

TOWN OF BASSENDEAN
NOTICE OF A MEETING OF THE
AUDIT AND RISK MANAGEMENT COMMITTEE

Dear Committee Member

A meeting of the Audit and Risk Management Committee of the Town of Bassendean is to be held in the Council Chamber, 48 Old Perth Road, Bassendean, on Wednesday, 8 March 2017, commencing at 5.30pm.

Mr Bob Jarvis
CHIEF EXECUTIVE OFFICER

1 March 2017

A G E N D A

1.0 **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

Acknowledgement of Traditional Owners

The Town of Bassendean acknowledges the past and present traditional owners of the land on which we gather to conduct this meeting, and pays its respects to their Elders, both past and present.

2.0 **ATTENDANCES, APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE**

3.0 **DEPUTATIONS**

4.0 CONFIRMATION OF MINUTES

4.1 Minutes of the Meetings held on 7 December 2016

OFFICER RECOMMENDATION – ITEM 4.1

That the minutes of the meeting held on 7 December 2016 be confirmed as a true record.

5.0 ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

6.0 DECLARATIONS OF INTEREST

7.0 BUSINESS DEFERRED FROM PREVIOUS MEETING

8.0 REPORTS

8.1 Resignation from Committee – Michelle Rutherford

On 23 February 2017, Michelle Rutherford advised of her resignation from the Committee, as follows:

“Hi Michael, I hope this finds you well. Unfortunately, due to unforeseen circumstances I wish to tender my resignation as a member of the Risk and Audit Committee, effective immediately.

I have enjoyed my time as a Committee Member representing the people of our Town. I wish the Committee all the best for the future. Regards, Michelle Rutherford.”

OFFICER RECOMMENDATION – ITEM 8.1

That the Committee:

1. Expresses its appreciation to Ms Michelle Rutherford for her contribution to the Committee; and
2. Recommends that Council defers advertising the vacant position until after the Local Government Elections to be held in October 2017.

Voting requirement: Simple majority

8.2 Local Government Compliance Audit Return 2016 (Ref: GOVR/LREGLIA/9 – Mike Costarella, Director Corporate Services)

APPLICATION

The report presents the Local Government Compliance Audit Return 2016, 1 January to 31 December 2016 to Council in order that the report be adopted.

ATTACHMENT

Attachment No. 1: 2016 Compliance Audit Report

BACKGROUND

The Department of Local Government initially introduced a voluntary self-assessment return in 1995, which is now mandatory, for local governments to determine the level of compliance with the Local Government Act and associated Regulations.

STRATEGIC IMPLICATIONS

Leadership and Governance

- We will provide leadership and build a sustainable place through our regional and government partnerships.
- We will be accountable and make decisions for the good of the community
- We will engage with our community, building cohesive community and support community participation

COMMENT

Each Local Government Authority is required to complete a Compliance Audit Return for the period 1 January to 31 December 2016. The Compliance Audit Return 2014 must be submitted to the Director General, Department of Local Government by 31 March 2017.

The return is one of the tools that allows Council to monitor how the organisation is functioning. It places emphasis on the need to bring to Council's attention, issues of non-compliance, or issue where full compliance was not achieved.

In addition to explaining or qualifying cases of non-compliance, the return also requires Council to endorse any remedial action taken or proposed to be taken in regard to instances of non-compliance.

The document contains a total of 87 questions to test compliance with the Local Government Act and Regulations. The compliance areas includes:-

TOPIC	No of Questions	OFFICER
Commercial Enterprises by Local Governments	5	Michael Costarella
Delegation of Power / Duty	13	Bob Jarvis
Disclosure of Interest	16	Sue Perkins
Disposal of Property	2	Michael Costarella
Elections	1	Michael Costarella
Finance	14	Ken Lapham
Local Government Employees	5	Michael Costarella
Official Conduct	6	Bob Jarvis
Tenders for Providing Goods and Services	25	Ken Cardy

The responses are shown below and includes prior years.

