

## **Audit and Governance Committee Wednesday, 12 June 2024 Attachments**

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## **MINUTES**

# **Audit and Governance Committee**

**Wednesday 6 March 2024, 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**

### **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 Announcements by the Presiding Member without Discussion**

Nil

## **3 Attendances, Apologies and Leave of Absence**

### **Present**

#### Councillors

Cr Ken John, Presiding Member  
Cr Kathryn Hamilton, Mayor  
Cr Jamayne Burke

#### Community Member

Ms Sasha Rademakers, Deputy Presiding Member

#### Advisor to the Committee

Mr Ron Back

#### Officers

Mr Paul White, Director Corporate Services  
Joanne Burges, Manager Governance and Strategy  
Tristan Loney, Manager, Information and Technology

#### Guests

Mr Cameron Palassis, Executive Director, Paxon via Digital Means  
Mr Ian Ekins, Associate Director, Paxon via Digital Means

#### Public

No members of the public were in attendance.

## **Apologies**

Cr Emily Wilding  
Cr Paul Poliwka

## **4 Declarations of Interest**

Nil

## **5 Presentations or Deputations**

Nil

## **6 Confirmation of Minutes**

### **Council Resolution/Officer Recommendation – Item 6.1**

MOVED Ms Sasha Rademakers, Seconded Cr Jamayne Burke

That the minutes of the Audit and Governance Committee meeting held on Wednesday 13 December 2023 be received and confirmed as a true and correct record.

CARRIED UNANIMOUSLY 4/0

## **7 Business Deferred from Previous Meeting**

Nil

## 8 Reports

8.1 Compliance Audit Return 2023	
Property Address	
Landowner/Applicant	
File Reference	GOVR/LREGLIA/15
Directorate	Corporate Services
Previous Reports	
Authority/Discretion	<b>Executive</b> The substantial direction setting and oversight role of the Council.
Attachments	1. Compliance Audit Return 2023 [8.1.1 - 12 pages]

### Purpose

The purpose of this report is for the Audit and Governance Committee to consider the Compliance Audit Return (CAR) 2023 for the Town of Bassendean for the calendar year 1 January 2023 to 31 December 2023.

### Committee/Officer Recommendation – Item 8.1

MOVED Cr Kathryn Hamilton, Seconded Ms Sasha Rademakers,

That the Committee recommends that Council adopts the Local Government 2023 Compliance Audit Return for the Town of Bassendean for the period 1 January 2023 to 31 December 2023, as attached to this report.

### Voting requirements: Simple Majority

CARRIED UNANIMOUSLY 4/0

<b>8.2 Audit Findings Log</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	GOVN/CCLMEET/1
<b>Author</b>	Paul White
<b>Department</b>	Director Corporate Services
<b>Previous Reports</b>	N/A
<b>Authority/Discretion</b>	<b>Executive</b> The substantial direction setting and oversight role of the Council.
<b>Attachments</b>	1. CONFIDENTIAL - March 2024 Audit Findings Log [8.2.1 - 13 pages]

### **Purpose**

The purpose of this report is to provide the Audit and Governance Committee with the Town's Audit Findings Log, with updated actions since the meeting of the Committee on 13 December 2023.

### **Committee/Officer Recommendation – Item 8.2**

MOVED Cr Jamayne Burke, Seconded Cr Kathryn Hamilton,

That the Audit and Governance Committee receives the Audit Findings Log and notes the action taken or proposed to address the recommendations.

**Voting requirements: Simple Majority**

CARRIED UNANIMOUSLY 4/0

## **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

There being no further business, the Presiding Member declared the meeting closed, the time being 6:25pm.

The next Audit and Governance Committee will be held on Wednesday 12 June 2024 at 5:30pm.

# Town of Bassendean

## Audit Planning Memorandum

For the year ending 30 June 2024

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# Introduction

This audit plan outlines the scope of our work and the key considerations in relation to our audit of the Town of Bassendean ("the Town") for the year ending 30 June 2024.

The purpose of this document is to set out our understanding of the key areas in the audit when we will conduct the audit and your audit team.

The audit plan is prepared with input from management. The audit plan is tailored for the Town's environment and revised throughout the year to adjust for business developments, additional relevant matters arising, changes in circumstances, findings from activities performed and feedback we receive from you.

We look forward to working together with you.

Please do not hesitate to contact either one of us or one of our other team members should you wish to discuss any aspect of the engagement.

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# 1. Audit Summary

## Purpose

The primary purpose of this Audit Planning Memorandum ("APM") is to brief the Town of Bassendean ("the Town") on the proposed approach by RSM Australia ("RSM"), on behalf of the Office of the Auditor General ("OAG"), to audit the financial report, controls and key performance indicators of the Town for the year ending 30 June 2024.

The APM forms the basis for discussion at the audit entrance meeting scheduled for 01 May 2024 and is a key tool for discharging our responsibilities in relation to communicating with those charged with governance.

## Scope of the Engagement

The scope of this engagement involves expressing an opinion on the audit of the general-purpose financial statements for the financial year ending 30 June 2024, prepared in accordance with the *Local Government Act 1995 (LG Act)*, the *Local Government (Financial Management) Regulations 1996 (Financial Management Regulations)*, Australian Accounting Standards, to the extent that they are not inconsistent with the LG Act and the Financial Management Regulations. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (**AASB**).

In addition to the above, the Town also requires certifications in respect of the following grants:

- (a) Roads to Recovery (**R2R**) grant under the *National Land Transport Act 2014*, Part 8; and
- (b) Local Roads and Community Infrastructure Program (**LRCIP**) grant in accordance with the LRCIP guidelines issued by the Australian Government Town of Infrastructure, Transport, Regional Development and Communications.

The certifications do not form part of the audit scope. However, RSM will engage separately with the Town to issue an independent auditor's report on the above.

## Matters of significance

In accordance with section 24(1) of the Auditor General Act 2006, the Auditor General is required to report on matters arising out of the performance of the Auditor General's functions that are, in the opinion of the Auditor General, of such significance as to require reporting.

