



AUDIT AND ORGANISATIONAL RISK COMMITTEE MEETING

MINUTES

**The Audit and Organisational Risk Committee Meeting
Was held in the Meeting Room 4,
Welcome Road, Karratha,
on Monday, 9 March 2015**

A handwritten signature in black ink, appearing to read "Chris Adams", is positioned above a horizontal line.

**CHRIS ADAMS
CHIEF EXECUTIVE OFFICER**



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The City of Karratha warns that anyone who has any application lodged with the City of Karratha must obtain and should only rely on

WRITTEN CONFIRMATION

of the outcome of the application, and any conditions attaching to the decision made by the City of Karratha in respect of the application.

Signed:  _____
Chris Adams - Chief Executive Officer

DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE) (updated 13 March 2000)

A member who has a **Financial Interest** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the Local Government Act 1995.

NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interest** in a matter. I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
 - 6.2 Where the Minister allows the Councillor to participate under s5.69 (3) of the Local Government Act, with or without conditions.

INTERESTS AFFECTING IMPARTIALITY

DEFINITION: *An interest that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected, but does not include an interest as referred to in Section 5.60 of the 'Act'.*

A member who has an **Interest Affecting Impartiality** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest;

- (a) in a written notice given to the Chief Executive Officer before the Meeting; or
- (b) at the Meeting, immediately before the matter is discussed.

IMPACT OF AN IMPARTIALITY CLOSURE

There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote.

With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.

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AGENDA

1 OFFICIAL OPENING

The Meeting was officially opened at 3.40 pm.

2 RECORD OF ATTENDANCES AND APOLOGIES

Committee Members:	Cr Evette Smeathers Cr John Lally Cr Peter Long	(Chairperson)
Staff:	Chris Adams Phillip Trestrail Henry Eaton Linda Franssen	Chief Executive Officer Director Corporate Services Manager Governance & Organisational Strategy Minute Secretary
External:	Nil	
Apologies:	Cr Harry Hipworth Cr Fiona White-Hartig	

3 DECLARATIONS OF INTEREST

Nil.

4 CONFIRMATION OF MINUTES AND BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETINGS

OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

Res No : AOR20
MOVED : Cr Long
SECONDED : Cr Lally

That the Minutes of the Audit and Organisational Risk Committee Meeting held on Monday, 3 November 2014, be confirmed as a true and correct record of proceedings.

CARRIED

FOR : Cr Smeathers, Cr Lally, Cr Long
AGAINST : Nil

5 ITEMS FOR DISCUSSION

5.1 COMPLIANCE AUDIT RETURN 2014

File No:	FM.12
Responsible Executive Officer:	Director Corporate Services
Reporting Author:	Corporate Compliance Officer
Date of Report:	4 February 2015
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s)	Compliance Audit Return - 2014

PURPOSE

To review the 2014 Compliance Audit Return (CAR) for the City of Karratha.

BACKGROUND

Each local government is required to carry out a compliance audit in relation to the period 01 January 2014 to 31 December 2014 against the requirements set out in the 2014 CAR.

The Audit & Organisational Risk Committee is required to review the completed CAR and report the results to Council. After the CAR has been reviewed by the Audit & Organisational Risk Committee and a report presented to Council, a certified copy of the CAR is to be submitted to the Director General of the Department of Local Government and Communities by 31 March 2015.

