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June 21, 2023

Honourable David Michael
Minister for Ports; Local Government; Road Safety; Minister Assisting the
Minister for Transport

Minister.Michael@dpc.wa.gov.au

Dear Minister,

RE: REPORTING OF SIGNIFICANT MATTER

The Office of the Auditor General has completed the fourth annual audit of Information Systems in Local Government and submitted the report to Parliament on March 29, 2023.

Two matters were identified significant weaknesses in the City of Swan's general computer controls.

Under section 7.12A (4)(b) of *the Local Government Act 1995*, the City is required to prepare a report addressing any matters identified as significant by the auditor, and stating what action the City has taken or intends to take with respect to each of those matters.

The report (Attachment A) addresses the requirements of section 7.12A (4)(b) of *the Local Government Act 1995* and was presented to the Audit Committee on May 09, 2023 and Council on June 14, 2023. A copy of the Council resolution is attached.

Due to the sensitive nature of the subject matter and content of the attached report (Attachment A), the City will publish a modified report (Attachment B) in order to meet its obligations under section 7.12A(5) of the *Local Government Act 1995*. This is to ensure the City's cybersecurity risk exposure is not increased by the publication of the report and is in the best interests of our community stakeholders.

The City takes these matters seriously and ensures a high standard of due diligence by monitoring and tracking the progress of the required remediation actions through quarterly reporting to the Audit Committee. Should you require further information or clarification, please contact Manager Governance, Valerie Hodgins on 9267 9486.

Yours sincerely

Stephen Cain
Chief Executive Officer City of Swan

Attachment B

AUDIT OF ANNUAL FINANCIAL REPORT - REPORT ADDRESSING SIGNIFICANT MATTER RAISED BY THE OAG

In accordance with the *Local Government (Audit) Regulations 1996* the Auditor General for Western Australia reported the following significant matters that require attention by the City.

1. NETWORK SECURITY

Recommendation:

Based on an assessment of risk, the City should review its activities related to network security.

Agreed to address detailed recommendations with progress report to the Audit Committee.

2. REMOTE ACCESS MANAGEMENT

Recommendation:

The City should review multi-factor authentication (MFA) for all relevant areas.

Agreed to address detailed recommendations with progress report to the Audit Committee.