## Arrangements

Audits are not an absolute guarantee of the accuracy or reliability of Town's information and may not have identified all matters of significance. This is because the work undertaken to form an opinion is permeated by judgement and most audit evidence is persuasive rather than conclusive. In addition, there are inherent limitations in any audit, including the use of testing, the effectiveness of internal control structures and the possibility of collusion.

Primary responsibility for the detection, investigation, and prevention of irregularities rests with the Town. Consequently, the Town remains responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing, and presenting the financial statements, and complying with the *Financial Management Act 2006* and other relevant laws.

Under the *Auditor General Act 2006*, audit staff have unrestricted access to information held by the Town, irrespective of any restrictions on disclosure imposed, such as secrecy provisions.

Confidentiality of audit files and working papers is required under the *Auditor General Act 2006*. The Office of the Auditor General is an 'exempt agency' under the *Freedom of Information Act 1992*. The signed contract between the Auditor General and RSM contains strict confidentiality clauses.

## RSM relationship with the OAG and Town

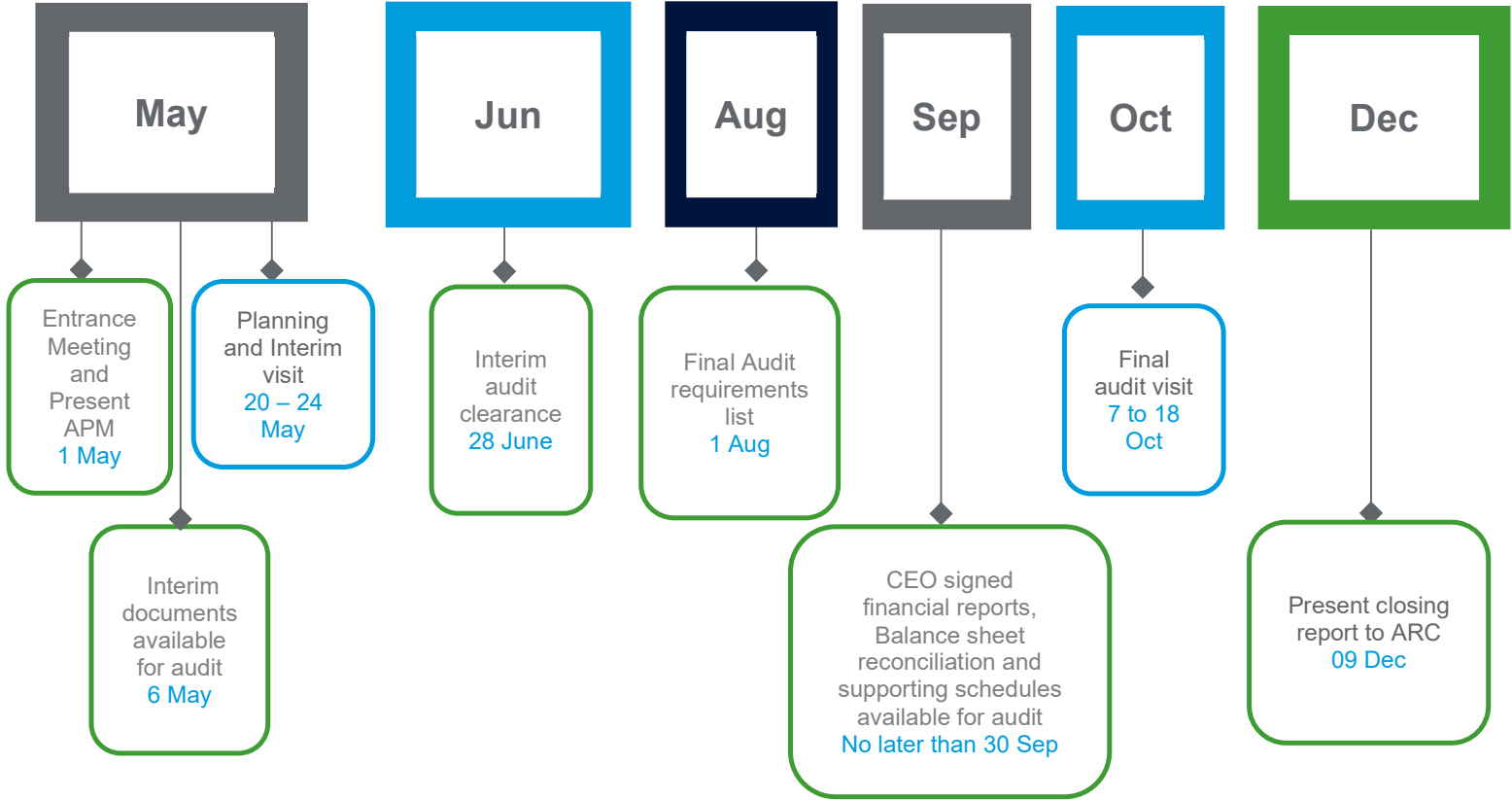
RSM has been contracted by the OAG to execute the scope and report to the OAG.

RSM is required to report to the OAG any matter which may affect the Auditor General's responsibilities under sections 15 and 24 of the *Auditor General Act 2006*.




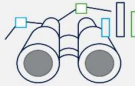




RSM's services will be conducted under the overall direction of the Auditor General, who will retain responsibility for forming an audit opinion and issuing an independent auditor's report to Town. The contract requires RSM to use its methodology and audit approach.

# 2. Timing

Based on discussions with management, we have agreed on the below milestones. A detailed timetable can be found in Appendix 1.



