failure to provide and maintain functional safe and clean facilities for staff, contractors and members of the public.	Minor 2	Unlikely 2	Low 4	Joe Saraceni [Exco Member: Anton Lees]

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Update 1. Perimeter fence and Internal fence the depot; 2. Programmed regular building inspections; 3. Asbestos replacement program prepared and funded; 4. Disability Access Audit completed periodically; 5. Training in fire response and emergency evacuation Tag & test including records of tested equipment logging; 6. Backup emergency diesel generator; 7. Automated Alerts and Security monitoring CoSafe based onsite; 8. Planned maintenance of plant and equipment.							
WHS	230	Contractors' safety	Failure to provide safe environment for contractors at the ARC.	Critical 4	Rare 1	Low 4	Andrew Tomlinson [Exco Member: Anton Lees]
Update 1. Contractor performance reviews; 2. Cleaning and maintenance audits; 3. Maintain relevant staff qualifications; 4. Emergency management response; 5. Contractors' insurance/permit checks; 6. Risk management plans for high risk activities; 7. Training Program Providing PPE.							
WHS	231	Staff safety - ARC	Failure to provide safe environment for staff at the ARC.	Critical 4	Rare 1	Low 4	Andrew Tomlinson [Exco Member: Anton Lees]

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Update 1. Staff inductions; 2. Regular staff meetings; 3. Staff Rules of Conduct; 4. Staff/contractor performance reviews; 5. Cleaning and maintenance audits; 6. Maintain relevant staff qualifications; 7. Emergency management response; 8. Risk management plans for high risk activities; 9. Training Program Providing PPE.							
WHS	243	Contact with COVID-19 infected person	Contracting COVID-19 from infected customer / community source / City employee.	Critical 4	Rare 1	Low 4	Cheryl Taveira [Exco Member: Jemma Iles]
Update 1. Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020. 2. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022.							
WHS	242	Records mail room	Failure to provide safe environment for records management services staff in opening arriving mail.	Major 3	Rare 1	Low 3	Brett Fellows [Exco Member: Stuart Downing]

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
Update 1. All Records staff wear disposable gloves when handling the incoming mail; 2. We have also included a procedure on suspicious mail that is included in the Information Management Standard Operating Procedures; 3. A spill kit is available should any contaminated items be opened; 4. The controls we have in place are effective and therefore there is a low risk to staff.							
WHS	245	Methane transfer	Failure to capture and safely transfer methane.	Major 3	Rare 1	Low 3	Lou Vieira [Exco Member: Anton Lees]
Update 1. Agreement with Waste Gas Resources (WGR) renewed; 2. Fire breaks renewed; 3. Flare metahen if required; 4. Risk aqssessment of methane plant undertaken – risk mitigation is sufficient; 5. Alarms monitored remotely; 6. Inclusion of Waste Gas Plant in the Emergency Management Plan.							
WHS	266	Adverse reaction to personal hygiene protocols	Developing dermatitis, burns, desensitizing or other skin condition from persistent hand washing / sanitiser usage.	Minor 2	Rare 1	Low 2	Cheryl Taveira [Exco Member: Jemma Iles]
Update 1. Self monitoring of skin condition from persistent hand washing / satitiser usage.							

Table 1: Update - Operational risks identified as cyber security, harassment, and bullying, and WHS risks

Risk type	Risk ID	Risk Name	Risk description	Consequence	Likelihood	Risk rating	Risk Owner
WHS	274	Citizenship ceremonies	Public access to Function Room during Citizenship ceremonies leading to City employee / members of the Community contracting COVID-19 from infected members of the Community.	Insignificant 1	Rare 1	Low 1	Emma Milne Exco Member
<p>Update</p> <ol style="list-style-type: none"> Regular cleaning and disinfecting of surfaces; Hand sanitiser provided throughout buildings; Poster and education on hand washing and COVID-19 hygiene controls; Vaccination mandate in Western Australia has led to 95% of the state population now being double vaccinated. This has reduced the consequences from COVID19 infections. However some Department of Health Directives restrictions remain pursuant to the declaration of State of Emergency in Western Australia on 15 March 2020. The Western Australian government has announced that it will remove most restrictions from the State of Emergency directives on 9 September 2022. 							

15.5 Audit Risk and Compliance Committee - Terms of Reference

Author(s)	Emma Milne
Attachments	1. Audit Risk and Compliance Committee - Terms of Reference ↓

Recommendation

That the Committee recommends Council:

- (1) ENDORSE the amended Audit Risk and Compliance Committee Terms of Reference; and
- (2) ENDORSE the subsequent required changes to the Expenditure Review Committee Terms of Reference as a result of the endorsement of item (1).

Background

Council has endorsed its new Committee Structure, which has been in place for some months.

All Committees have a relevant Terms of Reference (ToR) endorsed by Council. The intent of the new Committee Structure was that the commencement time for the bi-monthly Committee meetings be on a rotational basis (6:00pm – 7:00pm and 7:30pm to 8:30pm).

