

Audit Committee Meeting

11 March 2019

Minutes



Members of the public who attend Committee 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.

Agendas and Minutes are available on the City's website www.kwinana.wa.gov.au

Vision Statement

Kwinana 2030

***Rich in spirit, alive with opportunities,
surrounded by nature – it's all here!***



Mission

**Strengthen community spirit, lead
exciting growth, respect the environment
- create great places to live.**

We will do this by –

- providing strong leadership in the community;
- promoting an innovative and integrated approach;
- being accountable and transparent in our actions;
- being efficient and effective with our resources;
- using industry leading methods and technology wherever possible;
- making informed decisions, after considering all available information; and
- providing the best possible customer service.

Values

We will demonstrate and be defined by our core values, which are:

- Lead from where you stand – Leadership is within us all.
- Act with compassion – Show that you care.
- Make it fun – Seize the opportunity to have fun.
- Stand Strong, stand true – Have the courage to do what is right.
- Trust and be trusted – Value the message, value the messenger.
- Why not yes? – Ideas can grow with a yes.

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Present:

MAYOR CAROL ADAMS
DEPUTY MAYOR PETER FEASEY
COUNCILLOR M KEARNEY
COUNCILLOR S LEE
COUNCILLOR S MILLS
COMMITTEE MEMBER G MCMATH

COUNCILLOR W COOPER - Observer

MS J ABBISS	-	Chief Executive Officer
MS C MIHOVILOVICH	-	Director City Strategy
MS F GRIEVES	-	Acting Director City Engagement
MR T HOSSEN	-	Lawyer
MRS T LAAS	-	Business Support Officer (Engineering)
MS A MCKENZIE	-	Council Administration Officer

Members of the Press 0
Members of the Public 0

1 Declaration of Opening

Presiding Member declared the meeting open at 5:30pm and welcomed Councillors, City Officers and gallery in attendance and read the Welcome.

“IT GIVES ME GREAT PLEASURE TO WELCOME YOU ALL HERE AND BEFORE COMMENCING THE PROCEEDINGS, I WOULD LIKE TO ACKNOWLEDGE THAT WE COME TOGETHER TONIGHT ON THE TRADITIONAL LAND OF THE NOONGAR PEOPLE”

2 Apologies/Leave(s) of Absence (previously approved)

Apologies

Nil

Leave(s) of Absence (previously approved):

Nil

3 Public Question Time:

Nil

4 Declaration of Interest by Members:

Mayor Carol Adams declared an impartiality interest in item 9.1, Internal Audit Report due to her sister being a City of Kwinana employee, located at the Library.

5 Minutes to be Confirmed:

5.1 Audit Committee Meeting held on 19 November 2018.

COMMITTEE DECISION

MOVED CR S LEE

SECONDED CM G MCMATH

That the Minutes of the Audit Committee held on 19 November 2018 be confirmed as a true and correct record of the meeting.

**CARRIED
6/0**

6 Reports

6.1 Organisational Risk Report

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

This report is provided to the Audit Committee for noting.

Council have endorsed a Risk Management Council Policy to manage all risks that have been identified and that could impact the City if they were not managed and evaluated appropriately. At every Audit Committee Meeting the Committee receives a report detailing identified risks and the progress of the actions to manage those risks. This report entitled the City of Kwinana Risk Report is enclosed as **Attachment A**.

OFFICER RECOMMENDATION:

That the Audit Committee note the City of Kwinana Risk Report detailed in Attachment A.

DISCUSSION:

The Organisational Risk Report is provided to the Audit Committee at each Audit Committee Meeting. The City accepts the taking of calculated risks, the use of innovative approaches and the development of new opportunities to improve service delivery and achieve its objectives, provided that the risks are properly identified, evaluated and managed.

LEGAL/POLICY IMPLICATIONS:

Regulation 17 of the Local Government (Audit) Regulations 1996 provides::

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 at least once every 2 calendar years.*
- (3) The CEO is to report to the audit committee the results of that review.*

6.1 ORGANISATIONAL RISK REPORT

FINANCIAL/BUDGET IMPLICATIONS:

The actions that have been identified in this report have been costed for inclusion in the budget and Long Term Financial Plan.

ASSET MANAGEMENT IMPLICATIONS:

Asset management plans will be updated to incorporate asset management implications identified as a result of this report or recommendation.

