

**Submission
No 25**

**EXAMINATION OF THE AUDITOR GENERAL'S PERFORMANCE AUDIT
REPORTS JUNE - DECEMBER 2020**

Organisation: Georges River Council

Date Received: 11 February 2022

OFFICE OF THE GENERAL MANAGER

Executive Assistant: Sue Matthew

Direct Telephone: [REDACTED]

File Reference: D21/304425, D20/300898, D22/28645

11 February 2022

Mr Greg Piper MP
Chair, Public Accounts Committee
Email: PublicAccountsCommittee.PAC@parliament.nsw.gov.au

Dear Mr Piper,

Auditor-General's performance audit report – Procurement Management in Local Government

I refer to your letter dated 17 December 2021 and provide the following responses from Georges River Council in the requested format that are specific to each of the identified items of recommendations to Council – refer Table 1 below.

Further to this, the additional general comments requested on the audit process are provided in Table 2.

Council identifies functions requiring review as part of a risk-based Audit Program. Procurement was identified in a triage of self-initiated internal audits scheduled over a three (3) year Audit Program. The procurement related audits and their status include:

- Procurement: completed in April 2019. Implementation of recommendations completed in June 2020.
- Contract Management: completed in June 2020. Implementation of recommendations completed in June 2021.
- Project Management Governance: completed in August 2021. Implementation of recommendations is expected to be completed by June 2022.

Table 1: Implementation of Recommendations

Item	Recommendation	Accepted or Rejected	Actions to be Taken	Due Date	Status and Comment	Responsibility
1	RECOMMENDATION 2 – General Recommendations to be considered by all Councils	a) Procurement Plan	Implementation of documented justification of procurement needs	10 December 2020	Agreed and implemented June 2021 Comment: Completed	Governance and Risk (Procurement)
		b) Segregation	Implementation of processes to ensure segregation of duties	10 December 2020	Already in place – recognised by NSW Audit Office – no action required Comment: Completed	N/A
		c) Supplier Performance	Introduce process / policy for supplier performance management	10 December 2020	Agreed and implemented June 2021 (Contract Management Policy and Framework) Comment: Completed	Governance and Risk (Procurement)
		d) Contract Register	Implementation of a centralised contract register	10 December 2020	Already in place – recognised by NSW Audit Office – no action required Comment: Completed	N/A
		e) Outcomes Evaluations	Introduce process / policy to evaluate community outcomes and value for money	10 December 2020	Agreed and roll out of Benefits Realisation Framework commenced in June 2021 Comment: Completed	Governance and Risk (Procurement) and All Business Unit Managers
		d) Training	Procurement Training	10 December 2020	Already in place – recognised by NSW Audit Office – no action required Comment: Completed	N/A
2	RECOMMENDATION 4 – Georges River Council Recommendations	a) Contract Values	Ensure contract values are consistent between the contract register and the annual report	10 December 2020	Contract Information requiring validation by Business Units prior to publication Comment: Completed	Governance and Risk (Procurement) and All Business Unit Managers



		b) Contract Process Steps	Introduce procedures to ensure all the steps up to the awarding of a contract are documented as per the council's policy	10 December 2020	Contract Management Policy and Framework implemented June 2021 Comment: Completed	Governance and Risk (Procurement)
		c) Outcome Evaluations	Introduce procedures to ensure outcome evaluations are conducted as per the council's policy	10 December 2020	Commenced roll out of Benefits Realisation Framework in June 2021 Reviewing to operationalise in line with the introduction of a new Project Management Governance Framework Comment: Completed	Governance and Risk (Procurement)

Table 2: Additional General Comments

Description	Georges River Council Comment
Feedback on the effectiveness of the audit process	Excellent and clear communications with council and the stakeholders. The audit process from commencement to completion took longer than expected due to the COVID-19 pandemic.
Benefits of the audit to your agency and program delivery	The audit findings and recommendations for improvement were aligned and supported Council's risk-based internal audit program and confirmed legislative compliance against the NSW Audit Offices' criteria
Costs of the audit and any suggestions for improvement	Operational costs budgeted as part of Council's internal audit program. No additional costs incurred due to the NSW Audit Office Procurement Management in Local Government Audit

Should you have any further questions please contact Popy Mourgelas Manager Governance and Risk Management on [REDACTED].

Yours sincerely

[REDACTED]
Gail Connolly
General Manager