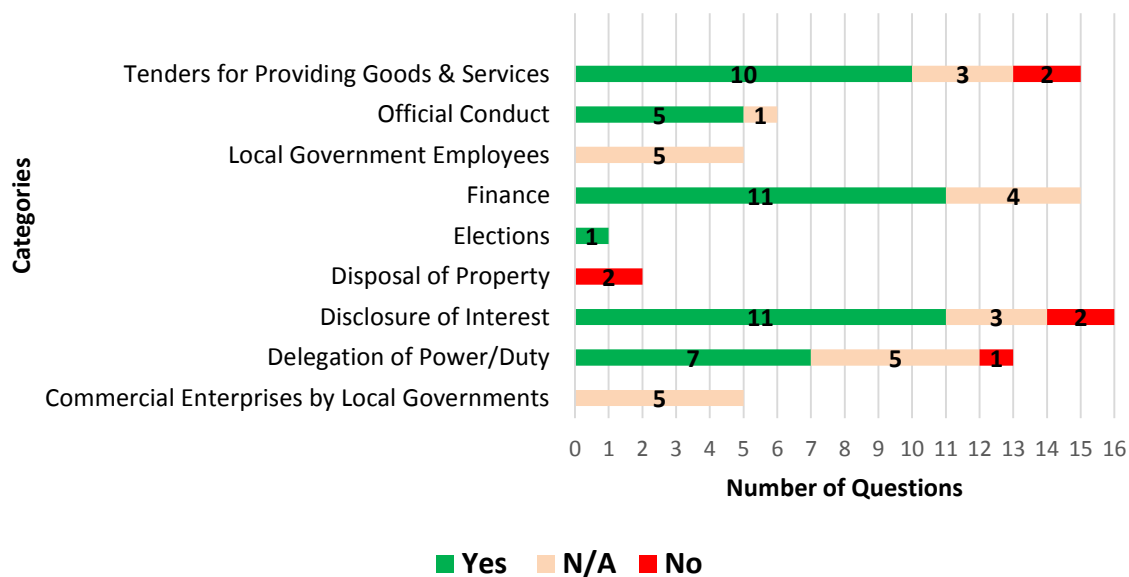
The CAR requires local governments to carry out an audit of compliance with statutory requirements in the areas of:

- a) Commercial Enterprises by local governments;
- b) Delegation of Power/Duty;
- c) Disclosure of Interest;
- d) Disposal of Property;
- e) Elections;
- f) Finance;
- g) Local Government Employees;
- h) Official Conduct; and
- i) Tenders for Providing Goods and Services.

Out of the 78 questions in this year's return, 7 non-compliances have been noted resulting in a 91% compliance rate.

2014 COMPLIANCE AUDIT RETURN

Results per Category (78 Questions)



The seven instances of non-compliance are detailed below:

Category	Non-compliance	Legislation Reference	Comments
Delegation of Power/Duty	On one occasion a delegated officer exercised a delegation verbally and a written record was not kept.	s5.46(3) Admin Reg 19	This has since been rectified and a written record is now maintained.
Disclosure of Interest	On one occasion an elected member did not lodge their annual return by 31 August 2014	s5.76(1) Admin Reg 23 Form 3	Three reminders to submit the annual return were sent to the elected member, in addition to the original request for annual return.
Disclosure of Interest	On one occasion an employee did not lodge their annual return by 31 August 2014.	s5.76(1) Admin Reg 23 Form 3	Three reminders to submit the annual return were sent to the employee, in addition to the original request for annual return. The employee received two of the three reminders prior to commencing leave.
Disposal of Property	On six occasions local public notice was not advertised (5 property leases and one plant trade-in).	s3.58(3)	Additional training will be provided in relation to advertising the local public notice when required.

Disposal of Property	On six occasions the local public notice did not include the prescribed information, due to not being advertised.	s3.58(4)	Internal procedures are currently being updated to provide for this in the future.
Tenders	On two occasions the signed written notice of outcome cannot be located. For a further three tenders, the written notice to unsuccessful tenderers does not contain all of the required information.	F&G Reg 19	Internal procedures and standardised templates will ensure that these requirements are adhered to, however, additional training will be provided to officers.
Tenders	On one occasion the notification regarding an Expression of Interest outcome was not signed by the CEO.	F&G Reg 24	A new delegation has since been introduced which enables Directors to sign the written notification.

LEVEL OF SIGNIFICANCE

In accordance with Council Policy CE-8 Significant Decision Making Policy, this matter is considered to be of moderate significance in terms of Council's ability to perform its role.

COUNCILLOR/OFFICER CONSULTATION

Consultation has taken place with relevant Officers in preparing the response and compiling an evidence folder.

COMMUNITY CONSULTATION

No community consultation is required.

STATUTORY IMPLICATIONS

Section 7.13(1)(i) of the *Local Government Act 1995* and Regulations 13-15 of the *Local Government (Audit) Regulations 1996* provide for compliance audits.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Strategic Community Plan 2012-2022 and Corporate Business Plan 2012-2016. In particular the Operational Plan 2014-2015 provided for this activity:

Our Program:	4.c.1.1	Provide assistance to all departments across the City in complying with the legislative and statutory requirements.
Our Services:	4.c.1.1.1	Compile and coordinate the annual Compliance Audit Return.