ENVIRONMENTAL IMPLICATIONS:

No environmental implications have been identified as a result of this report or recommendation.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan – City Sustainability	Civic Leadership	5.3 Maintain and improve risk management

COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

PUBLIC HEALTH IMPLICATIONS

There are no implications on any determinants of health as a result of this report.

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	The Audit Committee does not receive the Organisational Risk Report.
Risk Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Effect/Impact	Compliance

6.1 ORGANISATIONAL RISK REPORT

Risk Assessment Context	Strategic
Consequence	Major
Likelihood	Unlikely
Rating (before treatment)	Moderate
Risk Treatment in place	Reduce - mitigate risk
Response to risk treatment required/in place	Risk Report will be presented to the Audit Committee at each Audit Committee Meeting to ensure compliance with the <i>Local Government (Audit) Regulations 1996</i> for the CEO to have systems and processes in place for risk management.
Rating (after treatment)	Low

COMMITTEE DECISION**MOVED CR S LEE****SECONDED CR P FEASEY**

That the Audit Committee note the City of Kwinana Risk Report detailed in Attachment A.

**CARRIED
6/0**

Organisation Risk Register

Business Unit
For more information please see the Risk Management Policy

Risk Event	Risk Themes	Risk Theme Description	Risk Effect/ Impact	Risk Assessment Context	Consequence	Likelihood	Rating (before treatment)	Risk treatments in place	Risk treatments required/Response (Opportunities for Improvement List)	Consequence	Likelihood	Rating (after treatment)	Risk Status	Directorate	Risk owner/ author	Comments/Date
The City Officers are unclear on the requirements of the level of stakeholder relationship management protocols for a particular matter and this results in damaged relationships and future partnering opportunities	Inadequate engagement practices	Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and/or Elected Members. This invariably includes activities where communication, feedback and/or consultation is required and where it is in the best interests to do so. This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and/or Bus/Transport services.	Reputation	Strategic	Moderate	Possible	Moderate	Prepare Contingent Plans - in event risk occurs	Stakeholder Management Plan to be developed			Low	Open	City Enagement	Manager Community Engagement	Yet to be commenced. Awaiting implementation of service review to enhance resourcing capability.
The City not considering all possible risks occurring at events	Ineffective management of facilities/venues/events	Failure to effectively manage the day to day operations of facilities, venues and/or events.	Service Delivery	Operational	Moderate	Unlikely	Moderate	Reduce - mitigate risk	Update Risk Management Plan component of Event applications Review the internal process (engagement) for Event Notifications			Moderate	Open	City Engagement	Director City Engagement	Meetings to improve risk management plans are in progress. Two internal events working groups have been established – operational and strategic, and the internal process for information collation and transfer is working well. Specific focus risk management planning sessions have been implemented for the Rock Symphony Concert, held on a monthly basis in the lead up to the event. Agendas and minutes of all meetings are recorded.
Inadequate asset condition assessments and investment to address the City's commitment to asset management	Inadequate asset sustainability practices	Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. It does not include issues with the inappropriate use of the plant, equipment or machinery. Refer Misconduct.	Property	Strategic	Major	Possible	High	Reduce - mitigate risk	Ensure Policy is adequate and reviewed in line with Council's Policy review process. Prioritisation of asset management projects and accurate planning of works. Consider appropriate contingency in budget estimation phase. Prepare asset management plans and review annually.			Moderate	Open	City Infrastructure	Manager Asset Management Services	Asset Management Plans will be presented to Council in 2019.
The asset management data that is to inform asset management decisions and the Long Term Financial Plan is of poor quality that leads to Council investing in assets that are not a priority	Inadequate asset sustainability practices	Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. It does not include issues with the inappropriate use of the plant, equipment or machinery. Refer Misconduct.	Property	Strategic	Major	Possible	High	Reduce - mitigate risk	Continuously review and update asset data to ensure quality and completeness. For data collection projects undertaken by external contractor, develop comprehensive scope of works to ensure data quality followed by good project management practices. Implement Strategic Asset Module. Ensure the alignment of infrastructure assists between Financial and other Asset Management Systems. Review the Capital project Funding process (two elements - funding/ongoing maintenance and Performance Manager scope).			Low	Open	City Infrastructure	Technical Officer- Civil Infrastructure Assets / Coordinator Technical Operations	The brief for the replacement of the Corporate Business System includes the requirement for an integrated asset management system. Asset Management Plans have been reviewed and fed into the LTFP, this is an ongoing process.
