

Audit Committee Meeting

16 March 2020

Minutes



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:

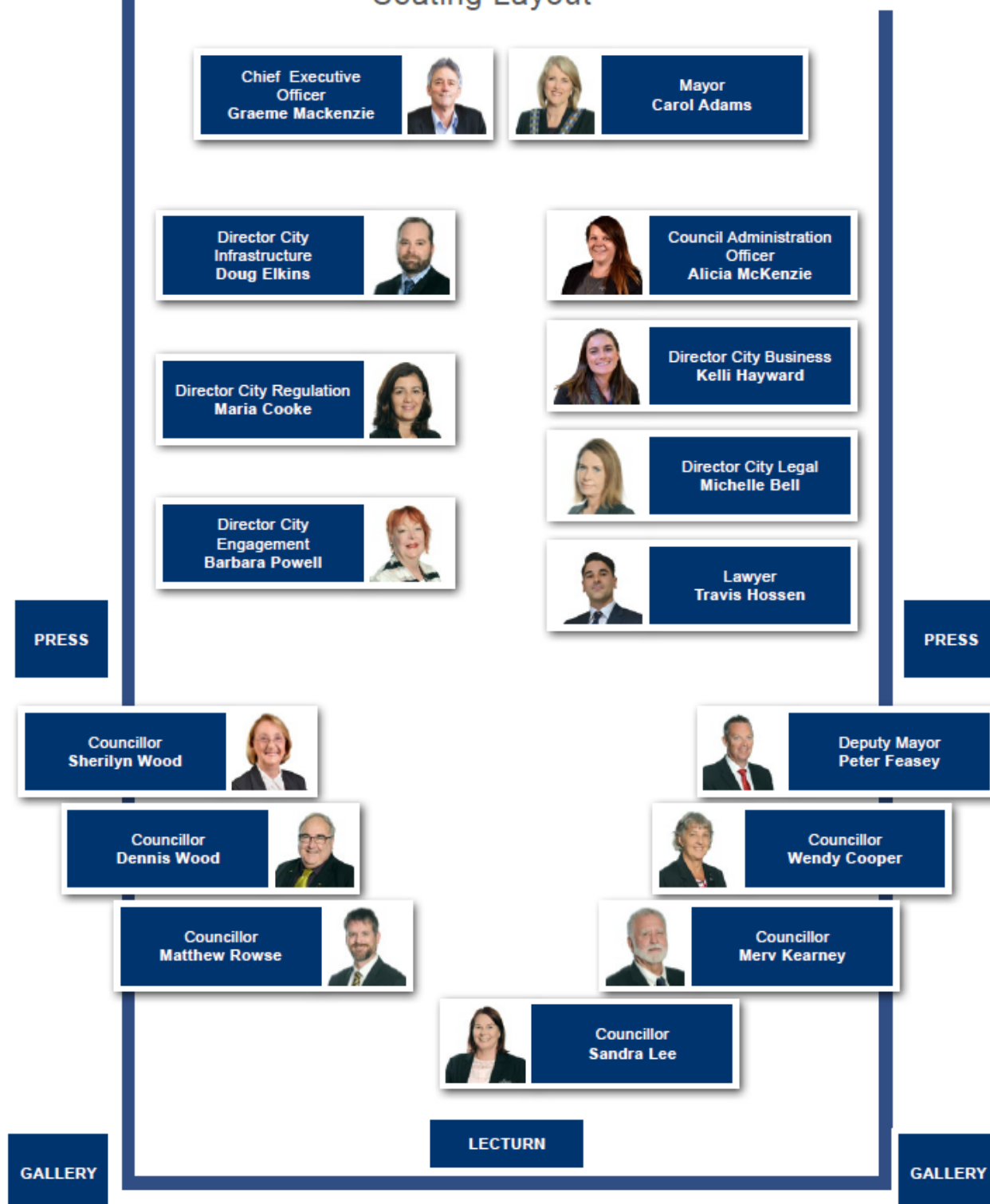
Lead from where you stand – Leadership is within us all. | Act with compassion – Show that you care. | Make it fun – Seize the opportunity to have fun. | Stand Strong, stand true – Have the courage to do what is right. | Trust and be trusted – Value the message, value the messenger. | Why not yes? –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