### 3. Audit Approach

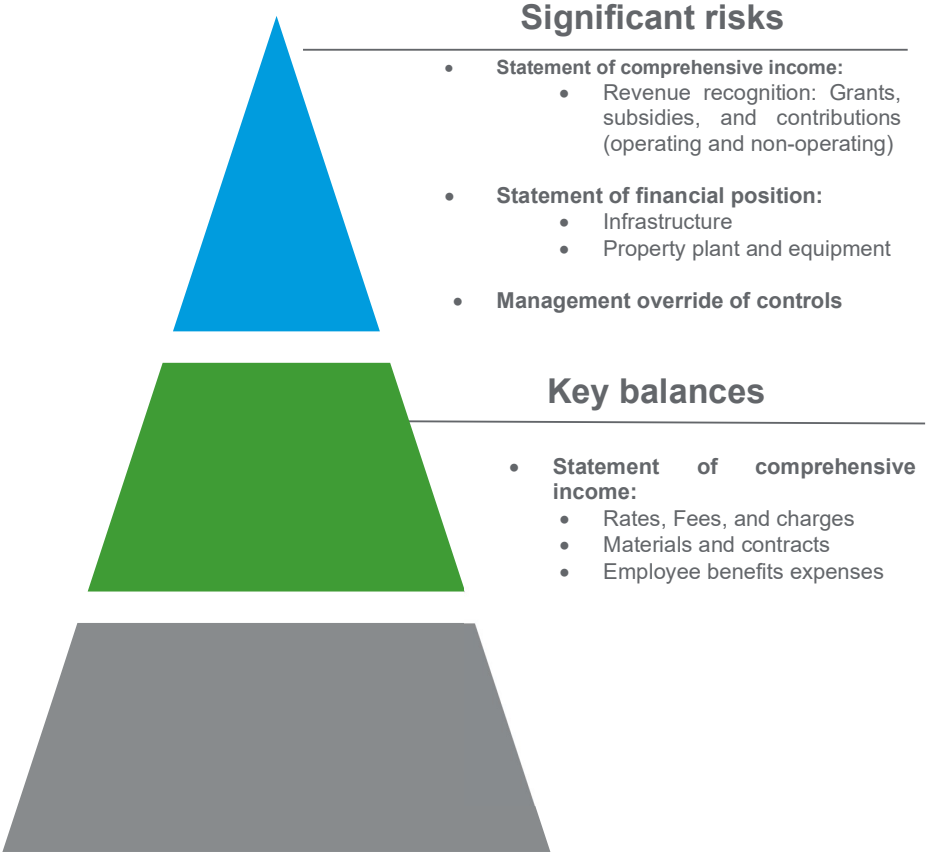
<p><b>Internal control environment</b></p> 	<p>In accordance with Australian Auditing Standards, we will perform a review of the design and operating effectiveness of the entity's significant financial recording and reporting processes.</p> <p>We will ensure that any significant deficiencies that come to our attention during our audit are communicated to the AGC and management in a timely manner.</p> <p><i>Refer to Appendix 3 KEY CONTROLS for more details.</i></p>	<p><b>Materiality</b></p> 	<p>Based on our RSM Global Audit Methodology and professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality of the financial statements. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in the aggregate, on the financial statements and on our opinion.</p>
<p><b>Fraud considerations</b></p> 	<p>Under Auditing Standard ASA 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report</i> (ASA 240), when planning and performing audit procedures and evaluating the results, the auditor must consider the risk of material misstatement in the financial statements because of fraud and error.</p> <p>Although ASA 240 sets out the principles and procedures we must follow, the primary responsibility for the prevention and detection of fraud and error rests with the management of the Town. The Town is responsible for maintaining accounting records and controls designed to prevent and detect fraud and error and for the accounting policies and estimates inherent in the financial statements.</p>	<p><b>Key areas of Audit focus</b></p> 	<p>For all significant risk material account balances, the engagement team will specify which audit assertions pose significant audit risk and test this balance to ensure it is not materially misstated.</p> <p>Where we have determined that an assessed risk of material misstatement at the assertion level is a significant risk, we will perform substantive procedures that are specifically responsive to that risk.</p> <p>Non-significant risk material balances will be audited by substantive analytical procedures and tests of details, as necessary.</p> <p><i>Refer to Section 4 KEY AREAS OF AUDIT FOCUS for more details.</i></p>
<p><b>Information systems</b></p> 	<p>In accordance with Australian Auditing Standards, we will obtain an understanding of the information system, including the related business processes, relevant to financial reporting, including (amongst others) how the information system captures events and conditions, other than transactions, that are significant to the financial statements.</p> <p><i>Refer to Section 6 INFORMATION SYSTEMS AUDIT SPECIALIST for more details.</i></p>	<p><b>Other critical areas</b></p> 	<p>We will audit the critical disclosures in the financial statements by verifying the underlying calculations and auditing the evidence to support the amounts disclosed.</p> <p><i>Refer to Section 5 OTHER CRITICAL AREAS IN THE FINANCIAL STATEMENTS for more details.</i></p>
<p><b>Going concern</b></p> 	<p>In accordance with Australian Accounting Standards, management is required to make an assessment of the entity's ability to continue as a going concern when preparing the financial report.</p> <p>We will review management's assessment and, along with our audit evidence, form an opinion on the entity's ability to continue as a going concern.</p>	<p><b>Compliance</b></p> 	<p>We will enquire and consider the impact on the financial report of any non-compliance with laws and regulations during our audit. Any identified instances of non-compliance will be reported to the Town and management in a timely manner.</p>

# 4. Key Areas of Audit Focus

As part of the risk assessment, we have determined whether any of the risks identified are, in our judgment, significant risks. A significant risk is an identified and assessed risk of material misstatement that, in our judgment, requires special audit consideration. The assessment is based upon:

- Enquiries of the Local Government Administration and Executive,
- The complexity of transactions within each area,
- The extent of specialist skill or knowledge needed to perform the planned audit requirement,
- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a management estimate and judgment.
- Whether the area is exposed to fraud risk.

Using the State Government 2023/24 budget papers, Government media releases related to the Town and the 30 June 2023 financial statements as a guide and referring to the RSM calculated materiality amount (based on the total cost of service) and risk assessment, RSM has identified the following potential significant balances for the current financial year.



