



AGENDA

Audit Committee Meeting

**23rd June 2021
Commencing at 3:00pm**

**Council Chambers
Yougenup Road, Gnowangerup WA 6335**

COUNCIL'S VISION

Gnowangerup Shire – A progressive, inclusive and prosperous community built on opportunity

AUDIT COMMITTEE TERMS OF REFERENCE

Objectives of the Audit Committee

The primary objective of the audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

The committee is to facilitate:

- the enhancement of the credibility and objectivity of external financial reporting;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- the provision of an effective means of communication between the external auditor, the CEO and the Council.

Powers of the Audit Committee

The Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

Membership

The committee will consist of all elected members of Council. All members shall have full voting rights.

The CEO and employees are not members of the committee.

The Deputy CEO will attend meetings, not as a member but to assist the Committee with any queries or requests for information.

The Executive Assistant or another nominated staff member will attend meetings to take the minutes.

The Presiding Member and Deputy Presiding Member must be elected in accordance with section 5.12 and Schedule 2.3 of the Act.

Meetings

The committee shall meet at least quarterly.

Additional meetings shall be convened at the discretion of the Presiding Member.

Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council and must be moved by the Presiding Member, or in his/her absence the Deputy Presiding Member, or in both their absences, any other member of the committee.

Functions of the Audit Committee

The functions of the committee, pursuant to Reg. 16 of the *Local Government (Audit) Regulations 1996* will be to:

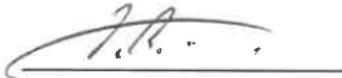
- a) guide and assist the local government in carrying out its functions:
 - i. under Part 6 (Financial Management) of the Act; and
 - ii. relating to other audits and other matters related to financial management;
- b) guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 (Audit) of the Act;
- c) review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to:
 - i. report to the council the results of that review; and
 - ii. give a copy of the CEO's report to the council;
- d) monitor and advise the CEO when the CEO is carrying out functions in relation to a review under
 - i. regulation 17(1); and
 - ii. the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- e) support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- f) oversee the implementation of any action that the local government:
 - i. is required to take by section 7.12A(3) of the Act; and
 - ii. has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act; and
 - iii. has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - iv. has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- g) perform any other function conferred on the audit committee by these regulations or another written law.

Shire of Gnowangerup

NOTICE OF A COMMITTEE MEETING OF COUNCIL

Dear Committee Member

A meeting of the Audit Committee of the Shire of Gnowangerup will be held on Wednesday 23rd June 2021, in the Council Chambers, 28 Yougenup Road, Gnowangerup, commencing at 3:00pm.

Signed: 

Ian Graham
DEPUTY CHIEF EXECUTIVE OFFICER

Meaning of and CAUTION concerning Council's "In Principle" support:

When Council uses this expression it means that:

- (a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and*
- (b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.*

Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Gnowangerup for any act, omission or statement or intimation occurring during Council or committee meetings.

The Shire of Gnowangerup disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or committee meeting does so at that person's or legal entity's own risk.

In particular and without detracting in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or officer of the Shire of Gnowangerup during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Gnowangerup.

The Shire of Gnowangerup advises that anyone who has any application lodged with the Shire of Gnowangerup shall obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Gnowangerup in respect of the application.

These minutes are not a verbatim record but include the contents pursuant to Regulation 11 of Local Government (Administration) Regulations 1996.

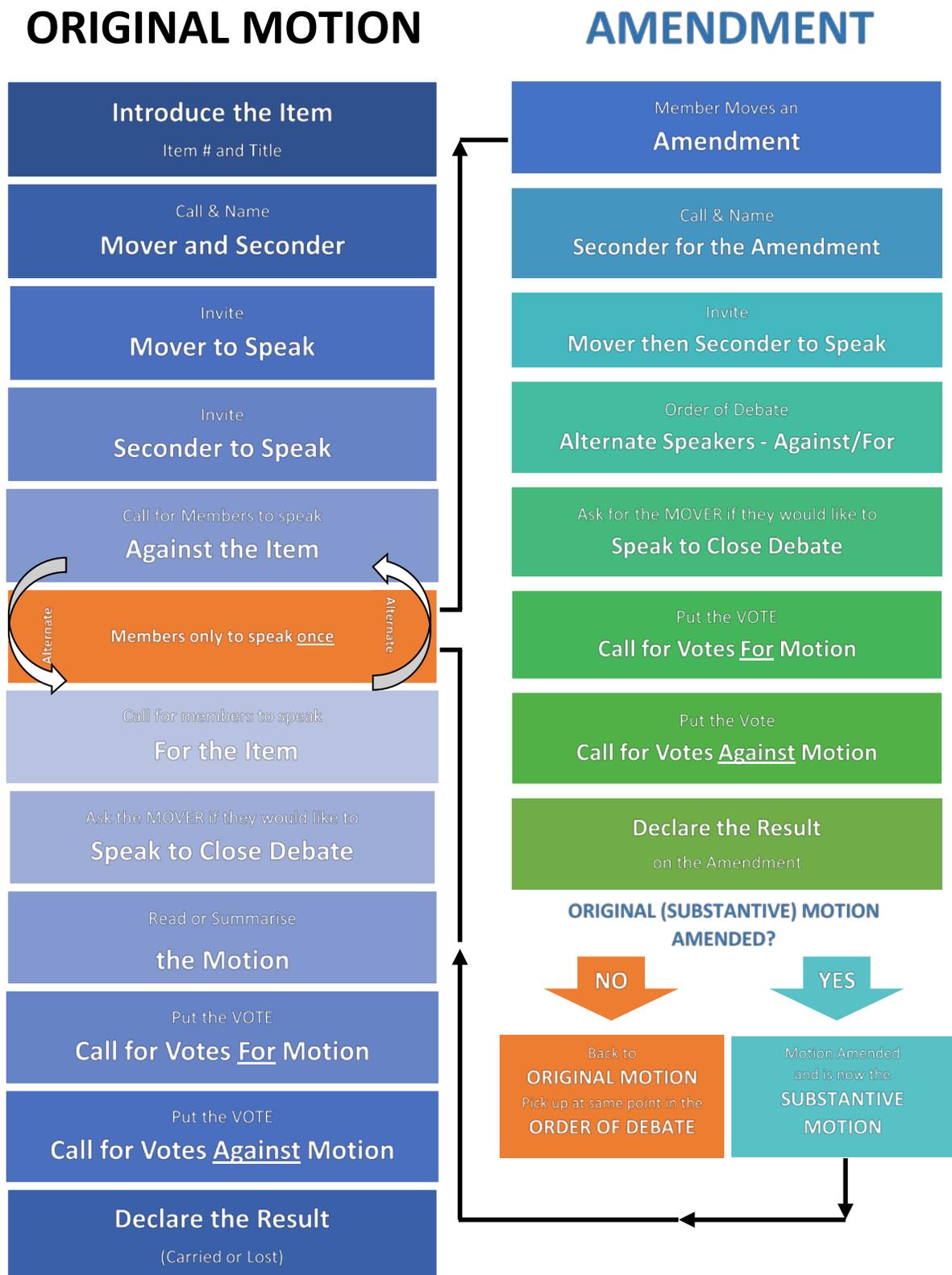
Signed: _____

A handwritten signature in black ink, appearing to read "I. Graham", is written over a horizontal line.