Council Chambers

Seating Layout



EMERGENCY GUIDE

Council Chambers

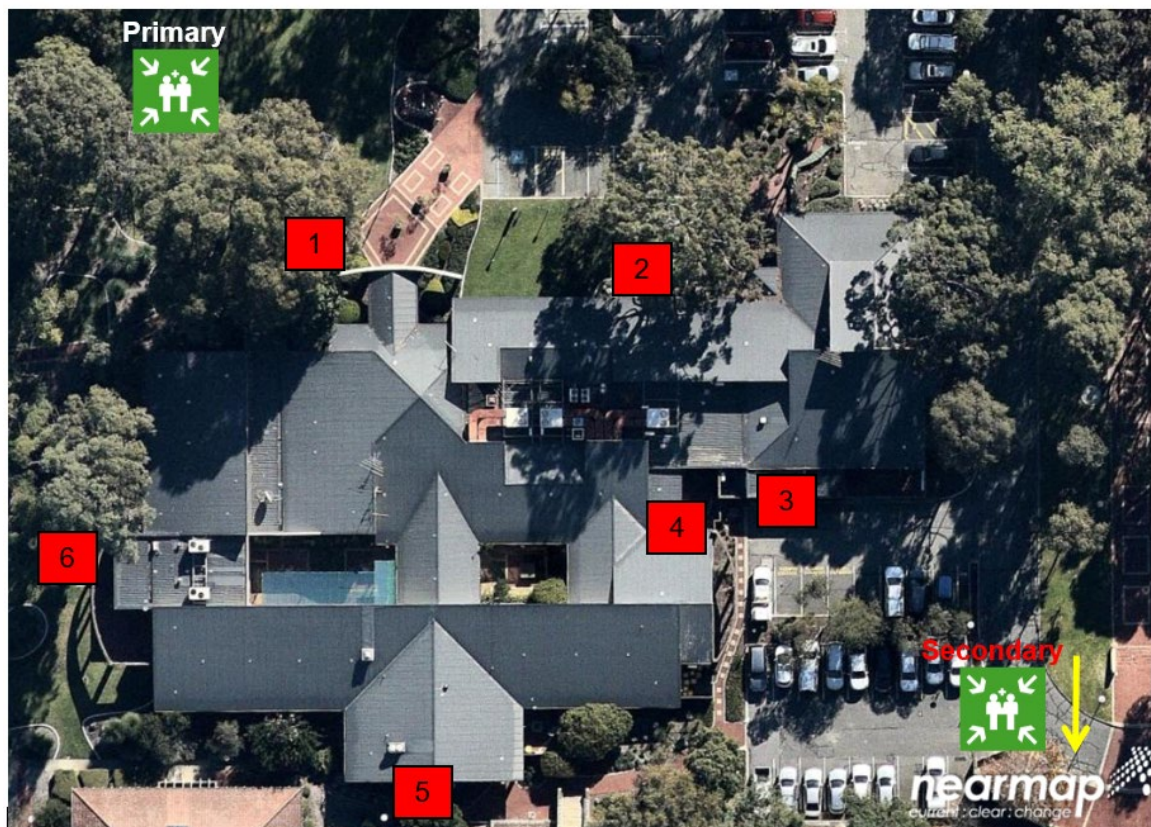


The City of Kwinana values the health and safety of its employees, contractors and visitors. Please ensure you are familiar with the emergency procedures in place at the City of Kwinana to ensure your safe evacuation.

Fire Alarm

On hearing the fire alarm, if you are instructed to evacuate, all individuals must:

- remain calm;
- pay attention to the responsible officer (in charge);
- when instructed to evacuate, leave via the appropriate emergency exit as directed;
- assemble at the designated Muster Point; and
- await the arrival Emergency Services. You must not re-enter the building until the all clear has been given by Emergency Services.