# Key Areas of Audit Focus (continued)

## SIGNIFICANT RISKS

### 1. Management override of controls

Reasons why RSM considers this area a significant risk	RSM Audit response
<ul style="list-style-type: none"> <li>Recording fictitious journal entries to manipulate operating results or achieve other objectives.</li> <li>Inappropriately adjusting assumptions and changing judgements used to estimate account balances.</li> <li>Altering records and terms related to significant and unusual transactions.</li> <li>Omitting, obscuring, or altering the timing of recognition and /or disclosure of transactions required under AASBs.</li> </ul>	<ul style="list-style-type: none"> <li>Testing journal entries recorded in the general ledger and adjustments on a sample basis based on data analytics to identify journal entries that exhibit characteristics of audit interest.</li> <li>Assessing accounting estimates for evidence of biases.</li> <li>Reviewing unusual, significant transactions and related party transactions.</li> <li>Conducting an unpredictability test (discussed in <i>Appendix 4</i>).</li> </ul>

### 2. Revenue recognition – Grants, subsidies and contributions

Reasons why RSM considers this area a significant risk	RSM Audit response
<ul style="list-style-type: none"> <li>The Local Government recognises revenue from multiple revenue streams outside of its income from rates, including operating grants, subsidies and contributions, and non-operating grants, subsidies and contributions.</li> <li>There is a risk that the recognition of revenue may not be compliant with the requirements of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-Profits.</li> <li>Furthermore, there is a presumed fraud risk within revenue recognition under the Australian Auditing Standards.</li> </ul>	<p><i>Substantive testing:</i></p> <ul style="list-style-type: none"> <li>Performing test of details, on a sample basis, over grants, subsidies and contributions throughout the year and include transactions near year end to ensure they are correctly and completely accounted for in line with the Local Government's revenue recognition policy.</li> <li>Perform calculation checks for contract liabilities related to grants, subsidies and contributions and vouch for agreements.</li> <li>Review receivables balances on a sample basis and perform subsequent receipt testing.</li> <li>Perform testing on journal entries for any management override of internal controls related to revenue recognition.</li> </ul>

### 3. Infrastructure and Property, Plant and Equipment

Reasons why RSM considers this area a significant risk	RSM Audit response
<ul style="list-style-type: none"> <li>Infrastructure and Property, Plant and Equipment constitute approximately 85% of the Local Government's total assets as of 30 June 2023.</li> <li>Due to the significant assumptions regarding the assets' service potential, useful life, asset condition and residual value, the potential for management bias when assessing impairment indicators of Infrastructure and Plant and Equipment results in us determining them as areas of significant risk.</li> </ul>	<p><i>Test of controls including:</i></p> <ul style="list-style-type: none"> <li>Assessing the design, implementation and operating effectiveness of key internal controls operating within the Infrastructure and Property, Plant and Equipment cycle, including application controls.</li> </ul> <p><i>Substantive testing including:</i></p> <ul style="list-style-type: none"> <li>Performing test of details, on a sample basis, material additions to Infrastructure, Property, and Equipment (which includes works in progress) to ensure they qualify for capitalisation in accordance with AASB 116 <i>Property, plant and equipment</i></li> <li>Performing test of details, on a sample basis, over depreciation expenses to ensure they are calculated in accordance with the Town's depreciation policy.</li> <li>Reviewing management's assessment on the fair value estimates.</li> <li>Testing accuracy and completeness of data sets including review of useful lives, condition assessments and depreciation rates.</li> <li>Reviewing management impairment assessment for any indication of management bias.</li> <li>Reviewing the disclosures in the notes to the financial statements is appropriate.</li> </ul>

### Key Balances and Transactions

#### 1. Rates, Fees and Charges

Account and characteristics	RSM Audit response
<ul style="list-style-type: none"> <li>Revenue is measured by considering multiple elements, for example, rates and transactions are calculated by the application of a rate in the dollar to the Gross Rental Value (GRV), which is in turn determined by dividing the required rate collection amount by the total valuations on the roll.</li> <li>The GRV is supplied by Landgate.</li> <li>Lastly, rates revenue represents a significant portion of the Local Government's annual operating income and is an important revenue stream in terms of the Local Government's cash flows.</li> <li>In addition, further complexity and risk are associated with the requirement for the Local Government to comply with Part 6, Division 6 'Rates and service charges' of the Local Government Act 1995.</li> </ul>	<p><i>Test of controls including:</i></p> <ul style="list-style-type: none"> <li>Assess the design, implementation and operating effectiveness of key internal controls operating within the revenue cycle, including application controls.</li> <li>Reviewing the IT general controls related to the core financial accounting system.</li> </ul> <p><i>Substantive testing including:</i></p> <ul style="list-style-type: none"> <li>Review rates receivables balances on a sample basis and perform subsequent receipt testing.</li> <li>Perform analytical procedures on rates through a detailed comparison with Landgate valuation data and approved rate in the dollar.</li> <li>Performing test of details, on a sample basis, over fees and charges, to ensure they are correctly accounted for in line with the Local Government's revenue recognition policy.</li> <li>Determine if the disclosures in the notes to the financial report related to the revenue recognition policy are appropriate.</li> </ul>

## 2. Materials and contracts

Account and characteristics	RSM Audit response
<ul style="list-style-type: none"> <li>The Local Government's expenditure is comprised of several material components, including materials and contracts, depreciation and other expenditure.</li> <li>Due to the overall significance of materials and contracts and the risk of management override, the different cost allocation methods, the strict and complex requirements of the Local Government functions and general regulations, materials and contracts expenses are considered a key class of transactions.</li> </ul>	<p><i>Test of controls including:</i></p> <ul style="list-style-type: none"> <li>Assess the design, implementation and operating effectiveness of key internal controls operating within the revenue cycle, including application controls.</li> <li>Reviewing the IT general controls related to the core financial accounting system.</li> </ul> <p><i>Substantive testing including:</i></p> <ul style="list-style-type: none"> <li>Performing test of details, on a sample basis, over materials and contracts expense. The samples will be selected from transactions occurring throughout the year and include transactions near year end to ensure they are correctly and completely accounted for in the correct period.</li> <li>Perform a search for unrecorded liabilities.</li> </ul>