Ian Graham

DEPUTY CHIEF EXECUTIVE OFFICER

Process of Motions



Slight clarification of wording of motion: A minor amendment of the motion can be done at any time through the President with the approval of the Mover and the Secunder. The Minor amendment must be minuted.

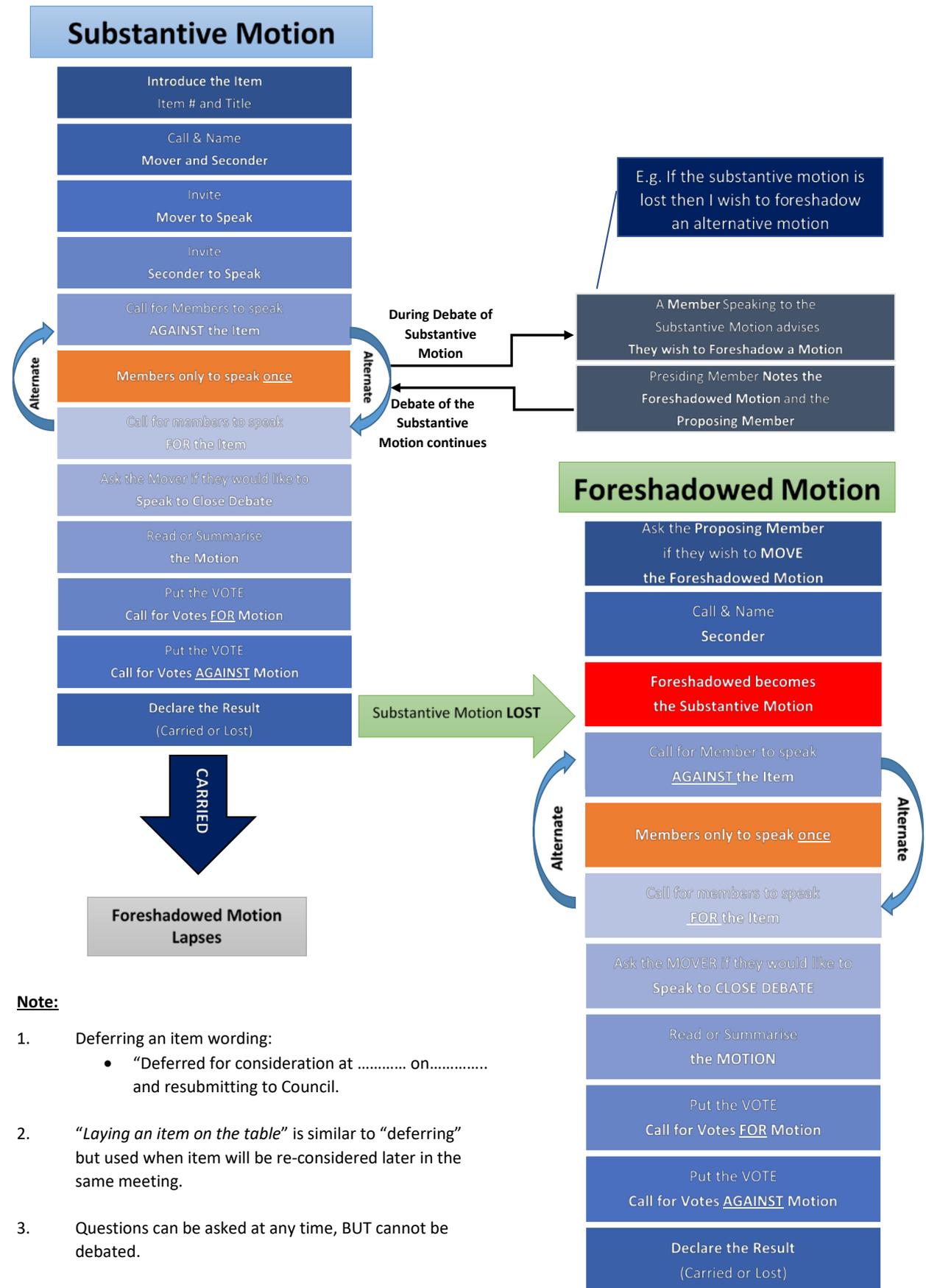


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OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS

Presiding Member, Cr. Greg Stewart welcomed committee members and staff and opened the meeting at _____pm.

2. ACKNOWLEDGEMENT OF COUNTRY

The Shire of Gnowangerup would like to acknowledge the Goreng people who are the Traditional Custodians of this land. The Shire of Gnowangerup would also like to pay respect to the Elders both past and present of the Noongar Nation and extend that respect to other Aboriginals present.

3. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

3.1 ATTENDANCE

3.2 APOLOGIES

4. CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 AUDIT COMMITTEE MEETING MINUTES 17th FEBRUARY 2021

OFFICER RECOMMENDATION:

AC0621. That the minutes of the Audit Committee Meeting held on 17th February 2021 be confirmed as a true record of proceedings.

5. OFFICER ITEMS

5.1 REVIEW OF PUBLIC SECTOR FINANCIAL INTEGRITY SELF-ASSESSMENT CHECKLIST

Location:	N/A
Proponent:	N/A
Date of Report:	14 th June 2021
Business Unit:	Strategy and Governance
Officer:	Ian Graham - Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENT

- Public Sector Financial Integrity Self-Assessment Checklist
- Integrity Strategy for WA Authorities 2020-23

PURPOSE OF THE REPORT

For the Audit Committee to endorse the Shire of Gnowangerup WA Public Sector Financial Self-Assessment Checklist.

BACKGROUND

In April 2021, the WA Public Sector Commissioner requested that all public sector authorities, including Local Governments, complete and have endorsed by their Audit Committees, the Public Sector Financial Integrity Self-Assessment Checklist (the Checklist).

The Checklist aligns with the four (4) integrity improvement areas contained in the Integrity Strategy for WA Authorities 2020-23. The WA Public Sector Commissioner has encouraged Local Governments to use the Checklist to assess their systems and controls and to make any necessary changes.

COMMENTS

Nil

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

Public Sector Commission

LEGAL AND STATUTORY REQUIREMENTS

Nil

POLICY IMPLICATIONS

There are no significant Policy implications.

FINANCIAL IMPLICATIONS

There are no significant Financial implications.