Administration Centre – Access, Egress (Red) and Assembly Points (Green)

Assembly Points:

- ▶ Primary - North-west of the main entrance near Gilmore Avenue.
- ▶ Secondary - South-east of the facility on grass area near Koorliny Arts Centre.

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Present:

DEPUTY MAYOR P FEASEY
COUNCILLOR M KEARNEY
COUNCILLOR M ROWSE
COMMITTEE MEMBER G MCMATH

| | | |
|----------------|---|---------------------------------|
| MR G MACKENZIE | - | Chief Executive Officer |
| MS M BELL | - | Director City Legal |
| MRS B POWELL | - | Director City Engagement |
| MR D ELKINS | - | Director City Infrastructure |
| MRS M COOKE | - | Director City Regulation |
| MR R MARK | - | Governance Services Coordinator |
| MS A MCKENZIE | - | Council Administration Officer |

1 Opening and announcement of visitors

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

2 Acknowledgement of country

Presiding Member read the Acknowledgement of country

"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 and we pay our respects to their Elders past and present."

3 Attendance, apologies, Leave(s) of absence (previously approved)

Apologies

Mayor Carol Adams

Leave(s) of Absence (previously approved):

Councillor Sandra Lee from 3 March 2020 to 18 March 2020 inclusive.

4 Declarations of Interest (financial, proximity, impartiality – both real and perceived) by Members and City Officers

Nil

5 Confirmation of minutes

5.1 Audit Committee Meeting held on 9 December 2019:

COMMITTEE DECISION

MOVED CR M KEARNEY

SECONDED CM G MCMATH

That the Minutes of the Audit Committee Meeting held on 9 December 2019 be confirmed as a true and correct record of the meeting.

**CARRIED
4/0**

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 has 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 Confidential Attachment A.

OFFICER RECOMMENDATION:

That the Audit Committee note the City of Kwinana Risk Report detailed in Confidential 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 not less than once in every 3 financial years.*
- (3) The CEO is to report to the audit committee the results of that review.*

6.1 ORGANISATIONAL RISK REPORT**FINANCIAL/BUDGET IMPLICATIONS:**

There are no financial/budget implications as a result of this report.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications as a result of this report.

ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications as a result 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 – 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 |
| Risk Assessment Context | Strategic |
| Consequence | Major |
| Likelihood | Unlikely |
| Rating (before treatment) | Moderate |

6.1 ORGANISATIONAL RISK REPORT

| | |
|--|---|
| 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 M ROWSE****SECONDED CM G MCMATH**

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

**CARRIED
4/0**

6.2 Annual Compliance Audit Return 2019

DECLARATIONS OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

The Department of Local Government, Sport and Cultural Industries (the Department) has circulated to all Western Australian Local Governments the annual Compliance Audit Return for completion.

The return covers the period 1 January to 31 December 2019. The return is a requirement of the Department 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 2019 is included at Attachment A.

OFFICER RECOMMENDATION:

That the Audit Committee:

1. Reviews the Compliance Audit Return 2019.
2. Recommends that Council adopt the Compliance Audit Return 2019 as detailed in Attachment A.

DISCUSSION:

Each year Western Australian Local Governments are required to complete a Compliance Audit Return (CAR) for 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 2019 to 31 December 2019. 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 2020.

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 2019

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 2020.

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
 - Response – No – one designated employee failed to lodge a primary return within three months of commencement. 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 2019

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 2019

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 2019

- (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 2019

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 M KEARNEY

SECONDED CM G MCMATH

That the Audit Committee:

- 1. Reviews the Compliance Audit Return 2019.**
- 2. Recommends that Council adopt the Compliance Audit Return 2019 as detailed in Attachment A.**