## 3. Employee benefits expense

Account and characteristics	RSM Audit response
<ul style="list-style-type: none"> <li>The Local Government's expenditure is comprised of several material components, including employee benefits expense, materials and contracts, depreciation, and other expenditure.</li> <li>Due to the overall significance of employee benefits expense and the risk of management override, the different cost allocation methods, it is considered a key class of transactions.</li> </ul>	<p><i>Test of controls including:</i></p> <ul style="list-style-type: none"> <li>Assess the design, implementation and operating effectiveness of key internal controls operating within the payroll cycle, including application controls.</li> <li>Reviewing the IT general controls related to the core financial accounting system.</li> </ul> <p><i>Substantive testing including:</i></p> <ul style="list-style-type: none"> <li>Analytical procedures over employee benefit expenses and amounts allocated from employee benefits to capital projects.</li> <li>Performing test of details, on a sample basis, over annual leave and long service leave provisions</li> <li>Check the mathematical accuracy of the long service leave computation, including consideration of significant assumptions, methods and data utilised.</li> <li>Performing test of details, on a sample basis, of Key Management Personnel ('KMP') remuneration disclosures in the financial report.</li> </ul>

# Key Areas of Audit Focus (continued)

## Other material balances

Statement of Financial Position	RSM Audit response
Cash and cash equivalents	<ul style="list-style-type: none"> <li>Review bank reconciliation for all material bank accounts.</li> <li>Confirm bank balances with relevant financial institutions.</li> <li>Testing the classification of cash and cash equivalents as restricted cash, where applicable.</li> </ul>
Trade receivables	<ul style="list-style-type: none"> <li>On a sample basis, test trade receivables to supporting documentation and subsequent receipts (where possible).</li> <li>Review management's assessment of the reasonableness of provision for expected credit losses.</li> </ul>
Trade and other payables	<ul style="list-style-type: none"> <li>On a sample basis, test trade payables and accruals to supporting documentation and subsequent payment (where possible).</li> <li>Perform a search for unrecorded liabilities.</li> </ul>
Investment in associate	<ul style="list-style-type: none"> <li>Confirm associate net position and operating result as at 30 June 2024.</li> <li>Review equity accounting of investment in associate.</li> <li>Reviewing the disclosures in the notes to the financial statements is appropriate.</li> </ul>
Borrowings	<ul style="list-style-type: none"> <li>Confirm loan balances with relevant financial institutions.</li> <li>Review management's assessment of the current and non-current balance computation</li> </ul>
Statement of comprehensive income	RSM Audit response
Other revenue	<ul style="list-style-type: none"> <li>On a sample basis, test other revenue to supporting documentation throughout the year and include transactions near year end to ensure they are correctly and completely accounted for in line with the Local Government's revenue recognition policy.</li> </ul>
Other expenditure	<ul style="list-style-type: none"> <li>On a sample basis, test supplies and services expense to supporting documentation to ensure recorded in the correct year.</li> </ul>

## 5. Other Critical Areas and Disclosures

RSM will also audit the following critical disclosures in the financial statements by verifying the underlying calculations and auditing the evidence to support the amounts disclosed.

### Related party disclosures

The Local Government is subject to the requirements of AASB 124 *Related Party Disclosures*. The Standard requires disclosures for senior officers' compensation and certain transactions with related parties. A review will be conducted to ensure proper accounting and disclosure of related party transactions and executive remuneration.

Further, section 7.12AL of the Act applies section 17 of the *Auditor General Act 2006* to a Local Government, which requires the Local Government to advise the Auditor General in writing of details of all related entities that are in existence.

#### RSM Audit response:

We will review the disclosures and supporting material to ensure compliance with AASB 124. We will also assess the Local Government's internal controls around the identification and proper disclosure of related party transactions and key management remuneration.

### Capital and other commitments for expenditure

The Local Government will disclose in the financial statements capital and other commitments relating to future asset construction and replacements.

#### RSM Audit response:

We will check the underlying calculations and review the evidence to support the amounts disclosed.

### Contingent liabilities

The Local Government has an internal environmental compliance and governance Town that deals with matters against the Local Government and engages external consultants and legal advisors for matters which cannot be resourced internally.

There is a risk that the Local Government may not recognise and disclose the full value of all potential contingent liabilities or provisions for environmental or legal matters.

#### RSM Audit response:

- Obtaining an understanding from the Administration of the nature and history of any environmental compliance matters and legal matters which could give rise to a claim or obligation against the Local Government.
- Reviewing the legal advice provided to Administration and Council with respect to any claim or obligation against the Local Government.
- Assessment of Administration's accounting treatment in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 110 Events after the Reporting Period for any claim or obligation against the Local Government.
- Testing of management's assumptions in determining the estimated value of obligations or claims not yet settled.
- Reviewing the basis and adequacy of disclosures within the financial statements in relation to provisions and contingent liabilities.

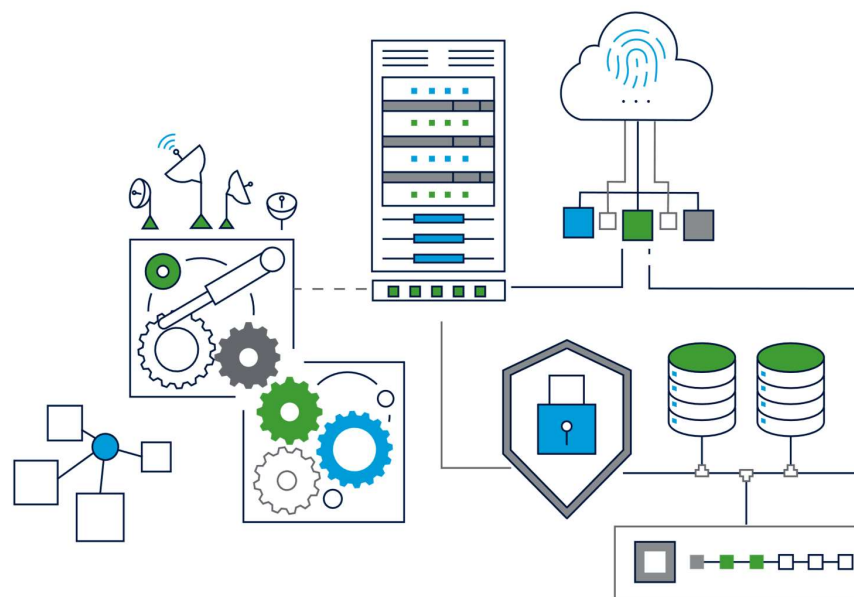
## 6. Information Systems Audit Approach

We have assessed that financial management information systems are sophisticated. Therefore, RSM will engage our Information System Auditor (ISA) specialist to assess the risk of material misstatement imposed by the Information Technology (IT) environment.