RISK MANAGEMENT CONSIDERATIONS

The level of risk is considered to be high to the City in terms of compliance.

IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

RELEVANT PRECEDENTS

A compliance rate of 92.3% (6 non-compliances) was recorded in the 2013 CAR.

VOTING REQUIREMENTS

Simple Majority

OPTIONS:Option 1

As per Officer's recommendation.

Option 2

That the Audit & Organisational Risk Committee by Simple Majority pursuant to Section 7.13 of the *Local Government Act 1995* and Regulation 14 of the *Local Government (Audit) Regulations 1996* RESOLVES to DEFER this matter pending further review and consultation.

CONCLUSION

Each local government is required to carry out an annual Compliance Audit Return in relation to the calendar year period from 01 January to 31 December 2014. Overall, the audit indicates a compliance rate of 91%. Internal controls have been identified and implemented to address those non-compliance issues which have been identified in the Compliance Audit Return.

OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

Res No : AOR21
MOVED : Cr Long
SECONDED : Cr Lally

That the Audit and Organisational Risk Committee by SIMPLE Majority pursuant to Section 7.13 of the *Local Government Act 1995* and Regulation 14 of the *Local Government (Audit) Regulations 1996* RESOLVES to:

1. RECEIVE the 2014 Compliance Audit Return;
2. NOTE the actions taken to address non-compliances; and
3. SUBMIT the 2014 Compliance Audit Return to Council for adoption prior to submission to the Department of Local Government and Communities.

CARRIED

FOR : Cr Smeathers, Cr Lally, Cr Long
AGAINST : Nil



Karratha - Compliance Audit Return 2014

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 2014.	N/A	Currently there is only one major land transaction in progress. The transaction commenced in 2013 as reported in the 2013 Compliance Audit Return. This transaction is currently under negotiation with the Department of Lands. No new major transactions have occurred in 2014.	Miranda Geal
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 2014.	N/A		Miranda Geal
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 2014.	N/A		Miranda Geal
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 2014.	N/A		Miranda Geal
5	s3.59(5)	Did the Council, during 2014, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Miranda Geal

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.	N/A	Delegated authority has not been issued to any committees.	Miranda Geal
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Miranda Geal
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Miranda Geal
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Miranda Geal
5	s5.18	Has Council reviewed delegations to its committees in the 2013/2014 financial year.	N/A		Miranda Geal



No	Reference	Question	Response	Comments	Respondent
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		Miranda Geal
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes	There were 27 delegations to the CEO. Within the 27 delegations, 25 were resolved and carried by absolute majority. There were two occasions where the terminology in the resolution noted simple majority. Council however, carried the resolution by absolute majority on both occasions.	Miranda Geal
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Miranda Geal
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Miranda Geal
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes	The only amendments to delegations occurred during the annual review of the Delegations and Authorisations Register by Council. This was resolved by absolute majority.	Miranda Geal
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Miranda Geal
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 2013/2014 financial year.	Yes	The Delegations and Authorisations Register was reviewed by Council during the 2013/2014 financial year at the June Ordinary Council Meeting.	Miranda Geal
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.	No	This area is mostly compliant, however there was one occasion where it was identified that a delegated officer was exercising a delegation verbally and a written record was not kept. This has since been rectified and a written record is now maintained.	Miranda Geal

Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
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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		Miranda Geal
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.	N/A		Miranda Geal
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		Miranda Geal
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.	N/A	There were no newly elected members in 2014.	Miranda Geal
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		Miranda Geal
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2014.	No	There was one occasion where an elected member did not lodge their annual return by 31 August 2014. Three reminders to submit the annual return were distributed to the elected member, in addition to the original request for annual return, however the return was not lodged until 05 September 2014. This has been reported to the Department of Local Government and Communities.	Miranda Geal



No	Reference	Question	Response	Comments	Respondent
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2014.	No	<p>There was one occasion where a designated employee did not lodge their annual return by 31 August 2014. Three reminders to submit the annual return were distributed to the employee, in addition to the original request for annual return, however the return was not lodged until 02 December 2014.</p> <p>The employee went on leave from 14 August 2014 until 25 November 2014, which contributed to the delay in lodging their annual return. The employee did receive two of the three reminders to submit the annual return, prior to commencing leave.</p>	Miranda Geal
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		Miranda Geal
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		Miranda Geal
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		Miranda Geal
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		Miranda Geal
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		Miranda Geal
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		Miranda Geal