RESPONSE	2016	2015	2014	2013	2012
Areas of Compliance	52	72	55	58	46
Areas of Non Compliance	1	0	1	0	0
Not Applicable	34	15	22	20	32
Total	87	87	78	78	78

The area of non compliance related to the Tenders Regulations and this was reported in the 2016 Interim Audit Report. The report contained actions to ensure compliance in the future and the actions that have now been implemented.

STATUTORY REQUIREMENTS

Local Government Act 1995 and associated Regulations

FINANCIAL CONSIDERATIONS

Nil.

OFFICER RECOMMENDATION – ITEM 8.2

That the Audit and Risk Management Committee recommends that Council adopts the Compliance Audit Return 2015 for the period 1 January to 31 December 2016, as attached to the Agenda of 8 March 2017.

Voting Requirement: Simple majority

8.3 Internal Audit – Moore Stephens (Ref: FINM/AUD/1, Ken Lapham, Manager Corporate Services)

APPLICATION

The purpose of this report is to provide Council, through the Audit and Risk Management Committee, with the Internal Audit Report and provide management comments and information on the remedial action taken.

ATTACHMENT

Attachment No. 2: 2016 Internal Audit Report

BACKGROUND

Under the Financial Management Regulations of the Local Government Act (Section 6.10), efficient systems and procedures are to be established by the Chief Executive Officer (CEO) of a local government. Furthermore, the CEO is required to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.

In September 2016, Moore Stephens were appointed to undertake an internal audit for the ensuing 4 year period. The areas of audit include (but not limited to):

2016/17 ACTIVITIES	2017/18 ACTIVITIES	2018/19 ACTIVITIES	2019/20 ACTIVITIES
Procurement Procedures and Processes	Fixed Assets-Property Plant & Equipment	Revenue (All Sources) Budget and Financial Reporting	Compliance Return Payments Credit Cards
Contracts Tender and Administration Creditors-EFT and Cheques	Annual Report Records keeping and compliance	Payroll (Inc. FBT) & Human Resources (Inc. OHS) Commercial Activities	Council Meetings and Administration Disclosures of Financial Interests Delegations of Authority
	Strategic Community & Corporate Plans	Leases and Rental Agreements	Local Laws

COMMENT

In each of the areas covered, the Internal Auditors consider the controls and procedures in place are adequate, however, they have raised a number of issues that can be improved.

Officers have reviewed the report prepared by the Internal Auditors and noted areas where additional attention should be given.

STRATEGIC IMPLICATIONS

Leadership & Governance

Improve capability and capacity	<ul style="list-style-type: none">• Ensure financial sustainability• Monitor and enhance organisational performance and service delivery• Review and develop the workforce to meet changing needs• Review and implement asset management plans• Review risk management plans
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STATUTORY REQUIREMENTS

The Local Government Act 1995

FINANCIAL CONSIDERATION

The 2016/17 Budget includes an amount for the internal audit contract.

OFFICER RECOMMENDATION – ITEM 8.3

That the Audit and Risk Management Committee recommends to Council that it receives the 2016 Internal Audit Report from Moore Stephens, and notes the managements' comments.

Voting requirement: Simple majority

9.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

10.0 ANNOUNCEMENTS OF NOTICES OF MOTION FOR THE NEXT MEETING

11.0 **CONFIDENTIAL BUSINESS**

11.1 **Various Debts Write-off Ref: FINM/DBTOS/2- (Ken Lapham – Manager Corporate Services)**

This matter is to be considered with members of the public excluded from the Chamber under Clause 5.23 (2) (e) (iii) of the Local Government Act as the officer report discusses a matter that if disclosed, would reveal information about a business, professional, commercial or financial affairs of a person.

12.0 **CLOSURE**

The next meeting date is to be held on Wednesday, 7 June 2017.