RSM complies with Auditing Standard ASA 315 Identifying and Assessing the Risks of Material Misstatement. Our approach to information systems audit is to obtain an understanding of the information system, on a rotational basis, including the related business processes, relevant to financial reporting, including (amongst others) how the information system captures events and conditions, other than transactions, that are significant to the financial statements.

The audit procedures conducted by the ISA in the Town will be:

- Testing general IT controls around system access and testing controls over computer operations within specific applications which are required to be operating correctly to mitigate the risk of misstatement in the financial statements;
- Assessing whether appropriate restrictions were placed on access to core systems through reviewing the permissions and responsibilities of those given that access;
- Where we identify the need to perform additional procedures, place reliance on manual compensating controls, such as system interfaces, transfer of data from one system to another, reconciliations between systems and other information sources or performing additional testing, such as extending the size of our sample sizes, to obtain sufficient appropriate audit evidence over the financial statement balances that were impacted; and
- Reviewing the key controls around change management related to significant IT systems



## 7. Your Engagement Team

Your engagement team has been carefully selected to provide you with an efficient and effective audit through their relevant experience. The audit team consists of the following members

### RSM Core Engagement Team



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# Appendices

1. Timetable
2. RSM Orb
3. Key Controls
4. Changes in Accounting Standards

# Appendix 1: Timetable

Phase	Task	Indicative time frame*	Action
<b>Pre-planning</b>	<b>Pre-planning</b> discussions with the Town	April 2024	RSM / OAG / Local Government
<b>Planning</b>	Issue final APM to the Town	May 2024	RSM
	Entrance meeting with the Town's AGC to present APM	June 2024	RSM / OAG/ Local Government
<b>Interim Audit Fieldwork</b>	Forward Interim Audit Preparation Checklist to the Town	May 2024	RSM
	Interim audit focusing on controls testing for major transaction cycles based on a rotation plan, walkthrough of all major transaction cycles, review of the key reconciliation routines, and preliminary analytical review for the 11 months ended 31 May 2023.	May 2024	RSM / Local Government
<b>OAG review</b>	OAG Director to review the interim audit fieldwork performed by RSM	June 2024	RSM / OAG
<b>Interim Audit Management Letter and/ or interim audit findings (if applicable)</b>	<b>Interim audit findings meeting</b> to discuss the draft Interim Audit Management Letter and findings with the Town	June 2024	RSM / OAG / Local Government
	Town returns the draft Interim Audit Management Letter with comments to RSM	June 2024	Local Government
	OAG to issue the final Interim Audit Management Letter to the Chief Executive Officer and Mayor of the Local Government	28 June 2024	OAG
<b>Draft pro-forma financial statements</b>	Pro-forma financial statements to RSM and the OAG for review	30 August 2024	Local Government
	Provide comments on the proforma financial statements to the Town	13 September 2024	RSM / OAG
<b>Final Audit Fieldwork</b>	Forward Final Audit Preparation Checklist to the Town	01 August 2024	RSM
	Provision of final trial balance as at 30 June to RSM	30 September 2024	Local Government
	CEO signed financial statement to RSM and OAG	30 September 2024	Local Government
	Performance of substantive tests for revenue and expenditure cycles for the 2 months ending 30 June 2024	7 – 18 October 2024	RSM
	Performance of substantive tests for balance sheet accounts as at year end and review of financial statement disclosure	7 -18 October 2024	RSM
<b>OAG review</b>	OAG Director to review the final audit fieldwork performed by RSM	28 October 2024	RSM / OAG
	Issue of draft Final Audit Management Letter to the Town for comments	11 November 2024	RSM
<b>Final Audit Management Letter (if applicable)</b>	Town returns the draft Final Audit Management Letter with comments to RSM	18 November 2024	Local Government
	OAG to issue the final Audit Management Letter to the Chief Executive Officer and Mayor of the Local Government	Together with signed audit report	OAG

Phase	Task	Indicative time frame*	Action
<b>Closing Report and Management Representation Letter</b>	Issue draft Closing Report and pro-forma Management Representation Letter to the OAG and the Town for comment	2 December 2024	RSM
<b>Exit Meeting</b>	<b>Final audit exit meeting</b> with the Local Government's Audit and Risk and Compliance Committee including presentation to the closing report	09 December 2024	RSM / Local Government/ OAG
<b>Contractor's Audit Report</b>	Independent Contract Auditor's Report issued	10 December 2024	RSM
<b>Audit Report</b>	The Auditor General is to sign and issue the Audit Report to the Town	Within 5 business days of receiving the signed contractors audit report from RSM	Auditor General

#### Audit preparation checklist.

To assist the Local Government to gather and collate the necessary audit information and documentation, we will issue in advance of each audit visit an Interim Audit Preparation Checklist and a Final Audit Preparation Checklist via CaseWare Xtend. As the requested information will be an important part of our audit working papers, the information required must be made available to RSM on or before the audit fieldwork dates specified above. CaseWare Xtend will facilitate the delivery of an efficient audit and help to minimise interruptions to the Town. RSM will endeavour to make the checklists as detailed as possible in order to allow for changing working conditions in place.

We have found CaseWare Xtend to be very useful in the past and appreciate the access it gives to information for all team members.

## Appendix 2: RSM Orb



### An RSM Audit puts quality at its heart to deliver.

We recognise that the delivery of a quality audit service is critical to achieving client satisfaction and our audit objectives.

In undertaking the audit on the financial report, we have utilised our technology platform and proprietary methodology, RSM Orb.