Contracts Team and purchasing officers not controlling the risks associated with procurement and the administration of purchases and contracts	Inadequate supplier/contract management	Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management and monitoring processes.	Service Delivery	Operational	Moderate	Possible	Moderate	Reduce - mitigate risk	Review current Procurement Process Implement a Tenders / Contracts Module within the City's software system. Review current process for the recording / tracking of contractor performance.			Moderate	Open	City Legal	Manager Contracts	The Contracts team intends to implement a new e-procurement system and procurement documentation that will streamline and simplify the administrative processes associated with procurement activities. The Contracts team will be conducting procurement training for the City Officers. Rolling out new process control mechanisms and procurement documentation within the Contracts team and other City Officers. Purchasing procedures have been updated to include officer responsibilities for managing and recording supplier performance. Contractor management will be included in the scope of work for any request for Corporate Business System supplier software options. The Contracts Team has and is still developing contracts handover, and post award documentation and procedures to assist officers with their contract management duties.
The City does not meet its statutory compliance obligations	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices") It does include legislative based obligations for Local Government, such as the Local Government Act 1995.	Compliance	Operational	Major	Unlikely	Moderate	Reduce - mitigate risk	Develop a compliance calendar that identifies the City's obligations and when they are due			Moderate	Closed	City Legal	Governance Officer	The City currently reviews the compliance calendar as required. WALGA have provided a new template, a review is currently being conducted to incorporate the existing calendar and WALGA's compliance template. The City's compliance software provider is currently working on an additional module within the system for a compliance calendar.
The City is not fulfilling its Worksafe and OSH requirements	Inadequate safety and security practices	Non-compliance with the Occupation Safety and Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.	Compliance	Operational	Major	Possible	High	Reduce - mitigate risk	Carry out an LGIS Safety Audit Review every three years Review outcomes from LGIS Safety Audit Review and implement relevant actions			Moderate	Closed	City Strategy	Health, Safety and Injury Management Coordinator	Actions from the OSH Action Plan are incorporated into the current OSH Plan 2018 to 2020. This is being developed and includes all actions recommended as part of the LGIS Safety Audit Review.
City Officers are not aware of the risks and procedures to follow associated with working alone	Inadequate safety and security practices	Non-compliance with the Occupation Safety and Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.	People/Health	Operational	Major	Likely	High	Reduce - mitigate risk	Review Working Alone procedures for staff			Moderate	Closed	City Strategy	Health, Safety and Injury Management Coordinator	The Working Alone guideline has been completed as part of the improvements and has been published.
The City is exposed to risks of external parties accessing the IT systems and infrastructure	Failure of IT or systems and infrastructure	Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. This does not include new system implementations - refer "Inadequate Project/Change Management".	Service Delivery	Project	Major	Possible	High	Reduce - mitigate risk	Provide City Officers with update on IT projects. Carry out an IT security audit.			Moderate	Open	City Strategy	Manager IT	The IT security audit will be completed by January 2019.
The City does not manage its projects and this causes time delays, exceeding budget allocation and original scope not being delivered.	Inadequate project/change management	Inadequate analysis, design, delivery and/or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes.	Service Delivery	Operational	Major	Possible	High	Reduce - mitigate risk	The implementation of PRINCE2 project management into the City has included face to face training, templates developed to guide project managers in the level of detail required and other resources such as assistance in how to move within each step and from one stage to the next stage. A copy of the face to face training is available on the intranet with a voice over in order for City Officers to access at any time.			Moderate	Open	City Strategy	Director City Strategy	Current controls of managing projects include highlight reports, checkpoint reports, end of stage reports, issue reports and stage plans using the PRINCE2 project management framework. Performance Management software can also be used to track status and progress of projects.
The Corporate Business System is not effective, creates inefficiencies, causes work around, delays and errors	Failure of IT or systems and infrastructure	Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. This does not include new system implementations - refer "Inadequate Project/Change Management".	Service Delivery	Strategic	Moderate	Likely	High	Reduce - mitigate risk	Implement a new Corporate Business System to avoid work around, manual tasks being performed, errors and delays in waiting for programs to be fixed			Moderate	Open	City Strategy	Director City Strategy	Clarifications are being requested by the City resulting from the Request for Tender process and a Council report is being prepared.