STRATEGIC IMPLICATIONS

Nil

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

The Checklist covers a wide range of risk and financial control areas, which are essential controls in the strategic management of the Shire.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION

**AC0621 That the Audit Committee:
Endorses the Shire of Gnowangerup Public Sector Financial Integrity Self-Assessment Checklist.**



Integrity in financial management: Self-assessment checklist

1. Complete the checklist

The self-assessment checklist should be completed by an officer (or officers) with subject matter expertise and visibility of the public authority's approach to financial management such as the head of internal audit or chief finance officer in a large public authority; or a senior leader (or combination of senior leaders) with responsibility and accountability for financial management in smaller authorities. Consultation with other relevant functional areas might also be required.

The checklist prompts you to consider the level to which your public authority has specific controls or activities using either 'in place', 'in progress' or 'not in place'.

If more than one officer is involved in the assessment, they can consider completing the checklist individually first then coming together to form a consensus view.

2. Plan for action

Consider how to address any gaps identified in your current approaches. Write comments and actions as the basis for a future plan.

Use a risk-based approach to prioritise future actions.

Include the plan on the agenda for the internal audit committee, or similar, that may recommend actions to be taken, and prescribe how and when.

3. Implement, monitor and review the plan

Assign each activity and task in the action plan to a responsible officer or custodian to complete the task and report progress back to the internal audit committee or similar. The committee can then monitor progress as part of its assurance role.

Before considering the activity or task complete, review whether it effectively controls the risk identified in the way intended.

Consider how financial management controls are reviewed and improved on an ongoing basis. For example, controls might be monitored periodically as part of the internal audit program. Ensure financial management controls are as contemporary and as strong as possible.

Definitions

Public authorities: Collective term describing public sector agencies (departments, SES organisations and non-SES organisations), local governments, public universities, government trading enterprises, other entities and some boards and committees.

Public officer: Meaning given by section 1 of The Criminal Code and includes those appointed to, employed in and contracted to public authorities.

Part 1: Plan and act to improve integrity

Effective financial management practices, systems and frameworks are established.

Risk management				
Effective risk management processes have been established.				
Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
has a risk management and governance framework which is monitored at least annually for effectiveness	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a risk management system or process that:				
<ul style="list-style-type: none"> captures and tracks financial risks, controls and treatments 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> documents these as well as the officers who are accountable for managing each risk in a risk register 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a fraud and corruption control plan that:				
<ul style="list-style-type: none"> is based on an environmental scan and assessment of integrity risks and vulnerabilities including financial risks 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> clearly describes and assigns responsibilities and accountabilities for detecting, reporting and preventing fraud and corruption 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> seeks to control and treat financial fraud and corruption risks and vulnerabilities (e.g. particular controls for financial management processes or positions assessed as being 'high risk' or having a higher fraud and corruption risk exposure) 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> describes a financial fraud and corruption detection program that includes: <ul style="list-style-type: none"> analysis of management accounting reports 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> <ul style="list-style-type: none"> random audits or 'spot checks' where there are multiple and regular transactions under threshold limits. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> is reviewed periodically for effectiveness and to ensure new and emerging financial fraud and corruption risks areas are being identified and assessed. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Sound financial management practice

Purchasing, payment and financial monitoring processes have been established.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
has, in easy to understand terms, described how sound financial management contributes to broader integrity and governance frameworks (e.g. in the public authority's integrity framework, financial management manual, policies and procedures)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has sound financial management policies and processes which take into account legislation and other mandatory requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has policies and procedures that define: <ul style="list-style-type: none"> • roles, responsibilities and accountabilities in financial management processes • financial delegations • procurement practices and approvals • contract management practices and approvals • purchasing cards including the basis for allocation, use, management (including monetary limits) and cancellation • acceptable use of public resources • recordkeeping and storage • how integrity risks associated with financial management are identified, assessed and monitored 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has employment screening and secondary employment approval processes for incoming and existing officers, with how often these processes are conducted for officers in financial, procurement and contracting positions included in a policy.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Sound financial management practice

Purchasing, payment and financial monitoring processes have been established.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has detection methods and data analytics processes that highlight where to focus any further examinations to look for trends and patterns, or suspicious activities, including:</p> <ul style="list-style-type: none"> • random transaction audits • purchasing, expenditure and vendor profiling and monitoring (e.g. spend analysis, review of purchase orders raised retrospectively, inappropriate purchases, potential duplicate payments, inactive/duplicate suppliers, suppliers with invalid ABNs, GST profiling) • purchasing card monitoring and reporting (e.g. periodic audits; monitoring of dormant and low-card usage, high value and inappropriate or personal use expenditure, non-compliance with purchasing card processes like timely acquittals) • contract management monitoring and reporting (e.g. periodic audits, monitoring contract performance, financial management and risk, supplier spend versus contract values, and variation analysis) • issues identified in conflicts of interest and gifts, benefits and hospitality declarations and/or centralised registers, secondary employment applications and approvals, and leave liability 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has a financial management system that is fit for purpose and well maintained; for larger authorities this may include configuring automated approval workflows that ensure segregation of duties (e.g. where one officer cannot order, receive, incur and certify); where automation is not possible segregation is documented and auditable</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has financial management recordkeeping processes (e.g. requiring tender evaluation panels to record actions and decisions in writing, communicating with suppliers in writing and appropriately storing these interactions for transparency).</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Sound financial management practice

Purchasing, payment and financial monitoring processes have been established.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has a centralised and comprehensive supplier master file that controls creation and amendment of supplier records and:</p> <ul style="list-style-type: none"> requires suppliers and their details to be validated before creating new supplier details or amending existing details requires key supplier details to be recorded to enable ongoing monitoring 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has a process for raising purchase orders that allows for appropriate visibility of planned purchases and approvals; and describes limited circumstances where purchase orders are not required (e.g. emergency purchases)</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has invoice matching processes to detect irregularities including:</p> <ul style="list-style-type: none"> automated invoice matching controls configured in the financial management system using invoice matching to confirm goods or services have been received and were planned for performing random audits for high value or frequently purchased goods and services to confirm with suppliers the goods or services were actually provided (e.g. includes those that may not be tangible like consultancy services) 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
<p>has processes to confirm requested goods and services have been received</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has accessible reporting pathways:</p> <ul style="list-style-type: none"> for officers to report suspected non-compliance with financial management policies and processes for officers to report misconduct and corruption more broadly, both internal and external to the public authority, including anonymous reporting avenues. 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	

Delegations of authority

Effective delegations framework has been established.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has financial delegations and approvals which:</p> <ul style="list-style-type: none"> • are communicated and enforced • are described in a centralised schedule or register • define and limit those responsible and accountable for reviewing and updating delegations • define how changes to or deviations from delegations are managed including: <ul style="list-style-type: none"> ○ approach for managing sudden departures or periods of absence ○ processes to detect, monitor and manage non-compliance (e.g. those acting without delegation). 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Procurement