**CARRIED
4/0**



Kwinana - Compliance Audit Return 2019

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 2019? | N/A | The City does not have any major trading undertakings. | Kelli Hayward |
| 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 2019? | N/A | The City does not have any major land transactions. | Kelli Hayward |
| 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 2019? | N/A | The City does not have any major land transactions. | Kelli Hayward |
| 4 | s3.59(4) | Has the local government complied with public notice and publishing requirements of each proposal to commence a major trading undertaking or enter into a major land transaction for 2019? | N/A | The City does not have any major trading undertakings. | Kelli Hayward |
| 5 | s3.59(5) | Did the Council, during 2019, resolve to proceed with each major land transaction or trading undertaking by absolute majority? | N/A | The City does not have any major trading undertakings/major land transactions. | Kelli Hayward |

| 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 | Resolved by majority at meeting of 25 September 2019. | Victoria Patton |
| 2 | s5.16, 5.17, 5.18 | Were all delegations to committees in writing? | Yes | All delegations to committees are contained in the 'Register of Delegated Authority - Local Government to Chief Executive Officer, Officers and Committees 2019'. | Victoria Patton |
| 3 | s5.16, 5.17, 5.18 | Were all delegations to committees within the limits specified in section 5.17? | Yes | Page 3 of the 'Register of Delegated Authority - Local Government to Chief Executive Officer, Officers and Committees 2019' details limits on delegated power in accordance with the LGA. | Victoria Patton |



Department of
**Local Government, Sport
and Cultural Industries**

| No | Reference | Question | Response | Comments | Respondent |
|----|---------------------------------|---|----------|--|-----------------|
| 4 | s5.16, 5.17, 5.18 | Were all delegations to committees recorded in a register of delegations? | Yes | All delegations to committees are recorded in the 'Register of Delegated Authority - Local Government to Chief Executive Officer, Officers and Committees 2019'. | Victoria Patton |
| 5 | s5.18 | Has Council reviewed delegations to its committees in the 2018/2019 financial year? | Yes | Reviewed by Council at its ordinary meeting of 25 September 2019. | Victoria Patton |
| 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 | Page 3 of the 'Register of Delegated Authority - Local Government to Chief Executive Officer, Officers and Committees 2019' details limits on delegated power in accordance with the LGA. | Victoria Patton |
| 7 | s5.42(1)(2) Admin Reg 18G | Were all delegations to the CEO resolved by an absolute majority? | Yes | Resolved by majority at meeting of 25 September 2019. | Victoria Patton |
| 8 | s5.42(1)(2) Admin Reg 18G | Were all delegations to the CEO in writing? | Yes | All delegations to CEO are contained in 'Register of Delegated Authority - Local Government to Chief Executive Officer, Officers and Committees 2019' and 'Register of Delegated Authority - Local Government to Officers 2019'. | Victoria Patton |
| 9 | s5.44(2) | Were all delegations by the CEO to any employee in writing? | Yes | All CEO delegations are contained in the 'Register of Delegated Authority - Chief Executive Officer to Officer Sub-Delegations 2019'. | Victoria Patton |
| 10 | s5.45(1)(b) | Were all decisions by the Council to amend or revoke a delegation made by absolute majority? | Yes | No amendment or revocation of Council delegations occurred in 2019 (excluding Councils annual review of delegations dated 25 September 2019) | Victoria Patton |



Department of
**Local Government, Sport
and Cultural Industries**

| No | Reference | Question | Response | Comments | Respondent |
|----|-----------------------|--|----------|---|-----------------|
| 11 | s5.46(1) | Has the CEO kept a register of all delegations made under the Act to him and to other employees? | Yes | All delegations to CEO are contained in 'Register of Delegated Authority - Local Government to Chief Executive Officer, Officers and Committees 2019' and 'Register of Delegated Authority - Local Government to Officers 2019'. All delegations by the CEO are contained in the 'Register of Delegated Authority - Chief Executive Officer to Officer Sub-Delegations 2019' and 'Register of Delegated Authority - Local Government to Officers 2019'. | Victoria Patton |
| 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 2018/2019 financial year? | Yes | All Council delegations were reviewed by them at their meeting of 25 September 2019. All CEO delegations were subsequently reviewed on 26 September 2019. | Victoria Patton |
| 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 | Attain software used by all committees and staff holding delegations for recording uses of their power. Staff undergo training and random checking of records in undertaken. | Victoria Patton |