The City does not carry out its integrated planning requirements in accordance with the relevant legislation	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer	Compliance	Strategic	Major	Possible	High	Reduce - mitigate risk	The appointment of an Integrated Planning Officer to oversee the review and improvement of all integrated planning documents.			Low	Closed	City Strategy	Integrated Planning and Special Projects Officer	As part of the position description of this role includes completion of the Strategic Community Plan and Corporate Business Plan.
The City does not meet its Quality Management ISO accreditation requirements	Inadequate Document Management Processes	Failure to adequately capture, store, archive, retrieve, provision and/or disposal of documentation.	Compliance	Operational	Minor	Possible	Moderate	Reduce - mitigate risk	Review the process for document reviews (internal control)			Moderate	Closed	City Strategy	Business Improvement Officer	The City is considering Business Process Modelling (BPM) software which will enhance and streamline the City's quality management process. The City has selected a software provider and will trial software over the next 12 months to determine whether there are efficiencies in staff time managing the quality management system for the City.
City Officers providing customers with inaccurate information	Providing inaccurate advice/ information	Incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. This could be caused by using unqualified, or inexperienced staff, however it does not include instances relating to Misconduct.	Compliance	Operational	Major	Unlikely	Moderate	Reduce - mitigate risk	Implement the 'Knowledge Base' Project Carry out training and briefings to Customer Service Officers			Moderate	Open	City Strategy	Customer Service Coordinator	The full organisation implementation of the Knowledge Base Project is pending, awaiting the review of the City's operating systems. Until then, to ensure consistency of information, all Customer Service Officers access OneNote which is being used to collate and store Knowledge base articles.
The Enterprise Agreement between the City of Kwinana and its staff is delayed	Ineffective employment practices	Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Care should be taken when considering insufficient staff numbers as the underlying issue could be process inefficiencies.	People/Health	Strategic	Minor	Possible	Moderate	Reduce - mitigate risk	Commence negotiations, clear and frequent communication to staff in relation to the progress of the Enterprise Agreement.			Moderate	Open	City Strategy	Manager Human Resources	The Collective Agreement was successfully negotiated and endorsed by Council and is being forwarded to the FairWork Commission for approval.
The City under insures an asset and an event occurs that requires replacement and there are insufficient insurance proceeds to fund the project	Inadequate supplier/contract management	Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management and monitoring processes.	Property	Strategic	Moderate	Unlikely	Moderate	Avoid - remove cause of risk	Carry out insurance replacement value assessments for all assets once every three years. Increase the value of replacement costs from advice from asset management team for all other years that an insurance replacement value assessment is not undertaken.			Low	Open	City Strategy	Manager Finance	Insurance values have increased for the 2018/2019 financial and insurance year. A review will occur annually.
That the City does not have any controls in place for cash handling which could lead to misconduct	Misconduct	Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice/Information.	Financial	Strategic	Moderate	Possible	Moderate	Reduce - mitigate risk	Create a Cash Handling Policy and Procedure			Low	Closed	City Strategy	Manager Finance	Cash Handling Policy and procedure has been completed.
The City operating services and projects that are not aligned to the Strategic Community Plan and Corporate Business Plan	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices") It does include legislative based obligations for Local Government, such as the Local Government Act 1995.	Compliance	Strategic	Minor	Possible	Moderate	Reduce - mitigate risk	Improve the reporting function to report quarterly to Council on the actions City Officers report through Performance Manager to provide Council with the best possible update on progress towards the Strategic Community Plan and Corporate Business Plan.			Low	Closed	City Strategy	Integrated Planning and Special Projects Officer	A Council report is presented to Council quarterly.
Decisions that affect Kwinana are being made without a City of Kwinana/Council delegate being represented.	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices") It does include legislative based obligations for Local Government, such as the Local Government Act 1995.	Service Delivery	Strategic	Moderate	Unlikely	Moderate	Reduce - mitigate risk	Appointment of voting delegates and proxy voting delegates at the Annual General Meeting of the Western Australian Local Government Association on behalf of the City of Kwinana. At the first Council meeting after an election, nominations of Elected Members and Officers to Committees are approved by Council.			Low	Closed	City Strategy	Council Administration Officer	A report is presented to Council at the next Council meeting after an election.
Fraud, scams and contractor collusion. Consequence - financial loss. Legal prosecution. Crime and Corruption - External	External theft and fraud	Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic).	Financial	Operational	Major	Possible	High	Reduce - mitigate risk	Process to confirm the identity of the contractor. Identify similarities in tender/quotation submissions including prices and report to ACCC.	Major	Possible	High	Open	City Legal	Manager Contracts	Continually ongoing process and monitoring
Insufficient funding to maintain assets	Inadequate asset sustainability practices	Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. It does not include issues with the inappropriate use of the plant, equipment or machinery. Refer Misconduct.	Property	Operational	Catastrophic	Likely	Extreme	Prepare Contingent Plans - in event risk occurs	Prioritisation of building asset management projects and accurate planning of works. Consider appropriate contingency in budget estimation phase	Major	Likely	High	Open	City Infrastructure	Council	11/2/19 - In developing the LTFP Council has prioritized service provision resulting in a reduction of funds available for asset renewals in the short to medium term. In the latter years of the LTFP funding is increased.
Asset not fit for purpose (Design) Non compliant internal design	Errors omissions delays	Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This excludes process failures caused by inadequate/incomplete procedural documentation - refer "Inadequate Document Management Processes".	Financial	Operational	Major	Possible	High	Reduce - mitigate risk	Use correct checklists of current design standards, work instructions in Saved Searches. Access all relevant standard, Design peer review and lessons learnt register.	Major	Likely	High	Open	City Infrastructure	Manager Engineering services	11/2/19 - To reduce this risk a pavement design process needs to be implemented. Although the risk is reduced, the wide range of the major consequence "bracket" retains the residual risk as high.
Failure to address community behaviour change to ensure improved waste management practices, reduce contamination and increase waste diversion.	Inadequate project/change management	Inadequate analysis, design, delivery and/or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes.	Environment	Strategic	Moderate	Almost certain	High	Reduce - mitigate risk	Prepare a Waste Education Plan and implement the actions of the plan.	Minor	Possible	Moderate	Open	City Regulation	Coordinator Environmental Health & Waste Services	11/2/19 - The Waste Education Plan was adopted by Council in December 2018 and the actions of the plan will be implemented.

