



TOWN OF

Bassendean

MINUTES

Audit and Governance Committee

Monday 12 June 2023, 5:30 pm

in the Council Chamber,
Administration Building
48 Old Perth Road, Bassendean WA 6054

1 Declaration Of Opening; Acknowledgment of Country; Acknowledgment of Visitors; Disclaimer

The Presiding Member declared the meeting open at 5:30pm, welcomed all those in attendance and acknowledged the past and present traditional owners and custodians of the land on which the meeting was held.

2 Announcements by the Presiding Member without Discussion

Nil.

3 Attendances, Apologies and Leave of Absence

Present

Hilary MacWilliam, Councillor and Chair
Paul Poliwka, Councillor
Kim Stewart, Community Representative
Paul White, Director Corporate Services
Rajesh Malde, Manager Finance and Customer Service
Matthew Monkhouse, Manager Governance & Strategy
Ron Back, Advisor to the Committee
Jay Teichert, Office of the Auditor General
Amit Kabra, RSM Australia
Krushna Hirani, RSM Australia
Duy Vo, William Buck

Apologies

Kathryn Hamilton, Mayor
Renee McLennan, Deputy Mayor
Patrick Eijkenboom, Community Representative

4 Declarations of Interest

Nil.

5 Presentations or Deputations

Nil.

6 Confirmation of Minutes

6.1 Confirmation of Minutes – Audit and Governance Committee – 8 March 2023
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Attachments:	Nil
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Committee/Officer Recommendation – Item 6.1

MOVED Cr MacWilliam, Seconded Cr Poliwka that the minutes of the Audit and Governance Committee held on 8 March 2023 be received and be confirmed as a true record.

Carried 3/0

7 Business Deferred from Previous Meeting

Nil.

8 Reports

8.1 Annual Audit of the Financial Report for 2022/23 - Audit Planning Memorandum	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	FINM/AUD/7
Author	Paul White
Department	Director Corporate Services
Previous Reports	N/A
Authority/Discretion	Information For the Council/Committee to note.
Attachments	1. Audit Planning Memorandum 2023 [8.1.1 - 27 pages]

Purpose

The purpose of this report is to provide the Committee with the Audit Planning Memorandum (**APM**) for the audit of the Town's Financial Report for 2022/23 (**Attachment 1**).

Committee/Officer Recommendation – Item 8.1

MOVED Cr Poliwka, Seconded Kim Stewart that the Audit and Governance Committee receives the RSM Audit Planning Memorandum of the audit of the Town's Financial Report for 2022/23 (**Attachment 1**).

Carried 3/0

8.2 Internal Audit - General and Rates Debtors	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	RISK/REPRNG/1
Department	Corporate Services
Previous Reports	N/A
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	1. General and Rates Debtors IA Report - FINAL [8.2.1 - 19 pages]

Purpose

The purpose of this report is for the Audit and Governance Committee to receive the General and Rates Debtors Internal Audit Report, and to consider the recommendations therein and the management action proposed by the Town.

Committee/Officer Recommendation – Item 8.2

MOVED Cr MacWilliam, Seconded Cr Poliwka that the Committee recommends that Council receives the General and Rates Debtors Internal Audit Report and notes the findings and recommendations, and the management action to be taken to address the identified risks.

Carried 3/0

8.3 Internal Audit Schedule 2023/24 to 2025/26	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	GOVN/CCLMEET/18
Department	
Previous Reports	
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	1. Internal Audit Plan 2022-23 [8.3.1 - 7 pages] 2. Draft Internal Audit Programme 2023-26 [8.3.2 - 1 page]

Purpose

The purpose of this report is for the Audit and Governance Committee to consider the draft internal audit schedule for 2023/24 to 2025/26.

Committee/Officer Recommendation – Item 8.3

MOVED Cr Poliwka, Seconded Cr MacWilliam that the Committee recommends that Council adopts the Internal Audit Schedule for 2023/24 to 2025/26, attached to this report.

Carried 3/0

8.4 Review of Council Policies - Debt Recovery, Financial Hardship and Rates Exemption	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	RAT&VAL/POLICY2
Department	
Previous Reports	OCM – 15/5/20 OCM – 15/6/21
Authority/Discretion	Legislative Includes adopting local laws, local planning schemes & policies.
Attachments	<ol style="list-style-type: none"> 1. Recovery of Rates and Service Charges Policy [8.4.1 - 5 pages] 2. Recovery of Sundry Debts Policy [8.4.2 - 4 pages] 3. Financial Hardship Policy [8.4.3 - 8 pages] 4. Rates Exemption Policy [8.4.4 - 4 pages]

Purpose

The purpose of this report is for the Audit and Governance Committee to review the operation and effectiveness of Council's policies for debt recovery, financial hardship and rates exemption.

Committee/Officer Recommendation – Item 8.4

MOVED Cr MacWilliam, Seconded Cr Poliwka that the Committee recommends that Council:

1. Adopts the amended Recovery of Rates and Service Charges Policy, attached to this report.
2. Adopts the amended Financial Hardship Policy, attached to this report
3. Sets the next review date for the following four policies to 30 June 2026:
 - Recovery of Rates and Service Charges Policy
 - Recovery of Sundry Debts Policy
 - Financial Hardship Policy
 - Rates Exemption Policy.