Effective procurement frameworks and processes have been established.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has procurement planning, evaluation and engagement processes:</p> <ul style="list-style-type: none"> • for high-value, high-risk purchases which are periodically monitored (e.g. in response to changes in the public authority's operating environment) • that describes procurement value thresholds and risk including when to use written quotes and tenders to demonstrate due diligence and value for money 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a conflicts of interest policy and procedures including how gifts, benefits and hospitality are managed for 'high-risk' positions, functions and activities like procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has defined when exemptions to procurement processes can be used (e.g. in limited circumstances and must be documented and appropriately approved)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a process for independent review of procurement decisions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has tools and templates accessible to support officers undertaking procurement activities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Purchasing cards

Effective purchasing card management processes have been established.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
has a purchasing card system or process that:				
<ul style="list-style-type: none"> manages workflow for acquitting and approving purchases 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> ensures appropriate approval processes for amending purchasing card limits 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> requires regular review of card holders to ensure they continue to have legitimate business reasons to hold cards 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> requires card holders to affirm they understand their responsibility and accept their financial management obligations, and these are recorded appropriately 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> identifies how accidental personal use of purchasing cards is managed and steps required to report it and return funds 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> allows for independent review and approval of purchasing card statements 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> allows for appropriate and timely cancelling of cards and/or hold processes when officers are on leave, on extended absence from work or leave the public authority. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Contract management

Effective contract management processes have been established.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
has a centralised contract management register or system to store contract-related data and documentation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has contract management and oversight processes to enforce contractual terms, milestones and deliverables; and established methods to address any concerns	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a process for contract variations or project scope changes to be authorised, documented and monitored	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has evaluation and reporting requirements on contracts (e.g. if they met the brief, were on time, on budget)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has tools and templates accessible to support officers undertaking contract management activities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Part 2: Model and embody a culture of integrity

A culture of integrity exists in financial management, and is reinforced and communicated by leaders.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
has a statement about the way it does business (sometimes called a statement of business ethics) which is publicly available	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has an annual process where financial, procurement and contracting officers sign and acknowledge they understand their obligations under the code of conduct and financial management policies and processes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Implement process
has an annual (or more frequent) declaration of interests process for financial, procurement and contracting officers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has a process for high-risk, high-value suppliers to declare any conflicts of interest with internal officers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
has communications strategies to promote integrity including announcements and reminders about integrity in financial management	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Develop and implement strategy
has processes where chief finance officers (or equivalent) communicate the expectation that matters around non-compliance with policies and processes are to be reported, treated seriously and dealt with appropriately	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has processes where chief finance officers (or equivalent) demonstrate they are aware of the pathways to report non-compliance, misconduct and corruption both internal and external to the public authority.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Part 3: Learn and develop integrity knowledge and skills

Individual and public authority financial management knowledge, skills and competence are grown.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
has formal training programs for officers with financial, procurement and contracting responsibilities to ensure they are aware of their code of conduct, financial management policies and processes, and avenues for reporting suspected non-compliance, misconduct and corruption (e.g. financial fraud)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has formal training programs for new starters, secondees and transfers (e.g. induction and/or on-boarding programs) which emphasise integrity and obligations around protecting financial resources of the public authority and WA Government	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has targeted training programs on:</p> <ul style="list-style-type: none"> <li data-bbox="97 904 740 1106">• procurement and contracting processes for officers involved in these activities, including evaluation panel members (e.g. ensure suitably skilled and knowledgeable panel members are selected for procurement processes) <li data-bbox="97 1128 740 1263">• risk management with particular attention on officers who are 'risk owners' and have specific roles, responsibilities and accountabilities for identified risks <li data-bbox="97 1285 740 1487">• fraud and corruption control where training is appropriate to the risk profile of the role; teaches officers about 'red flags' to be aware of from other officers and suppliers; and supports officers to feel confident in reporting concerns 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
has awareness raising activities for suppliers that emphasise integrity, including ensuring suppliers (including new suppliers) are informed about integrity, the public authority's position on declaring conflicts of interest and how to report non-compliance, misconduct and corruption (e.g. providing a copy of the way the public authority does business during the procurement process and at time of engagement).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Include information in new supplier onboarding documentation

Part 4: Be accountable for integrity

Prevention, detection and response to financial fraud and corruption are everyone's personal and professional responsibilities.

Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has an independent internal audit function that:</p> <ul style="list-style-type: none"> • has clearly defined objectives, independence, accountability, reporting arrangements and role in an internal audit charter • provides a risk-based review of the effectiveness of governance, risk management and controls • is led by an officer who is suitably qualified and appropriately senior but has no other executive or managerial powers, authorities, functions or duties except those relating to the management of the internal audit function • has an established system and follow-up process to track and monitor internal and external audit actions to confirm they have been effectively implemented 	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
<p>has an independent internal audit committee or similar that:</p> <ul style="list-style-type: none"> • has a charter that defines its independence, accountability, role and responsibilities, and reporting arrangements • oversees governance, risk management, internal controls and compliance • has a suitably qualified chair who is not employed in the public authority • determines the internal audit program in consultation with the accountable authority. 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/>	

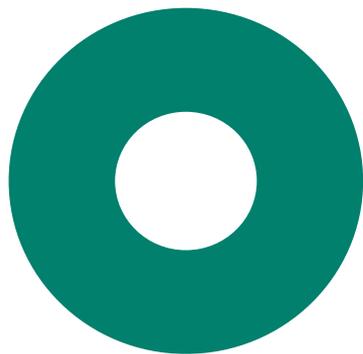
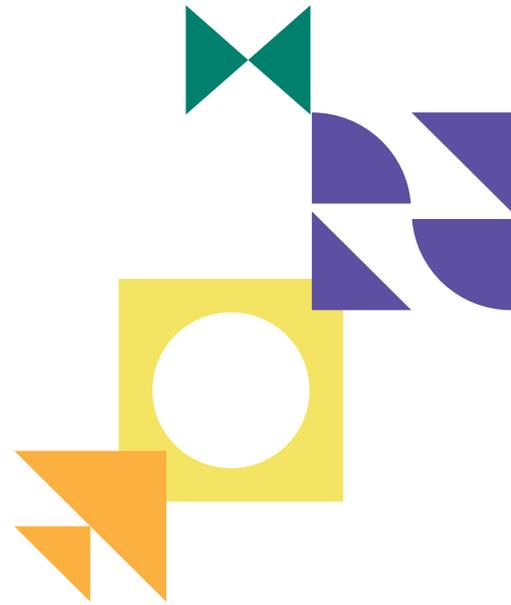
Assess if your public authority:	In place	In progress	Not in place	Proposed actions and comments
<p>has other internal oversight committees as required where:</p> <ul style="list-style-type: none"> • there are defined roles and relationships with executive leadership to embed accountability and oversight throughout the public authority • there are processes in place to ensure committees understand and apply their oversight roles consistently • periodic reporting to senior leadership occurs to ensure they have a strong understanding of the internal financial environment 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has monitoring and/or audit activities (and treatments available) to make sure officers' involvement and behaviour in procurement or contracting are appropriate including:</p> <ul style="list-style-type: none"> • effective supervision of those working in 'high-risk' positions or undertaking high-risk functions or activities or those with high levels of discretionary decision making • processes for identifying and recording officers with global access or officers who are able to override financial management controls • processes for identifying and recording officers' access to sensitive contract or tender information • rotating officers in 'high-risk' positions or undertaking high-risk functions or activities • ongoing vigilance around segregation of duties • leave liability is appropriately managed 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has a process to address matters identified, detected and reported including how issues are escalated internally and externally (i.e. who is notified and when and how investigations are undertaken)</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>has a process to use learnings from reports and recommendations of anti-corruption agencies and other integrity bodies.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