6.2 Annual Compliance Audit Return 2018

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

The Department of Local Government, Sport and Cultural Industries has circulated to all Western Australian Local Governments the annual Compliance Audit Return for completion. The return covers the period 1 January 2018 to 31 December 2018. The return is a requirement of the Department of Local Government, Sport and Cultural Industries and monitors the local government's compliance with the *Local Government Act 1995* and its Regulations.

The function of the Audit Committee includes reviewing the effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance which includes the Compliance Audit Return.

The Compliance Audit Return 2018 is included at Attachment A.

OFFICER RECOMMENDATION:

That the Audit Committee:

1. Reviews the Compliance Audit Return 2018.
2. Recommends that Council adopt the Compliance Audit Return 2018 as detailed in Attachment A.

DISCUSSION:

Each year Western Australian Local Governments are required to complete a Compliance Audit Return (CAR) for the Department of Local Government, Sport and Cultural Industries (the Department) in accordance with the *Local Government Act 1995*.

The Department has circulated to all Western Australian Local Governments for completion its annual CAR, covering the review period 1 January 2018 to 31 December 2018. The return is a means of monitoring compliance with the requirements of the *Local Government Act 1995* and its Regulations and is a statutory requirement. These returns are required to be completed and submitted to the Department no later than 31 March each year.

Regulation 14 of the *Local Government (Audit) Regulations 1996*, requires that the Local Government's Audit Committee review the CAR and report the results of that review to the Council prior to its adoption by Council. Once adopted by Council the report is to be submitted to the Department by 31 March 2019.

Whilst a 100% CAR is the ideal outcome, the CAR must be considered as a means of internal audit, capable of identifying shortcomings and weaknesses in the system, which can then be improved or modified practices can be implemented, to resolve these issues.

6.2 ANNUAL COMPLIANCE AUDIT RETURN 2018

The CAR is provided electronically through a secure internet portal and the CAR is divided into sections. Each section deals with a specific area of the *Local Government Act 1995* and these sections are then allocated to the relevant officer within the local government who 'signs in' electronically through the portal to complete each question.

The officers who are required to complete a section within the CAR are advised how to use the online system and how to undertake an audit of their procedures to ensure that compliance is occurring. Where compliance is not occurring, officers are advised that an honest answer is required, so that procedural changes can be made to improve the City's compliance systems.

Once the audit has been completed, the City is required to:

- Present the Compliance Audit Return to the Audit Committee for review;
- Present the Compliance Audit Return to Council;
- Seek Council's adoption of the completed Compliance Audit Return; and
- Return the reviewed, adopted and certified Compliance Audit Return, along with a copy of the Council minutes, to the Department by no later than 31 March 2018.