Carried 3/0

8.5 Review of Councillor Allowances & Expenses Policy	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	TBA
Department	
Previous Reports	N/A
Authority/Discretion	Legislative Includes adopting local laws, local planning schemes & policies.
Attachments	1. Councillor Allowances and Expenses Policy [8.5.1 - 5 pages]

Purpose

The purpose of this report is for the Audit and Governance Committee to consider recommending that Council revoke the Councillor Allowances and Expenses Policy.

Committee/Officer Recommendation – Item 8.5

MOVED Cr Poliwka, Seconded Cr MacWilliam that the Committee recommends that Council:

1. Revokes the Councillor Allowances and Expenses Policy; and
2. Notes that the CEO is to develop a procedure for the reimbursement of expenses.

Carried 3/0

8.6 Review of Council Purchasing Policy	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	FINM/PROCED/1
Department	
Previous Reports	OCM – 11/12/20; OCM – 14/03/22
Authority/Discretion	Legislative Includes adopting local laws, local planning schemes & policies.
Attachments	<ol style="list-style-type: none"> 1. Draft Amended Purchasing Policy - Clean - June 2023 [8.6.1 - 8 pages] 2. Draft Amended Purchasing Policy - Marked up - June 2023 [8.6.2 - 8 pages] 3. Purchasing Policy - LG Comparison [8.6.3 - 4 pages]

Purpose

The purpose of this report is for the Audit and Governance Committee to review the Town's Purchasing Policy. A draft amended Purchasing Policy is attached to this report.

Committee/Officer Recommendation – Item 8.6

MOVED Cr Poliwka, Seconded Kim Stewart that the Committee:

1. Recommends that Council adopts the draft amended Purchasing Policy, attached to this report, with the following amendments:
 - (a) Clause 4.4.2, Purchase Value Threshold one: change to “Up to \$1,000”.
 - (b) Clause 4.4.2, Purchase Value Threshold two: change to “From \$1,000 to \$20,000”.
 - (c) Clause 4.4.2, Purchase Value Threshold two, change the Sourcing Requirement to “Obtain at least Two (2) written quotations from a suitable supplier”, insert “Where appropriate” before “For this Purchase Value Threshold”, and amend the second bullet point to “If it is not possible to obtain a written quotation, a verbal quotation appropriately documented, and confirmed with the supplier, is acceptable”.

- (d) Clause 4.4.2, Purchase Value Threshold three: Delete.
2. Requests the CEO prepare a report for the Audit and Governance Committee on each occasion a contract is awarded under clause 5.2.1 or 5.2.2 of the Purchasing Policy, so the Committee may monitor the application of the policy.

Carried 3/0

8.7 Town of Bassendean Staff Compliance Obligations	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	HR/GRIEV
Department	
Previous Reports	AGC-4/02/23
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	Nil

Purpose

The purpose of this report is for the Audit and Governance Committee to consider the measures in place to support officers in recognising their compliance obligations.

Committee/Officer Recommendation – Item 8.7

MOVED Cr MacWilliam, Seconded Cr Poliwka that the Audit and Governance Committee notes this report about the measures in place to support officers in recognising their compliance obligations.

Carried 3/0

8.8 Small Balance Write-offs for Rates	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	FINM/AUD1
Department	
Previous Reports	
Authority/Discretion	Review

	When the Council operates as a review authority on decisions made by Officers for appeal purposes.
Attachments	Nil

Purpose

The purpose of this report is to provide Council, via the Audit and Governance Committee, a summary of small rates balances that have been written off in the current financial year to April 2023.

Committee/Officer Recommendation – Item 8.8

MOVED Cr Poliwka, Seconded Kim Stewart that the Committee recommends that Council notes the exercise of delegated authority by the Manager Finance to write off small rates balances shown in Table 1 of this report, in accordance with section 6.12(1)(c) of the *Local Government Act 1995*.

Carried 3/0

8.9 Audit Risk Register	
Property Address	N/A
Landowner/Applicant	N/A
File Reference	GOVN/CCLMEET/1
Directorate	Corporate Services
Previous Reports	N/A
Authority/Discretion	Executive The substantial direction setting and oversight role of the Council.
Attachments	1. CONFIDENTIAL REDACTED - Audit Risk Register - June 2023 [8.9.1 - 9 pages]

Reason for this Item to be discussed behind closed doors:

This matter is to be considered with members of the public excluded from the Chamber under Clause 5.23(f) of the Local Government Act as the officer report discusses a matter that if disclosed, could be reasonably expected to -

- i. *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or*
- ii. *endanger the security of the local government's property; or*
- iii. *prejudice the maintenance or enforcement of a lawful measure for protecting public safety.*

Purpose

The purpose of this report is to provide the Audit and Governance Committee with the Town's Audit Risk Register, with revised actions since the last update delivered at the Committee meeting on 8 March 2023.

Committee/Officer Recommendation – Item 8.9

MOVED Cr Poliwka, Seconded Cr MacWilliam that the Audit and Governance Committee receives the Audit Risk Register and notes the action taken or proposed to be taken, to address the identified risks.

Carried 3/0

9 Motions of Which Previous Notice Has Been Given

Nil.

10 Announcements of Notices of Motion for the Next Meeting

Nil.

11 Confidential Business

Nil.

12 Closure

The next Committee meeting will be held on 6 September, commencing at 3:30pm. The next Ordinary Council Meeting will be held on **27 June 2023**, commencing at 6pm.

There being no further business, the Presiding Member declared the meeting closed, the time being 7:34pm.