The Audit Risk and Compliance Committee (ARC) is a Committee with delegated authority, therefore it is required to be open to the public.

Submission

N/A

Report

In accordance with s5.23 of the *Local Government Act 1995* the ARC meetings are required to be open to members of the public.

It is proposed the ToR for the ARC be updated to set the ARC meeting commencement at 6:00pm for all bi-monthly meetings. The Expenditure Review Committee meetings, which operate on the same bi-monthly cycle as the ARC, will be set to commence at 7:30pm (or other time as determined) given those meetings are not required to be open to the public.

This change is recommended for the benefit of the public attending the ARC meetings.

Strategic Plans/Policy ImplicationsListening & Leading

A community focused, sustainable, accountable and progressive organisation.

- Best practice Governance, partnerships and value for money.
- High quality and effective community engagement and customer service experiences.

Budget/Financial Implications

There are no budget implications from the recommendation in this report.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

There is minimal risk associated with the recommendation in this report. The proposed change is to avoid requirements to adjourn Expenditure Review Committee meetings where they may exceed the set meeting duration, however there is limited risk to Council where it is required to adjourn, and later resume a meeting.

Advice to Proponent(s)/Submitters

N/A

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

Nil.



Audit, Risk and Compliance Committee (ARC)

Terms of Reference

Background

1. The Audit, Risk and Compliance Committee (ARC) is a formally appointed Committee of Council.
2. The ARC does not have executive powers or authority to implement actions in areas over which the administration (management) has responsibility and remains independent of the administration.

Objectives and Duties

1. As part of the Council's obligations, the ARC facilitates:
 - a. external financial audit reporting;
 - b. the examination of an Annual Financial Audit Report received and follow up of any matters raised in the Report and subsequent management letter, to ensure appropriate action is taken in respect of those matters;
 - c. vetting and responding to Office of the Auditor General (OAG) Local Government performance audits, whether the City is directly involved or not;
 - d. compliance with the Council functions under Part 6 of the Local government act 1995 (the Act) in relation to the City's financial management;
 - e. compliance with the Council functions under Part 7 of the Act in relation to Audit requirements;
 - f. an appropriate internal audit program endorsed by Council;
 - g. the review of the CEO's Report provided under:
 - i. Regulation 17 (3) of the *Local Government (Audit) regulations 1996*; and
 - ii. Regulation 5 (2) (c) of the *Local Government (Financial Management) Regulations 1996*;
 - h. compliance with Regulation 17 of the *Local Government (Audit) Regulations 1996* in relation to:
 - i. Risk management;
 - ii. Internal control; and
 - iii. Legislative compliance;

and to review the appropriateness and effectiveness of the systems and procedures in relation to these matters on a triennial basis every three (3) financial years;
 - i. effective communication between the external auditor, internal auditor, administration (management) and the Council;
 - j. effective management of financial and other risks to the City through a comprehensive risk management framework;

- k. the protection of City assets; and
 - l. review of the annual Compliance Audit Return required under Regulation 14 of the *Local government (Audit) Regulations 1996*.
2. The ARC performs any other function conferred on it by The Act, Regulations, or any other written law.

Membership

1. The Committee will comprise of a minimum of four (4) Members, who shall be appointed by Council, and includes one (1) independent, appropriately qualified appointed member.
2. The CEO and the officers responsible for the external and internal audit functions, risk management and legislative compliance will attend meetings to advise and provide information, as required.
3. Other City officers shall attend as required to provide administrative and secretarial support.
4. Representatives of the OAG and the contracted external and internal auditor shall be invited to attend the meetings as appropriate but must attend the meetings where the draft annual financial report and results of the external audit are to be considered.

Meetings

1. The Committee shall meet on the fourth Thursday in March, May, July, September, and November and on any other occasion necessitating the consideration of any function of the Committee.
2. The Committee shall be held in person at 6:00pm to 7:00pm ~~or at 7:30 to 8:30pm on a rotating basis with the other 3 Committees~~ as determined in advance in accordance with the two-year Electoral cycle.
3. An Audit Committee Calendar will be produced as guidance for the matters to be included on each regular meeting agenda and will be arranged to coincide with legislative timeframes where necessary

Delegation

1. The ARC will be delegated the authority to meet with the appointed external auditor, as required by section 7.12A of The Act.

Reporting

1. The Committee shall ensure the preparation of meeting minutes to be forwarded to the next practicable ordinary Council Meeting for consideration by Council.
2. The accompanying officer report will include all specific recommendations and a summary of the items considered at the relevant Committee meeting.

16. Corporate Affairs

Nil

17. Office of the CEO

Nil

18. Motions of Which Previous Notice Has Been Given

Nil

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

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

21. Matters to be Noted for Investigation, Without Debate

Nil

22. Confidential Business

Nil

23. Closure of Meeting