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	<p>There were two occasions where employees disclosed an interest at the commencement of the report.</p> <p>There was one occasion where an employee was the author of a report related to the funding of the employees position. The employee did not disclose the interest at the commencement of the report. However it was determined that based on the fact that the employee did not provide the report 'directly' to Council that the non-disclosure did not need to be reported.</p>	Miranda Geal
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.	N/A	There were no occasions where an employee was required to disclose the extent of an interest.	Miranda Geal
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Miranda Geal



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)).	No	<p>There were 9 instances where property was disposed of under s3.58(3). On 6 occasions, the public notice was not advertised due to administrative error.</p> <p>Further training will be provided to officers regarding following through with the local public notice when disposing of property under this section. Additionally internal procedures are currently being updated in relation to the disposal of property.</p>	Miranda Geal
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.	No	<p>Whilst 6 of the 9 disposals under this section were not advertised, there was one disposal that was compliant with s3.58(4) and 2 that are still in progress.</p> <p>Internal procedures are currently being updated in relation to the disposal of property.</p>	Miranda Geal

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	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	An Electoral Gift Register is in place, however an election was not held in 2014 and as such no electoral gifts were disclosed.	Miranda Geal

Finance

No	Reference	Question	Response	Comments	Respondent
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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	In October 2013, following the local election, the members of the Audit and Organisational Risk Committee were appointed for a two year term by absolute majority.	Miranda Geal
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	The audit committee does not hold any delegations.	Miranda Geal
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes	Grant Thornton Audit Pty Ltd is a WALGA preferred supplier and was appointed as the auditor and retains the qualification of a registered company auditor.	Miranda Geal
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes	Grant Thornton Audit Pty Ltd is a WALGA preferred supplier and was appointed as the auditor.	Miranda Geal
5	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	In February 2013, Council voted via absolute majority to appoint Grant Thornton Audit Pty Ltd for a three year term, covering the financial periods 2012/13 – 2014/15.	Miranda Geal
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2014 received by the local government within 30 days of completion of the audit.	Yes	The auditor's report for 2013/14 was received on 08/10/2014, the day of final signoff by the audit partner.	Miranda Geal
7	s7.9(1)	Was the Auditor's report for 2013/2014 received by the local government by 31 December 2014.	Yes	The auditor's report for 2013/14 was received on 08/10/2014, presented to the Audit Committee on 3 November 2014 and received by Council on 17 November 2014.	Miranda Geal
8	S7.12A(3), (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 that action undertaken.	N/A	No action was required.	Miranda Geal
9	S7.12A(3), (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		Miranda Geal



No	Reference	Question	Response	Comments	Respondent
10	S7.12A(3), (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		Miranda Geal
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Miranda Geal
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Miranda Geal
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Miranda Geal
14	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		Miranda Geal
15	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		Miranda Geal

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	There was no requirement to appoint a new CEO in 2014.	Miranda Geal
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	There were no vacancies for the position of CEO or other designated senior employees in 2014.	Miranda Geal
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		Miranda Geal
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		Miranda Geal
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A		Miranda Geal



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.	Miranda Geal
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		Miranda Geal
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		Miranda Geal
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		Miranda Geal
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		Miranda Geal
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) (c).	Yes		Miranda Geal

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



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	There were three occasions where these details were varied. An addendum was issued to all tenderers advising them of the variation.	Miranda Geal
6	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		Miranda Geal
7	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		Miranda Geal
8	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		Miranda Geal
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	No	<p>There were 35 tenders commenced in 2014. Of the 35 tenders there were two occasions where the signed written notice cannot be located. Additionally there are three occasions where the written notice to unsuccessful tenderers does not contain particulars of the successful tender or provide advice that no tender was accepted.</p> <p>Internal procedures and standardised templates should ensure that these requirements are adhered to, however additional training will be provided to officers regarding this requirement.</p>	Miranda Geal
10	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.	Yes		Miranda Geal
11	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	There was only one Expression of Interest in 2014 and all submissions were submitted at the place and within the required time.	Miranda Geal