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 |
| 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 | s5.73 | Where the CEO had an interest relating to a gift under section 5.71A(1), was written notice given to the Council? | Yes | There were no instances where the CEO was required to give this notice. | Michelle Bell |



Department of
**Local Government, Sport
and Cultural Industries**

| No | Reference | Question | Response | Comments | Respondent |
|----|------------------------------|---|----------|---|---------------|
| 5 | s5.73 | Where the CEO had an interest relating to a gift in a matter in respect of a report another employee is providing advice on under section 5.71A (3), was the nature of interest disclosed when the advice or report was provided? | Yes | There were no instances where the CEO was required to give this notice. | Michelle Bell |
| 6 | 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 | Only One new Elected Member was appointed at the Ordinary Elections in 2019 and they completed the Primary Return within three months of their start date. | Michelle Bell |
| 7 | 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? | No | One Officer failed to lodge a Primary Return within three months of their start date due to mitigating circumstances. This was reported to the appropriate authority and the matter was closed. | Michelle Bell |
| 8 | s5.76(1) Admin Reg 23 Form 3 | Was an annual return lodged by all continuing elected members by 31 August 2019? | Yes | All continuing elected members completed their Annual Return by 31 August 2019. | Michelle Bell |
| 9 | s5.76(1) Admin Reg 23 Form 3 | Was an annual return lodged by all designated employees by 31 August 2019? | Yes | All continuing employees completed their Annual Return by 31 August 2019. | Michelle Bell |
| 10 | 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 | The CEO / Mayor provided written acknowledgement for receipt of all primary and annual returns as required by this section. | Michelle Bell |
| 11 | 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 |
| 12 | 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 |
| 13 | s5.89A Admin Reg 28A | Did the CEO keep a register of gifts which contained a record of disclosures made under section 5.71A, in the form prescribed in Administration Regulation 28A? | Yes | | Michelle Bell |
| 14 | 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 | All persons ceasing to be relevant persons are removed from the Register. | Michelle Bell |



Department of
**Local Government, Sport
and Cultural Industries**

| No | Reference | Question | Response | Comments | Respondent |
|----|--|---|----------|---|---------------|
| 15 | 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 | All persons ceasing to be relevant persons are removed from the Register. | Michelle Bell |
| 16 | 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 | Minutes record the nature of interest disclosed at Council Meetings. | Michelle Bell |
| 17 | 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 |
| 18 | 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 |
| 19 | s5.103(3) Admin Reg 34B | Has the CEO kept a register of all notifiable gifts received by Council members and employees? | Yes | A register is retained and published on the City website. | 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 |



Department of
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Elections

| No | Reference | Question | Response | Comments | Respondent |
|----|------------------------|--|----------|----------|---------------|
| 1 | Elect Reg 30G (1) (2) | Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates? | Yes | | Michelle Bell |
| 2 | Elect Reg 30G(3) & (4) | Did the CEO remove any 'disclosure of gifts' forms relating to an unsuccessful candidate or a successful candidate that completed the term of office from the electoral gift register, and retain those forms separately for a period of at least 2 years? | 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 | Council Decision 008 23/10/2019 | 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? | N/A | | Kelli Hayward |
| 3 | s7.3(1) | Was the person(s) appointed by the local government under s7.3(1) to be its auditor, a registered company auditor? | Yes | OAG appointed Moore Stephens | Kelli Hayward |
| 4 | s7.3(1), 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? | N/A | OAG Appointed auditor | Kelli Hayward |
| 5 | Audit Reg 10 | Was the Auditor's report(s) for the financial year(s) ended 30 June received by the local government within 30 days of completion of the audit? | Yes | Audit report dated 29/11/2019, received by Council 11/12/2019 | Kelli Hayward |
| 6 | s7.9(1) | Was the Auditor's report for the financial year ended 30 June 2019 received by the local government by 31 December 2019? | Yes | Report received by Council at OCM 11/12/2019 | 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, did the local government, ensure that appropriate action was undertaken in respect of those matters? | N/A | No matters raised in the Independent Auditors Report | Kelli Hayward |