The particulars of any matters of concern raised by the Audit Committee's review relating to the CAR must be recorded in the minutes of this meeting.

Any person who is not satisfied with the manner in which the compliance assessment process has been undertaken by the City or believes there may be a discrepancy in the CAR, may bring the particular issue to the attention of the Department.

Council may also refer the completed CAR to its Auditor or other external inspection service for an independent assessment, if it is deemed necessary.

The area in which the City did not provide a 'Yes' response were:

- Disclosure of interest
 - s5.76(1) – Was an annual return lodged by all designated employees by 31 August 2018.
 - Response – No – two designated employees failed to lodge an annual return by 31 August 2018. Reports were made to the appropriate authority and the matter has since been resolved.

LEGAL/POLICY IMPLICATIONS:

Section 7.13(1) of the *Local Government Act 1995* contains provisions for the making of regulations requiring local governments to undertake an audit of compliance whether of a financial nature or not. The *Local Government (Audit) Regulations 1996* make completion and submission of the return mandatory.

6.2 ANNUAL COMPLIANCE AUDIT RETURN 2018

Local Government Act 1995**7.13. Regulations as to audits**

- (1) Regulations may make provision -
- (aa) as to the functions of the CEO and the audit committee in relation to audits carried out under this Part and reports made on those audits;
 - (ab) as to the functions of audit committees, including the selection and recommendation of an auditor;
 - (ac) as to the procedure to be followed in selecting an auditor;
 - (ad) as to the contents of the annual report to be prepared by an audit committee;
 - (ae) as to monitoring action taken in respect of any matters raised in a report by an auditor;
 - (a) with respect to matters to be included in agreements between local governments and auditors;
 - (b) for notifications and reports to be given in relation to agreements between local governments and auditors, including any variations to, or termination of such agreements;
 - (ba) as to the copies of agreements between local governments and auditors being provided to the Department;
 - (c) as to the manner in which an application may be made to the Minister for approval as an auditor;
 - (d) in relation to approved auditors, for —
 - (i) reviews of, and reports on, the quality of audits conducted;
 - (ii) the withdrawal by the Minister of approval as an auditor;
 - (iii) applications to the State Administrative Tribunal for the review of decisions to withdraw approval;
 - (e) for the exercise or performance by auditors of their powers and duties under this Part;
 - (f) as to the matters to be addressed by auditors in their reports;
 - (g) requiring auditors to provide the Minister with such information as to audits carried out by them under this Part as is prescribed;
 - (h) prescribing the circumstances in which an auditor is to be considered to have a conflict of interest and requiring auditors to disclose in their reports such information as to a possible conflict of interest as is prescribed;
 - (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —
 - (i) of a financial nature or not; or
 - (ii) under this Act or another written law.
- (2) Regulations may also make any provision about audit committees that may be made under section 5.25 in relation to committees.

Local Government (Audit) Regulations 1996

13. Prescribed statutory requirements for which compliance audit needed
(Act s7.13(1)(i))

For the purposes of section 7.13(1)(i) the statutory requirements set forth in the Table to this regulation are prescribed.

6.2 ANNUAL COMPLIANCE AUDIT RETURN 2018

Table

Local Government Act 1995		
s. 3.57	s. 3.58(3) and (4)	s. 3.59(2), (4) and (5)
s. 5.16	s. 5.17	s. 5.18
s. 5.36(4)	s. 5.37(2) and (3)	s. 5.42
s. 5.43	s. 5.44(2)	s. 5.45(1)(b)
s. 5.46	s. 5.67	s. 5.68(2)
s. 5.70	s. 5.73	s. 5.75
s. 5.76	s. 5.77	s. 5.88
s. 5.103	s. 5.120	s. 5.121
s. 7.1A	s. 7.1B	s. 7.3
s. 7.6(3)	s. 7.9(1)	s. 7.12A
Local Government (Administration) Regulations 1996		
r. 18A	r. 18C	r. 18E
r. 18F	r. 18G	r. 19
r. 22	r. 23	r. 28
r. 34B	r. 34C	
Local Government (Audit) Regulations 1996		
r. 7	r. 10	
Local Government (Elections) Regulations 1997		
r. 30G		
Local Government (Functions and General) Regulations 1996		
r. 7	r. 9	r. 10
r. 11A	r. 11	r. 12
r. 14(1), (3) and (5)	r. 15	r. 16
r. 17	r. 18(1) and (4)	r. 19
r. 21	r. 22	r. 23
r. 24	r. 24AD(2), (4) and (6)	r. 24AE
r. 24AF	r. 24AG	r. 24AH(1) and (3)
r. 24AI	R24E	r. 24F
Local Government (Rules of Conduct) Regulations 2007		
r. 11		

14. Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.