No	Reference	Question	Response	Comments	Respondent
12	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	At the May 2014 Ordinary Council Meeting, Council resolved to reject all Expression of Interest submissions.	Miranda Geal
13	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.	No	Each respondent was issued written notification, advising them of the particulars of the May Council Resolution, however the notification was not signed by the CEO. A new delegation has since been introduced, which enables Directors to sign the written notification to respondents.	Miranda Geal
14	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	A Regional Price Preference Policy has previously been adopted.	Miranda Geal
15	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, \$100,000 or less.	Yes		Miranda Geal

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6 ITEMS FOR INFORMATION ONLY

Responsible Officer: Director Corporate Services

Reporting Author: Minute Secretary

Disclosure of Interest: Nil

PURPOSE

To advise the Audit and Organisational Risk Committee of the information items for period ending February 2015.

OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

Res No : AOR22

MOVED : Cr Lally

SECONDED : Cr Long

That the Audit and Organisational Risk Committee note the following information items:

- 6.1 Internal Audit – Status Report
- 6.2 Business Improvement – Progress Report

CARRIED

FOR : Cr Smeathers, Cr Lally, Cr Long

AGAINST : Nil

6.1 INTERNAL AUDIT – STATUS REPORT

File No:	FM.3
Responsible Executive Officer:	Director Corporate Services
Reporting Author:	Manager Governance and Organisational Strategy
Date of Report:	13 February 2015
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s)	Confidential – Cash Handling Audit

PURPOSE

To provide the Audit and Organisational Risk Committee with a progress update on the Internal Audit Program.

Cash Handling Audit

Refer Confidential Attachment.

Tenders and Contract Management Audit

Paxon Group has completed the review of tenders and contract management, however the results are still under review and will be reported to the next meeting of the Audit & Organisational Risk Committee.

6.2 BUSINESS IMPROVEMENT – PROGRESS REPORT**File No:** FM.3**Responsible Executive Officer:** Director Corporate Services**Reporting Author:** Manager Governance and Organisational Strategy**Date of Report:** 13 February 2015**Disclosure of Interest:** Nil**Attachment(s)** Nil**PURPOSE**

To provide the Audit & Organisational Risk Committee with a progress update on Business Improvement.

Focus Areas	Brief Description	Indicative Activities/Outputs	Current and Future Status
1. Strategic Community Plan 2012-2022	Outlines the outcomes expressed by our communities and our response as an organisation in achieving those agreed outcomes in the next 10 years.	<ul style="list-style-type: none"> • Vision • Strategies • Community Engagement • Resources and Commitments 	<ul style="list-style-type: none"> • Review to be undertaken post October 2015 following Council elections to feed into 2016/17 year.
2. Corporate Business Plan 2012-2016	Outlines what the organisation needs to deliver in the next five years. Has been extensively reworked internally over the past 4-6 weeks with a focus on consistency and measurability of KPI's.	<ul style="list-style-type: none"> • Activates Strategic Community Plan • Progress Measures to achieve delivery of outcomes • Budget information for five years 	<ul style="list-style-type: none"> • Review to be undertaken post October 2015 following Council elections to feed into 2016/17 year.
3. Operational Plan 2014-2015	Annual slice and dice of Corporate Business Plan. Has been extensively reworked internally to ensure consistency and compliance.	<ul style="list-style-type: none"> • Annual Budget. • Annual Projects and Services 	<ul style="list-style-type: none"> • The 2014/15 Operational Plan was approved on 30 June 2014. • Q2 reported to February OCM.