RSM Orb is our optimal risk-based audit methodology, deployed across more than 100 countries worldwide. Our technology platform and proprietary methodology enables our auditors to focus on your risks and design procedures tailored to your unique circumstances and environment. RSM Orb enables us to develop a deeper understanding of your business, providing you with critical insights now and for the future.

### An RSM Orb audit delivers:

#### Consistency

A consistent approach across any number of operations and jurisdictions, tailored to your unique risks and circumstances.

#### Innovation

Optimising our use of technology in how we plan and conduct our work to enhance your audit experience.

#### Critical insights

Pinpointing those areas that require closer scrutiny and enhanced judgement, enabling us to be more effective in addressing risk areas and adding intellectual value and critical insights.

#### Confidence

Delivered through robust and considered planning, an efficient technology platform and a highly qualified experienced team



# Appendix 3: Key Controls

## 3.1 Significant changes to internal controls

The Town advised that there are no major changes to its management and internal control environments and is not aware of any major changes that may significantly impact the 30 June 2024 financial statements.

## 3.2 Effectiveness of internal controls

The overall control environment in the Town has not raised any significant audit issues in the recent past. The Town management team has a substantial focus on ensuring that controls in place are robust and that financial reporting is accurate. The financial controls, processes, and procedures across the Town are at a mature stage with proper documentation and ownership within the various business units. We will assess the Town's overall control environment, including meeting with senior management. This will include consideration of senior management's approach and the quality of internal audit and risk management processes and procedures.

We will follow up during the current year audit procedures prior year management letter points, as outlined in the below table, to ensure they have been properly resolved.

### Findings completed and awaiting verification

Matter	Rating	Due Date
Timeliness of performing bank reconciliations	Significant	30 June 2024
Completeness of Fixed Asset Register	Minor	30 June 2024
Reports generation at year-end	Minor	30 June 2024
<b>General Computer Controls Review</b>		
Synergy Finance Application – User Access Management	Significant	30 June 2024
Network and Remote – User Access Management	Moderate	30 June 2024
Change Management	Minor	30 June 2024
Service Level Agreement with Synergy Soft's Vendor (IT Vision)	Moderate	30 June 2024
Network Security Management	Moderate	30 June 2024
Data Loss Prevention	Moderate	30 June 2024

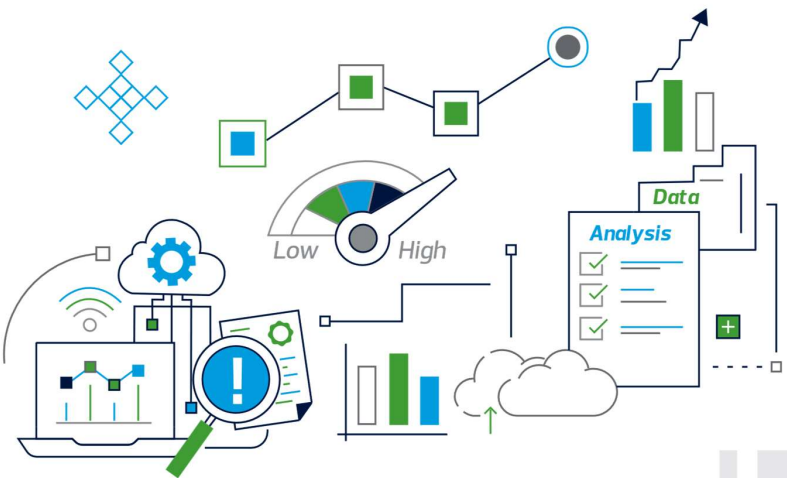
Matter	Rating	Due Date
Physical and Environmental Security	Moderate	30 June 2024
Business Continuity and Disaster Recovery	Minor	30 June 2024
IT Governance – Standards, Policies & Procedures	Minor	30 June 2024
Password Management	Minor	30 June 2024

## 3.3 Fraud incidences during the year

The Town's management has represented that no matters have been reported to the Crime and Corruption Commission or the Public Sector Commission. The Town management has confirmed that there were no fraud incidences to date of this APM.

It should be noted that our audit is not designed to detect fraud, however, should an instance of fraud come to our attention, we will report it to you. Information relating to the fraud will be provided to our forensic division and our office may decide to conduct further investigation.

Information obtained during the audit can be used to carry out an examination or investigation for one or more of the purposes mentioned in Section 18 of the *Auditor General Act*.



## Appendix 4: Changes in Accounting Standards

Standard or pronouncement	Description	Who does it affect	Effective date
<b>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</b>	<p>This Standard amends:</p> <ul style="list-style-type: none"> <li>AASB 7 Financial Instruments: Disclosures, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;</li> <li>ASB 101 Presentation of Financial Statements, to require entities to disclose their material accounting policy information rather than their significant accounting policies;</li> <li>AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; and</li> <li>AASB Practice Statement 2 Making Materiality Judgements, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</li> </ul>	All entities	31 December 2023 (Accounting periods beginning on or after 1 January 2023)
<b>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</b>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of liability is also clarified.	All entities	31 December 2024 (Accounting periods beginning on or after 1 January 2024)
<b>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</b>	AASB 2020-6 defers the effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023.	All entities	31 December 2024 (Accounting periods beginning on or after 1 January 2024)
<b>AASB 2022-6 Amendments to Australian Accounting Standards – Noncurrent Liabilities with Covenants</b>	AASB 2022-6 amends AASB 101 to provide further clarity on the presentation and disclosure of non-current liabilities with covenants, and to defer the effective date of the 2020 amendments from 1 January 2023 to 1 January 2024.	All entities	31 December 2024 (Accounting periods beginning on or after 1 January 2024)
<b>AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</b>	<p>This Standard amends AASB 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale.</p> <p>AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.</p>	All entities	31 December 2024 (Accounting periods beginning on or after 1 January 2024)

For more information, visit: [www.rsm.global/australia/service/audit-and-assurance-services](https://www.rsm.global/australia/service/audit-and-assurance-services)

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# TOWN OF BASSENDEAN

## AUDIT AND GOVERNANCE COMMITTEE CHARTER

### Role

Council has established the audit and governance committee under the *Local Government Act 1995*, section 7.1A.