6.2 ANNUAL COMPLIANCE AUDIT RETURN 2018

- (3) *After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be -*
- (a) *presented to the council at a meeting of the council; and*
 - (b) *adopted by the council; and*
 - (c) *recorded in the minutes of the meeting at which it is adopted.*
- 15. Compliance audit return, certified copy of etc. to be given to Executive Director**
- (1) *After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with -*
- (a) *a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and*
 - (b) *any additional information explaining or qualifying the compliance audit, is to be submitted to the Executive Director by 31 March next following the period to which the return relates.*
- (2) *In this regulation -*
- certified** *in relation to a compliance audit return means signed by —*
- (a) *the mayor or president; and*
 - (b) *the CEO.*

FINANCIAL/BUDGET IMPLICATIONS:

There were no financial implications identified as a consequence of this report.

ASSET MANAGEMENT IMPLICATIONS:

There were no asset management implications identified as a consequence of this report.

ENVIRONMENTAL IMPLICATIONS:

There were no environmental implications identified as a consequence of this report.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan:

Plan	Outcome	Objective
Corporate Business Plan	Business performance	5.8 Apply best practice principles and processes to maximise efficiencies and quality

COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

6.2 ANNUAL COMPLIANCE AUDIT RETURN 2018

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	Non compliance with the requirements of the <i>Local Government Act 1995</i> , Section 7.13(i) and <i>Local Government (Audit) Regulations 1996</i> , Regulations 13 – 15.
Risk Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Effect/Impact	Compliance
Risk Assessment Context	Operational
Consequence	Moderate
Likelihood	Unlikely
Rating (before treatment)	Moderate
Risk Treatment in place	Avoid - remove cause of risk
Response to risk treatment required/in place	Ensure that the Compliance Return is completed annually.
Rating (after treatment)	Low

COMMITTEE DECISION**MOVED CR P FEASEY****SECONDED CR S MILLS**

That the Audit Committee:

1. **Reviews the Compliance Audit Return 2018.**
2. **Recommends that Council adopt the Compliance Audit Return 2018 as detailed in Attachment A.**

CARRIED
6/0



Department of
Local Government, Sport
and Cultural Industries

Kwinana - Compliance Audit Return 2018

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2018.	N/A		Casey Mihovilovich
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2018.	N/A		Casey Mihovilovich
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2018.	N/A		Casey Mihovilovich
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2018.	N/A		Casey Mihovilovich
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Casey Mihovilovich



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Michelle Bell
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Michelle Bell
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Michelle Bell
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Michelle Bell
5	s5.18	Has Council reviewed delegations to its committees in the 2017/2018 financial year.	Yes		Michelle Bell
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Michelle Bell
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Michelle Bell
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Michelle Bell
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Michelle Bell
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Michelle Bell
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Michelle Bell
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2017/2018 financial year.	Yes		Michelle Bell
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Michelle Bell

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Michelle Bell
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Michelle Bell



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No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Michelle Bell
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Michelle Bell
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Michelle Bell
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	Yes		Michelle Bell
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	No	Two Officers failed to lodge an annual return by the 31 August 2018 due to mitigating circumstances and this was subsequently reported and accepted by the appropriate authority.	Michelle Bell
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Michelle Bell
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Michelle Bell
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Michelle Bell
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Michelle Bell
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Michelle Bell
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Michelle Bell



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No	Reference	Question	Response	Comments	Respondent
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Michelle Bell
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Michelle Bell
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Michelle Bell

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	Yes		Michelle Bell
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	Yes		Michelle Bell

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Kelli Hayward
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	Yes		Kelli Hayward
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes	Moore Stephens (WA) Pty Ltd	Kelli Hayward
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Kelli Hayward
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes		Kelli Hayward