Focus Areas	Brief Description	Indicative Activities/Outputs	Current and Future Status
4. Asset Management Plan	What Assets are required at what service level to deliver the services expressed by our communities.	<ul style="list-style-type: none"> Asset Conditions & Ratings Levels of Service, operational, technical and community Financial information for maintenance of assets at an agreed level of service Asset Disposal Strategy and Lifecycle Costing. Action Plans 	<ul style="list-style-type: none"> Approved by Council in June 2013.
5. Long Term Financial Plan	Informs the Strategic Community Plan and Corporate Business Plan. CEO has reviewed with EMT. Staff believe that assumptions that inform the financial modelling need review prior to Council adoption.	<ul style="list-style-type: none"> Sensitivity Analysis Long Term Financial Sustainability Capital Works Program for next 10 years Financial Modelling Assumptions and Scenarios 	<ul style="list-style-type: none"> Presented to Council in March 2013. Submitted to the Department of Local Government in June 2013. Major review of the LTFP will be presented to Council in March/April 2015.
6. Workforce Plan 2013-2018	Development of an all-encompassing strategy which addresses staff turnover rates and an appreciation of the full number of staff required to deliver City business now and into the future.	<ul style="list-style-type: none"> Structural Review Performance Measurement Systems Performance Appraisal System Retention Recruitment Succession Planning Development and training Staff housing & accommodation Indigenous engagement policy 	<ul style="list-style-type: none"> Approved by Council in August 2013. Annual review has commenced and will be presented to Council with the LTFP.
7. Housing Strategy	Development of a strategy to address the housing and accommodation needs of the City from retention and recruitment perspective.	<ul style="list-style-type: none"> Short term review and modifications undertaken. Options for staff housing to be developed (ownership vs leasing vs paying allowances) 	<ul style="list-style-type: none"> Report to be presented to Council in 2015.

Focus Areas	Brief Description	Indicative Activities/Outputs	Current and Future Status
8. Corporate Performance Management System	A tool to integrate all operations including projects and services delivered by the organisation and report on the individual status and financials.	<ul style="list-style-type: none"> Ability for all reporting teams to update their quarterly performances 	<ul style="list-style-type: none"> Contract awarded to Civica Pty Ltd. New KPIs in system for 2014/15 and quarterly performance reporting.
9. Procurement and Tendering	Given the large growth and volume of projects that the City is accountable for, there needs to be a review of the way procurement and tendering occurs to ensure a more centralised approach is adopted which is connected across the various directorates within the organisation.	<ul style="list-style-type: none"> Centralise and streamline the approach to procurement and tendering Create knowledge management and succession planning of procurement and tendering through the organisation 	<ul style="list-style-type: none"> Developing documentation to adequately meet the organisation's needs and statutory accountabilities. Current practices are being process mapped as an internal resource and guide to all staff. Induction and awareness training commenced June 2014. Internal audit conducted on tenders and contract management Purchasing Manual to be updated and RFQ process to be mapped before 30 June 2015.
10. Functional Processes	A review of the key processes that link how things are done within the organisation and examine the need to streamline and avoid duplication of activity that further create efficiencies in time and cost on how activities are undertaken.	<ul style="list-style-type: none"> Define what a process is and how these will be recorded. Conduct a review of current functional processes across the organisation Define what functional processes are needed, how they will be recorded, understood and applied consistently throughout the organisation. 	<ul style="list-style-type: none"> Policies adopted. Current practices are being process mapped as an internal resource and guide to all staff. 399 processes are under development with 133 processes already published.

11. Risk Management Review	<p>Review of existing policies, procedures and supporting documentation.</p> <p>Development of Risk Management Framework.</p>	<ul style="list-style-type: none"> • Common, contemporary, compliant framework to be developed and utilised by four (4) Pilbara LGA's. 	<ul style="list-style-type: none"> • PRC Document has been produced and presented to Council. • Implementation of report recommendations being progressively undertaken by Corporate Compliance team in collaboration with other staff members. • Risk Framework identified. • Risk Register prepared. • Risk plan and policies approved by Council in June 2014. • Risk reviews to be carried out in March 2015.
12. Business Continuity Management Project	<p>A project funded by the PRC to assist Pilbara councils to establish a business continuity framework for their local authorities.</p>	<ul style="list-style-type: none"> • Business Continuity Management Policy • Business Continuity Management Plan • BCM Governance Framework • Exercise Maintenance and Awareness Plan 	<ul style="list-style-type: none"> • Draft documents prepared and being reviewed by the City. • Training to be provided by PRC to Critical Response Team by undertaking exercises and reinforcing the contents of the plans on 16 March 2015.

7 CLOSURE & DATE OF NEXT MEETING

The meeting closed at 4.20 pm.

The date of the next meeting is to be held on Tuesday, 26 May 2015 at 10:00 am at Meeting Room 4 - Welcome Road, Karratha.

I, Cr Evette Smeathers, Chairperson for the Audit and Organisational Risk Committee of the City of Karratha, hereby declare on behalf of the Committee that the enclosed Minutes are a true and accurate record of the Audit and Organisational Risk Committee Meeting held on Monday 9 March 2015.

..... Date ____/____/____