Department of
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| No | Reference | Question | Response | Comments | Respondent |
|----|-------------|---|----------|--|---------------|
| 8 | S7.12A (4) | Where the auditor identified matters as significant in the auditor's report (prepared under s7.9(1) of the Act), did the local government prepare a report stating what action had been taken or it intended to take with respect to each of the matters and give a copy to the Minister within 3 months after receipt of the audit report? | N/A | No matters raised in the Independent Auditors Report | Kelli Hayward |
| 9 | S7.12A (5) | Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website? | N/A | No matters raised in the Independent Auditors Report | Kelli Hayward |
| 10 | Audit Reg 7 | Did the agreement between the local government and its auditor include the objectives of the audit? | Yes | Audit Strategy Memorandum provided. | 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 |



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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? | Yes | The City adopted the Corporate Business Plan at its Ordinary Council Meeting held on 26 June 2019. | Victoria Patton |
| 2 | s5.56 Admin Reg 19DA (4) | Has the local government reviewed the Corporate Business Plan in the 2018-2019 Financial Year. If Yes, please provide date of Council meeting the review was adopted at? | Yes | The City adopted the Corporate Business Plan at its Ordinary Council Meeting held on 26 June 2019. | Victoria Patton |
| 3 | s5.56 Admin Reg 19C | Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments? | Yes | The City adopted the Strategic Community Plan at its Ordinary Council Meeting held on 26 June 2019. | Victoria Patton |
| 4 | s5.56 Admin Reg 19C (4) | Has the local government reviewed the current Strategic Community Plan. If Yes, please provide date of most recent review by Council in Comments. Note: If the current Strategic Community Plan was adopted after 1/1/2016, please respond N/A and provide adoption date in Comments? | No | Next major review due 30 June 2021. | Victoria Patton |
| 5 | S5.56 Admin Reg 19DA (3) | Has the local government developed an Asset Management Plan(s) that covers all asset classes. If Yes, please provide the date of the most recent Plan adopted by Council in Comments? | Yes | Asset Management Strategy adopted on the 11 December 2019 | Victoria Patton |
| 6 | S5.56 Admin Reg 19DA (3) | Has the local government developed a Long Term Financial Plan. If Yes, please provide the adoption date of the most recent Plan in Comments? | Yes | 11 December 2019 | Victoria Patton |
| 7 | S5.56 Admin Reg 19DA (3) | Has the local government developed a Workforce Plan. If Yes, please provide adoption date of the most recent Plan in comments? | Yes | Not adopted. | Victoria Patton |



Department of
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and Cultural Industries**

| 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? | Yes | CEO selection and appointment process endorsed by Council at OCM 14 Aug 2019 - prior to advertising vacancy. | Victoria Patton |
| 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? | Yes | Only recruitment activity (vacancy) was for CEO position and complied with legislation. | Victoria Patton |
| 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 | Recruitment process has commenced but not yet finalised - still progressing appointment. This will be reported on the Compliance Audit Return 2020. | Victoria Patton |
| 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 | Recruitment process has commenced but not yet finalised - still progressing appointment. This will be reported on the Compliance Audit Return 2020. | Victoria Patton |
| 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. | Victoria Patton |



| 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 | The CEO is the Complaints Officer. | Michelle Bell |
| 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)? | N/A | | Michelle Bell |
| 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 | | Michelle Bell |
| 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 | | Michelle Bell |
| 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 | | Michelle Bell |
| 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 | | Michelle Bell |



Optional Questions

| No | Reference | Question | Response | Comments | Respondent |
|----|-----------------------------------|--|----------|------------------|-----------------|
| 1 | Financial Management Reg 5 (2)(c) | Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Local Government (Financial Management) Regulation 5 (2)(c) within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments? | Yes | 28 June 2017 | Victoria Patton |
| 2 | Audit Reg 17 | Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulation 17 within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments? | Yes | 28 November 2018 | Victoria Patton |
| 3 | Financial Management Reg 5A. | Did the local government provide AASB 124 related party information in its annual report(s) tabled at an electors meeting(s) during calendar year 2019? | Yes | | Kelli Hayward |
| 4 | S6.4(3) | Did the local government submit to its auditor by 30 September 2019 the balanced accounts and annual financial report for the year ending 30 June 2019? | Yes | | Kelli Hayward |