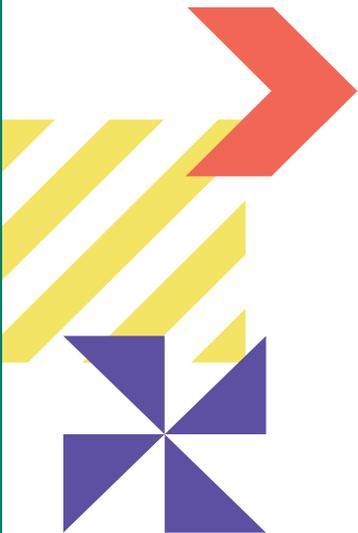
Public Sector
Commission

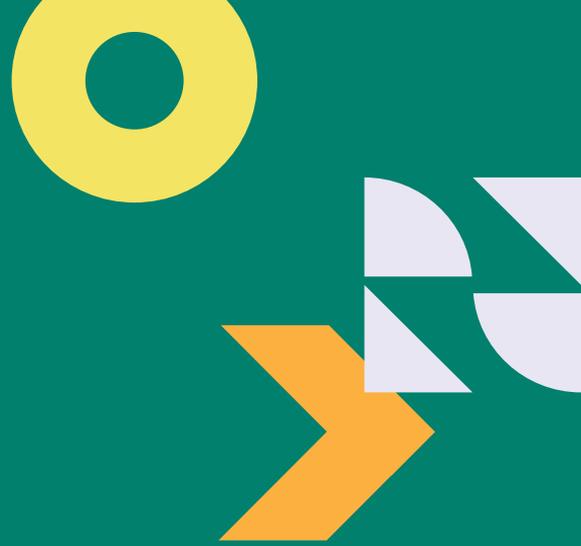
*We're working for
Western Australia.*

Integrity *Strategy*



FOR WA PUBLIC
AUTHORITIES
2020-2023





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This publication can be copied in whole or part with due acknowledgement.

It is on wa.gov.au.

Copies are available in alternative formats on request.

PSC1960067

From the Commissioner



Integrity is a non-negotiable to assure Western Australians that public authorities act in the interest of the community each and every day through the decisions we make and the actions we take.

Operating with integrity means using our powers responsibly for the purpose and in the manner for which they were intended. It means acting with honesty and transparency; and making reasoned decisions without bias by following fair and objective processes.

It also means preventing and addressing improper conduct, disclosing facts without hiding or distorting them, and not allowing decisions or actions to be influenced by personal or private interests.

Earning and maintaining community trust is essential for us to deliver the services that families, individuals, businesses and industry need for them to prosper – and for the State to grow.

We know that any breach of that trust has wide implications. The impact on our work and reputation affects us all. We also know that integrity goes beyond just legislative compliance – it is about doing the right thing because it is the right thing to do.

Two things are critical for us to understand to see improvement – first, integrity does not happen by chance; and second, we are all responsible for protecting the integrity of public authorities.

That is why a clear and focused approach to integrity must be at the core of our work. When integrity is a common frame of reference, it becomes a unifying force across different functions, different services and different employee groups.

Improved integrity helps minimise the incidence and impact of misconduct, including fraud and corruption. It also brings benefits in relation to performance, productivity and employee engagement.

To ensure our work translates into exceptional public value and high community trust, I expect every public authority – and those within – to commit to implementing this strategy.

Sharyn O'Neill

PUBLIC SECTOR COMMISSIONER

Commitment to improve integrity

Improved integrity requires sustained effort which is why all public authorities are expected to commit to implementing this strategy and taking action.

Integrity has to be embedded in all aspects of our work – in governance and administration; systems and controls; culture and attitude; and accountabilities and responses.

Every day. By everyone.

All public authorities and individuals must take an interest in promoting integrity and preventing misconduct and corruption.

While the Commission has a significant role to play, the primary responsibility for preventing misconduct and corruption – and operating with integrity – lies with leaders and individuals in public authorities.

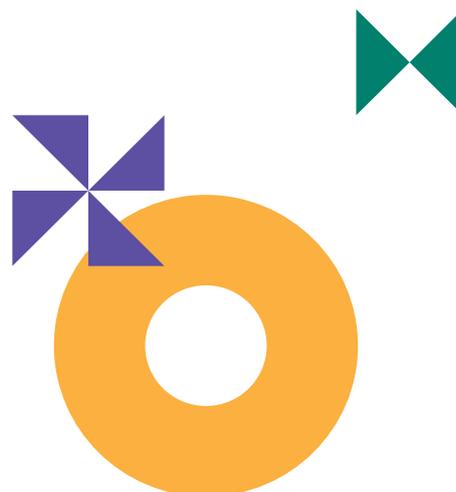
In this strategy, 'public authorities' refer to WA public sector bodies (including government boards and committees), local governments, public universities and government trading enterprises.

Those appointed to, employed in and contracted to public authorities are all covered by this strategy.

Public authorities should see this strategy as an opportunity to demonstrate to the community that they are serious about integrity.