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No	Reference	Question	Response	Comments	Respondent
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes		Kelli Hayward
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A	No actions required.	Kelli Hayward
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A	No actions required.	Kelli Hayward
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A	No actions required.	Kelli Hayward
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Kelli Hayward
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Kelli Hayward
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Kelli Hayward
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Kelli Hayward
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Kelli Hayward
15	Audit Reg 17	Has the CEO reviewed the appropriateness and effectiveness of the local government's systems and procedures in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.	Yes	Received by the Audit Committee on 19 November 2019.	Kelli Hayward
16	Audit Reg 17	If the CEO has not undertaken a review in accordance with regulation 17 of the Local Government (Audit) Regulations 1996, is a review proposed and when.	N/A	Completed in 2018.	Kelli Hayward



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Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted at Ordinary Council Meeting 8 August 2018	Rhys Pryce
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No		Rhys Pryce
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted at Ordinary Council Meeting 28 June 2017	Rhys Pryce
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted at Ordinary Council Meeting 13 December 2017	Rhys Pryce
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	N/A		Rhys Pryce
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted at Ordinary Council Meeting 12 December 2018	Rhys Pryce
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	N/A		Rhys Pryce



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Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A	CEO position not recruited for in this Audit Return period.	Sue Wiltshire
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A	No recruitment activity for CEO or other designated senior employees.	Sue Wiltshire
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A	No recruitment activity in this Audit Return period.	Sue Wiltshire
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A	No recruitment activity in this Audit Return period.	Sue Wiltshire
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A	Nil activity in this Audit Return period.	Sue Wiltshire



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A		Casey Mihovilovich
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Casey Mihovilovich
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Casey Mihovilovich
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Casey Mihovilovich
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Casey Mihovilovich
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		Casey Mihovilovich

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Iain Mason
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes		Iain Mason
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Iain Mason
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Iain Mason



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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Iain Mason
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Iain Mason
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Iain Mason
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Iain Mason
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Iain Mason
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Iain Mason
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Iain Mason
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Iain Mason
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Iain Mason
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Iain Mason
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		Iain Mason
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		Iain Mason



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No	Reference	Question	Response	Comments	Respondent
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		Iain Mason
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		Iain Mason
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		Iain Mason
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application (s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		Iain Mason
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		Iain Mason
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		Iain Mason
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Iain Mason
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		Iain Mason
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes		Iain Mason



Department of
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I certify this Compliance Audit return has been adopted by Council at its meeting on _____

Signed Mayor / President, Kwinana

Signed CEO, Kwinana

7 Urgent Business

Nil

8 Response to Previous Questions

Nil

9 Matters Behind Closed Doors

COMMITTEE DECISION

MOVED CR P FEASEY

SECONDED CR M KEARNEY

That in accordance with Sections 5.23(2)(d) of the *Local Government Act 1995*, the Audit Committee move behind closed doors to allow discussion of the Matters Behind Closed Doors items.

**CARRIED
6/0**

The Council Chambers doors were closed at 5:57pm.

9.1 Internal Audit Report

DECLARATION OF INTEREST:

Mayor Carol Adams declared an impartiality interest due to her sister being a City of Kwinana employee, located at the Library.

COMMITTEE DECISION

MOVED CR S LEE

SECONDED CR P FEASEY

That Audit Committee:

1. Note the action status update for any outstanding actions from previous internal audit findings as detailed in Attachment A.
2. Receive the internal audit findings for the period Quarter Two of 2018/2019, and establish actions as detailed in Attachment B.
3. Include established actions for Quarter Two of 2018/2019 from Attachment B as part of the next quarter's action status update.
4. Endorse the Internal Audit Plan for Quarter Three of 2018/2019, as detailed in Attachment C, to be undertaken during the period 11 March 2019 to 1 July 2019 for the following auditable units:
 - a) City Wide – Mobile Devices;
 - b) Essential Services (Rangers and Security);
 - c) Finance - Insurances;
 - d) Marketing and Communications – External Communications;
 - e) Marketing and Communications – Internal Communications; and
 - f) Marketing and Communications – Social Media Management
5. Recommend that the Chief Executive Officer perform a review of the existing Internal Audit Plan and the hours allocated to maximise the value of the internal audit process.

**CARRIED
6/0**

9 MATTERS BEHIND CLOSED DOORS

COMMITTEE DECISION

MOVED CR P FEASEY

SECONDED CR M KEARNEY

That the Audit Committee return from Behind Closed Doors.

**CARRIED
6/0**

The Council Chambers doors were reopened at 6:13pm.

10 Next Meeting

The next Audit Committee Meeting is scheduled to be held on 1 July 2019.

11 Meeting Closure

The Mayor declared the meeting closed at 6:14pm.

Chairperson:

27 March 2019