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 | | Michelle Bell |
| 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 | | Michelle Bell |
| 3 | F&G Reg 14(1) & (3) | Did the local government invite tenders via Statewide public notice? | Yes | | Michelle Bell |
| 4 | F&G Reg 14 & 15 | Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16? | Yes | | Michelle Bell |



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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 | | Michelle Bell |
| 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 | | Michelle Bell |
| 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 | | Michelle Bell |
| 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 | | Michelle Bell |
| 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 and did the CEO make the tenders register available for public inspection? | Yes | | Michelle Bell |
| 10 | F&G Reg 19 | Did the CEO give each tenderer written notice advising particulars of the successful tender or advising that no tender was accepted? | Yes | | Michelle Bell |
| 11 | F&G Reg 21 & 22 | Did the local governments advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22? | Yes | | Michelle Bell |
| 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? | Yes | | Michelle Bell |
| 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? | Yes | | Michelle Bell |
| 14 | F&G Reg 24 | Did the CEO give each person who submitted an expression of interest, a notice in writing in accordance with Functions & General Regulation 24? | Yes | | Michelle Bell |
| 15 | F&G Reg 24AC (1) & (2) | Has the local government established a policy on procurement of goods and services from pre-qualified suppliers in accordance with the regulations? | No | | Michelle Bell |
| 16 | F&G Reg 24AD(2) | Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice? | N/A | | Michelle Bell |
| 17 | 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 | | Michelle Bell |



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| No | Reference | Question | Response | Comments | Respondent |
|----|-----------------|--|----------|----------|---------------|
| 18 | 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 | | Michelle Bell |
| 19 | 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, given notice of the variation? | N/A | | Michelle Bell |
| 20 | 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 | | Michelle Bell |
| 21 | 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 | | Michelle Bell |
| 22 | 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 | | Michelle Bell |
| 23 | F&G Reg 24AI | Did the CEO 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 | | Michelle Bell |
| 24 | F&G Reg 24E | Where the local government gave a regional price preference, did the local government comply with the requirements of F&G Reg 24E including the preparation of a regional price preference policy? | N/A | | Michelle Bell |
| 25 | 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 | | Michelle Bell |
| 26 | F&G Reg 11A | Does the local government have a current purchasing policy that comply with F&G Reg 11A(3) 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 | | Michelle Bell |



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| No | Reference | Question | Response | Comments | Respondent |
|----|-------------|---|----------|----------|---------------|
| 27 | F&G Reg 11A | Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract is, or is expected to be \$150,000 or less or worth \$150,000 or less? | Yes | | Michelle Bell |

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

Signed Mayor / President, Kwinana

Signed CEO, Kwinana

7 Late and urgent Business

Nil

8 Confidential items

8.1 Internal Audit Report

COMMITTEE DECISION

MOVED CR M KEARNEY

SECONDED CR M ROWSE

That the Audit Committee:

- 1. Note the action status update for any outstanding actions from previous internal audit findings as detailed in Confidential Attachment A.**
- 2. Receive the internal audit findings for the period Quarter Two of 2019/2020, and establish actions as detailed in Confidential Attachment B.**
- 3. Include established actions for Quarter Two of 2019/2020 from Confidential Attachment B as part of the next quarter's action status update.**
- 4. Endorse the Internal Audit Plan for Quarter Three of 2019/2020, as detailed in Attachment C, to be undertaken during the period 16 March 2020 to 6 July 2020 for the following auditable units:**
 - a) City Wide – Health, Security & Safety**
 - b) City Wide – Contracts & Strategic Procurement; and**
 - c) City Strategy - Finance - Balance Sheet**

**CARRIED
4/0**

9 Close of meeting

The Deputy Mayor declared the meeting closed at 5:38pm.