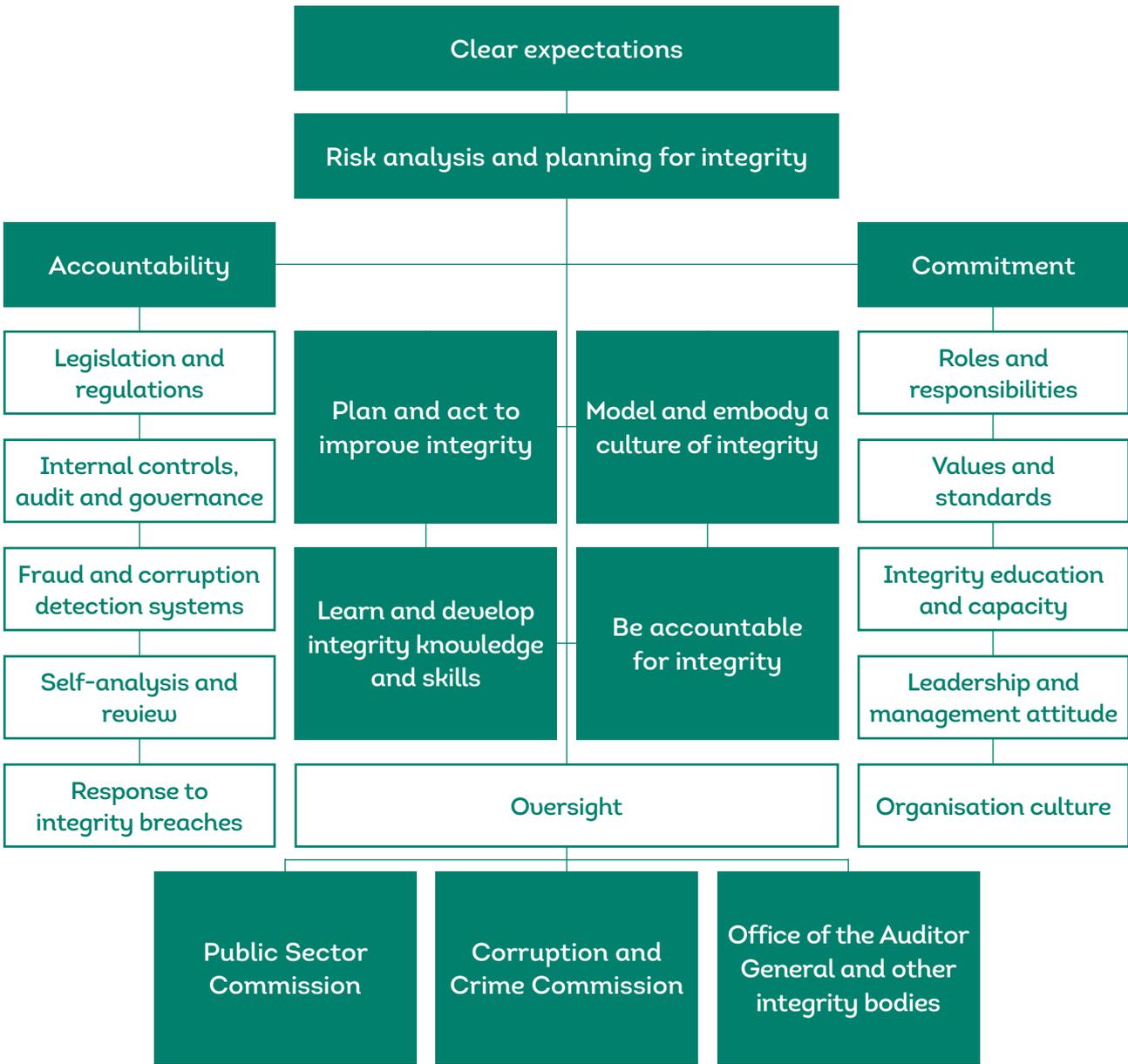
While there are no additional compliance obligations for public authorities arising from this strategy, changes may be made to the compliance framework to ensure it is contemporary and fit-for-purpose.

Over the life of the strategy, the Commission and its integrity partners will continue to ask leaders to report if and how integrity is improving. This may be through surveys, audits or reviews. Leaders of public authorities should consider how they monitor and evaluate integrity as a priority.





Integrity model for WA public authorities



Key actions to achieve our goals



There are many well-documented dimensions needed to ensure strong integrity in public authorities.

This strategy focuses on four key improvement areas with actions and controls to promote integrity and help prevent misconduct and corruption.

Under each of the key improvement areas are actions for the Commission to implement and provide leadership and support to public authorities.

There is also a cohesive suite of practical and achievable actions for public authorities to put in place, and for individuals – those appointed to, employed by and contracted to public authorities – to do.

This three tiered approach across the four improvement areas reflects the responsibilities that every aspect of the government sector has in relation to integrity. Actions at any one tier – or actions in only one area – are not enough. The strength is in the three tiers working together across the four improvement areas.

As public authorities have differing needs and contexts, they should adopt those actions appropriate for their circumstances in a way best suited to their needs.

The strategy also provides a common language for how we talk about integrity across public authorities.

This integrity strategy has four key areas for improvement.

01

PLAN AND ACT TO IMPROVE INTEGRITY

Effective governance systems and frameworks are established.

02

MODEL AND EMBODY A CULTURE OF INTEGRITY

A culture of integrity exists and is reinforced and communicated by leaders.

03

LEARN AND DEVELOP INTEGRITY KNOWLEDGE AND SKILLS

Individual and authority integrity knowledge, skills and competence are grown.

04

BE ACCOUNTABLE FOR INTEGRITY

Prevention, detection and response to integrity matters are everyone's personal and professional responsibilities.



01

Plan and act to improve integrity

Effective governance systems and frameworks are established.

Actions for the Commission

1.1 PUBLISH FRAMEWORK

Publish an integrity framework which includes instruments, processes, conditions, systems and control requirements that public authorities should have in place to support integrity; and detect, respond to and prevent misconduct, including fraud and corruption.

1.2 ENCOURAGE SELF-ASSESSMENT

Develop a self-assessment tool for public authorities to assess the maturity of their integrity framework to assist in improvement planning.

1.3 USE DATA TO DRIVE CHANGE

Use data collected from public authorities to create an online dashboard with analytics for public authorities to use in planning, including to benchmark their integrity environment against like public authorities.

1.4 PROVIDE PLANNING GUIDANCE

Make exemplar misconduct prevention plans available for use by public authorities.

1.5 INVESTIGATE DETECTION SYSTEMS

Examine detection approaches that identify irregularities and provide early warning including, software to monitor and evaluate data; systems to share intelligence, and a central register of individuals subject to adverse findings to assist with pre-employment screening.

1.6 LINK TO AUDIT AND RISK

Assist public authorities to assess governance controls which help identify, monitor and report on integrity matters.





Actions for public authorities

- 1.1 **IMPROVE INTEGRITY FRAMEWORK**
Align approach to the integrity framework (as a minimum).
- 1.2 **CONTINUE TO IMPROVE**
Use the integrity framework maturity self-assessment tool to assist in improvement planning.
- 1.3 **USE DATA TO DRIVE CHANGE**
Use tools such as the online data dashboard to benchmark against like public authorities, and use data to assist planning.
- 1.4 **REASSESS APPROACH**
Review regularly approaches to prevention and develop initiatives for improving integrity.
- 1.5 **EVALUATE DETECTION SYSTEMS**
Evaluate current systems, including pre-employment checks, and data to inform detection and prevention of irregularities and corrupt practice.
- 1.6 **AUDIT AND RISK CONTROLS**
Ensure audit and risk controls are in place and aligned to identify integrity vulnerabilities and risks.

Actions for individuals

- 1.1 **UNDERSTAND AND ACT**
Ensure you understand your public authority's code of conduct, policies and procedures; and act accordingly.
- 1.2 **IDENTIFY RISKS AND OPPORTUNITIES**
Alert managers/supervisors of any gaps in your public authority's code of conduct, policies and procedures that may provide opportunities for misconduct.
- 1.3 **BE ACCOUNTABLE**
Take responsibility for the decisions you make and the actions you take to ensure they are in the public interest.



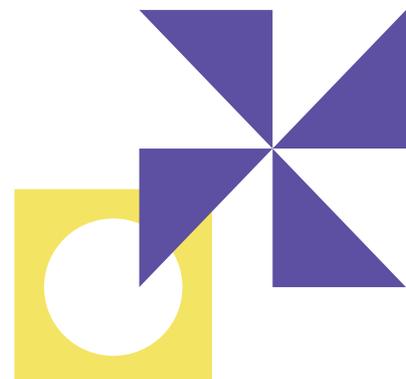
02

Model and embody a culture of integrity

A culture of integrity exists and is reinforced and communicated by leaders.

Actions for the Commission

- 2.1 PRIORITISE INTEGRITY**
Promote and prioritise integrity as a key value across public authorities.
- 2.2 ENSURE A CONTEMPORARY APPROACH**
Review integrity instruments and products to support contemporary approaches to integrity and guide conduct in public authorities.
- 2.3 LISTEN AND RESPOND**
Develop resources to assist public authorities to seek and act on staff perceptions about their public authority's integrity culture.
- 2.4 GIVE FEEDBACK**
Build skills of leaders to set behaviour expectations for their staff, give feedback, manage conduct and have difficult conversations.
- 2.5 SET CLEAR EXPECTATIONS**
Support public authorities to set clear behaviour expectations through codes of conduct, recruitment and performance processes.
- 2.6 PROMOTE A SPEAK UP CULTURE**
Share good practice in managing reporting to facilitate positive outcomes for those who speak up.
- 2.7 PROMOTE AN INTEGRITY MINDSET**
Conduct campaigns to promote an integrity mindset such as "All in a day's work" related to gifts and benefits.

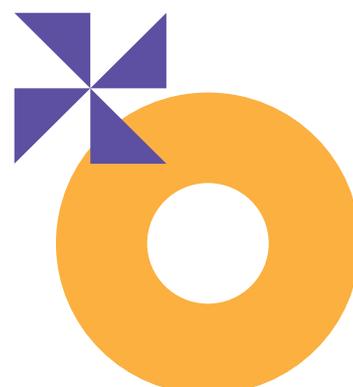


Actions for public authorities

- 2.1 **PRIORITISE INTEGRITY**
Review corporate values to ensure integrity is included and promote these values internally and externally.
- 2.2 **DEVELOP TOGETHER**
Involve staff in reviewing ethical codes, values, integrity policies and procedures so shared understanding is achieved.
- 2.3 **EVALUATE AND BUILD**
Use Commission and other high quality resources to evaluate and build an integrity culture.
- 2.4 **BUILD CAPABILITY**
Support leaders to promote a high integrity culture through professional learning, setting expectations for behaviour and building skills in having difficult conversations about conduct.
- 2.5 **SET CLEAR EXPECTATIONS**
Recruit for values alignment and ensure behaviour expectations are clear in codes of conduct and staff performance agreements.
- 2.6 **EMBED PRACTICE**
Embed good practices and mechanisms to encourage and support staff who speak up.
- 2.7 **ADOPT THE MINDSET**
Use campaign materials to ensure staff are conscious of misconduct risk areas and how they should respond.

Actions for individuals

- 2.1 **MODEL VALUES**
Ensure your daily behaviours, actions and decisions demonstrate your public authority's values.
- 2.2 **CONTRIBUTE TO CULTURAL HEALTH**
Respectfully challenge conduct that is not in accordance with your public authority's values and code of conduct.
- 2.3 **TAKE ACTION EARLY TO ADDRESS MATTERS**
Speak up to ensure conduct that does not align with your public authority's values is addressed early and, where possible, take action to avoid escalation or repetition.



03

Learn and develop integrity knowledge and skills

Individual and authority integrity knowledge, skills and competence are grown.

Actions for the Commission

3.1 SHARE AND COLLABORATE

Establish an integrity practitioners' group to collaborate on strategic approaches to detecting and preventing misconduct, and promoting integrity.

3.2 BE A FUNCTIONAL AREA LEADER

Provide practical advice and information to public authorities, including forums and community of practice sessions on integrity matters.

3.3 OFFER ONLINE TRAINING

Introduce online integrity learning modules for use by public authorities.

3.4 INDUCT NEW STAFF

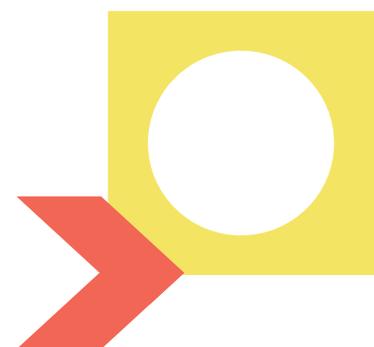
Work with other integrity agencies to develop an online integrity induction program for public authorities to use with their staff.

3.5 SHARE INFORMATION

Publish insights from data and the work of integrity partners to inform public authorities about current and emerging integrity risks and strategies.

3.6 SHARE RESOURCES

Establish an integrity section on wa.gov.au with accessible, practical and up-to-date information and resources.

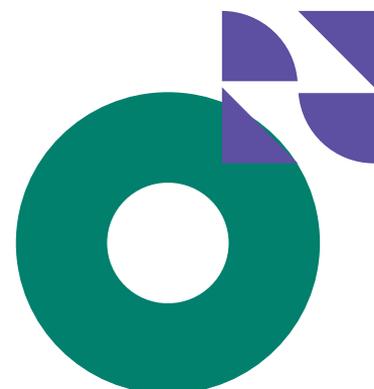


Actions for public authorities

- 3.1 **PARTICIPATE ACTIVELY**
Participate in integrity promotion and misconduct prevention initiatives and share learnings with staff.
- 3.2 **INDUCT AND TRAIN STAFF**
Deliver integrity training to new staff early in their employment and implement regular integrity training for all staff.
- 3.3 **EDUCATE FOR PREVENTION**
Inform staff about misconduct and their role in reporting and preventing it.
- 3.4 **IMPROVE CONTINUOUSLY**
Be proactive in looking for integrity improvements and learning by completing the Integrity Snapshot tool.
- 3.5 **CAPABILITY GAPS**
Evaluate the capability of key integrity staff, and identify knowledge and skill gaps that require further training or development.
- 3.6 **USE INSIGHTS**
Learn from Commission and other integrity agency insights; and use them to review and reassess the approach to integrity risks, areas of vulnerability and prevention.
- 3.7 **ADOPT CONTEMPORARY PRACTICE**
Keep up to date by referring to the integrity section on wa.gov.au when developing and reviewing integrity policies and systems.

Actions for individuals

- 3.1 **PARTICIPATE ACTIVELY**
Participate actively in integrity learning opportunities provided by your public authority.
- 3.2 **SUPPORT NEW STAFF**
Inform new colleagues about your public authority's code of conduct, policies and procedures associated with their work.
- 3.3 **INFORM YOURSELF**
Seek information about, and advice on, situations where integrity matters arise.



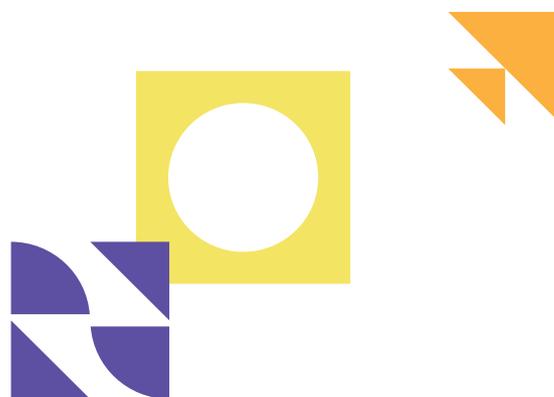
04

Be accountable for integrity

Prevention, detection and response to integrity matters are everyone's personal and professional responsibilities.

Actions for the Commission

- 4.1 CLARIFY ACCOUNTABILITY**
Ensure public authority leaders understand their responsibilities for preventing, detecting and responding to integrity matters; and take proactive action.
- 4.2 PROVIDE AUTHORITY**
Investigate models of misconduct management that enable more local decision making while maintaining appropriate oversight.
- 4.3 IMPROVE ONLINE REPORTING**
Redevelop existing online misconduct reporting tools to improve the quality and types of notifications and reports made.
- 4.4 REVIEW FOR PERFORMANCE**
Conduct specific and thematic reviews, and use information from capability reviews to identify areas of good practice and those requiring improvement.
- 4.5 COLLABORATE FOR IMPROVEMENT**
Partner with external experts to participate in research and projects that identify contemporary approaches, including behavioural insights and technology to enhance detection and prevent misconduct and corruption.
- 4.6 LEVERAGE EXPERTISE**
Pursue methods that enable greater shared use of expertise and trained investigators across public authorities.



Actions for public authorities

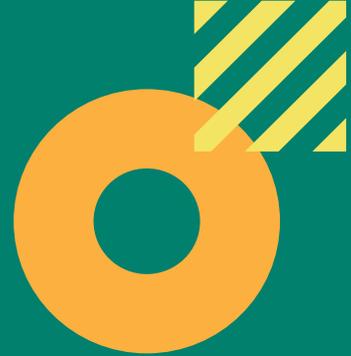
- 4.1 **REPORT MISCONDUCT ONLINE**
Use Commission and Corruption and Crime Commission online reporting tools to notify of misconduct in a timely manner.
- 4.2 **OVERSEE INTEGRITY**
Have leadership teams lead, own and oversee processes for identifying, detecting, managing and preventing misconduct.
- 4.3 **REVIEW FOR LEARNING**
Use learnings from Commission reviews to evaluate current practices and make changes.
- 4.4 **RESPOND TO RISKS**
Understand that specific risks change over time and take steps to ensure these are responded to and addressed.
- 4.5 **TAKE ACTION**
Put processes in place to support staff and community reporting, and empower leaders to act on reports of misconduct.
- 4.6 **BE ACCOUNTABLE**
Ensure integrity is a standing agenda item at leadership meetings to provide a forum to interrogate data, and identify and respond to emerging trends.

Actions for individuals

- 4.1 **REPORT ISSUES**
Assist your authority to detect misconduct by reporting suspected misconduct either through internal or external reporting processes.
- 4.2 **LEAD AT ALL LEVELS**
Contribute to creating an environment where everyone is comfortable with and confident to report any suspicions of misconduct.
- 4.3 **RESPONSIBLE TEAMS**
Take responsibility for operating with integrity in your team and encourage others to do the same.



Measures of success



To know how we are progressing towards building and sustaining a high integrity culture across public authorities, we need ongoing evaluation of our success. The ultimate success is stamping out misconduct, including fraud and corruption.

COMMISSION SIGNS OF SUCCESS

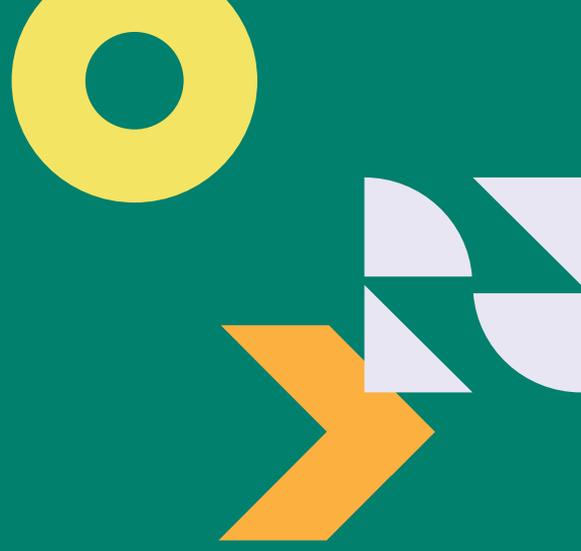
- ▶ Approaches to integrity are maturing across public authorities over time, as demonstrated by reviews conducted by the Commission.
- ▶ Public authority leaders acknowledge the value of assistance provided by the Commission and seek to collaborate with the Commission on integrity matters.
- ▶ In surveys conducted by the Commission, staff report perceptions that public authorities and leaders operate in a high integrity culture.
- ▶ There is increased usage of the Commission's products and tools, including online learning modules.
- ▶ Commission forums/sessions are well attended and evaluations indicate knowledge has increased as a result of attendance.
- ▶ Amendments to online reporting tools assist reporting and notification processes, and the quality of reports to the Commission improves over time.

Monitoring signs of success are commenced from the start of this strategy and reviewed each year. Progress against these measures will be reported periodically over the next four years.

PUBLIC AUTHORITY SIGNS OF SUCCESS

- ▶ Public authority has implemented or exceeded the requirements of the integrity framework.
- ▶ Commission evaluation and benchmarking tools indicate the public authority is well positioned in regards to governance, culture, education and accountability.
- ▶ Survey data shows high staff perception of integrity in the public authority.
- ▶ Survey data shows staff have a good understanding of policies, procedures and ethical codes.
- ▶ Training and information sessions related to integrity are well attended.
- ▶ Time taken to resolve integrity matters is reasonable and results in improvements where necessary.
- ▶ Evaluations of reports to integrity bodies indicates reports are timely.
- ▶ Responses to integrity matters and results of reviews and audits are considered and implemented.

Consider what other internal measures may indicate integrity is improving. Evaluations should be shared with staff.



7. CLOSURE

There being no further business, Presiding Member Cr. Greg Stewart thanked committee members and staff and closed the meeting at _____pm.