The audit and governance committee assists Council in fulfilling its oversight responsibilities in relation to systems of risk management and internal control, the Town of Bassendean's (**Town**) processes for monitoring compliance with laws and regulations, including the code of conduct, financial and performance reporting and external and internal audit. The audit and governance committee is not responsible for the management of these functions.

The audit and governance committee will engage with management in a constructive and professional manner to perform its oversight responsibilities. The Chair of the audit and governance committee is responsible to, and reports to Council.

Members of the audit and governance committee are expected to:

- understand the legal and regulatory obligations of Council for governing the Town
- understand Council's governance arrangements that support achievement of Council's strategies and objectives
- exercise due care, diligence and skill when performing their duties
- adhere to the Town's code of conduct
- help to set the right tone in the Town by demonstrating behaviours which reflect the Town's desired culture
- be aware of contemporary and relevant issues impacting the local government sector
- only use information provided to the audit and governance committee to carry out their responsibilities, unless expressly agreed by Council.

The Director Corporate Services will help support the audit and governance committee's role in overseeing the internal audit function, with administrative support from the Manager Governance and Strategy.

The audit and governance committee may prepare an annual work plan that outlines when it will perform key activities, in consultation with Council.

### Authority

Council authorises the audit and governance committee, in accordance with this Charter, to:

- obtain any information it requires from any official or external party (subject to any legal obligation to protect information)
- discuss any matters with the internal auditors, Office of the Auditor General (OAG), or other external parties (subject to confidentiality considerations)
- request the attendance of any official, including members of Council at audit and governance committee meetings
- obtain legal or other professional advice when necessary to fulfil its role, at the Town's expense, subject to approval by Council or delegate.

The audit and governance committee may undertake other activities as requested by Council.

## Membership

The audit and governance committee comprises up to five (5) members of whom up to two (2) must be independent, appointed by Council. The audit and governance committee will be led by a Presiding Member, appointed by Committee. The Presiding Member will be appointed for an initial period of two (2) years and may be extended or reappointed for further periods as determined by the Committee.

Audit and governance committee members will be appointed for an initial period of two (2) years as determined by Council.

Council will review the membership of the committee every two (2) years to ensure an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge, skills and experience. Council may choose to re-appoint members based on their ability to contribute to the work of the audit and governance committee. However, the total length of time a member can sit on the committee will not exceed six (6) years.

Council may remove an audit and governance committee member at any time before their term expires, or a member may resign.

Audit and governance committee members will collectively have a broad range of skills and experience relevant to the operations of Council. At least one member of the audit and governance committee will have accounting or related financial management experience, with an understanding of accounting and auditing requirements in the local government sector. To support the skills and experience of committee members, the audit and governance committee will implement an induction and training program for new members. Council may elect to engage an advisor to the Committee, to provide independent advice on financial management, accounting and auditing requirements.

The audit and governance committee may invite Council, Directors, Executive Managers, Manager Governance and Strategy, Manager Financial Services, Manager Information Technology, Manager Human Resources, or other management representatives to present information and participate in the meeting. An officer from the OAG will be invited to attend audit and governance committee meetings as an observer.

The audit and governance committee will be administratively supported by officers in the Governance team.

## Responsibilities

The audit and governance committee will be responsible for the following:

### *Risk management, fraud and internal control*

The audit and governance committee oversees the Town's system of risk management and internal controls. Its responsibilities include:

- providing oversight on significant risk exposures and control issues, including fraud risks, governance issues and other matters as necessary or requested by senior management and Council
- considering the impact of Council's culture on risk management and internal controls
- annually reviewing Council's risk management framework
- monitoring changes in government strategies, the economic and business environment and other trends and factors related to Council's risk profile. This includes meeting periodically with key management, internal auditors, and the OAG to understand and discuss the impact of these changes or trends on the risk profile
- reviewing whether Council has an effective risk management framework, and, based on knowledge and understanding of the Town's risks, that material business risks are appropriately reflected in the risk profile and reported to Council
- reviewing and assessing the effectiveness of processes for identifying, managing, treating and mitigating Council's risks and ensuring that remaining risks align with the Town's risk appetite. The audit and governance committee should prioritise risks involving:
  - significant business risks, including environmental and workplace, health and safety risks
  - potential non-compliance with laws, regulations and standards
  - fraud and theft
  - litigation and claims.
- considering the adequacy and effectiveness of internal controls and the risk management framework by:
  - reviewing reports from management, internal audit, consultants, regulators and the OAG
  - ensuring risk registers consider risks that may impact whether the Town will achieve its strategic objectives
  - reviewing management's response to ICT risks, including cyber risks

- monitoring management responses and ensuring timely correction actions are taken by management
- assessing whether management has controls in place for non-routine types of transactions and/or any potential transactions that might carry an unacceptable degree of risk
- enquiring with management and the OAG regarding their assessment of the risk of material misstatement in the financial report due to fraud
- enquiring with management, internal auditors and the OAG about whether they are aware of any actual, suspected or alleged fraud or corruption affecting Council including the Town's response to the matters
- reviewing Council's processes and systems to detect, capture and respond to fraud risks, including preventative measures
- reviewing the business continuity planning process and be assured that material risks are identified and appropriate business continuity plans, including disaster recovery plans, are in place.
- reviewing summary reports from management on all suspected, alleged and actual frauds, thefts and breaches of laws and ensuring these are reported to Council and/or relevant authorities
- reviewing summary reports from management on communication from external parties including regulators that indicate problems in the internal control system or inappropriate management actions
- liaising across the organisation on matters relating to risk management, fraud and internal control.

### *Internal audit*

The audit and governance committee is responsible for guiding and overseeing the activities, resources and structure of the internal audit function. The audit and governance committee's responsibilities include:

- ensuring that the internal audit function, through the Director Corporate Services, has a direct reporting relationship with the audit and governance committee and accountable authority (functional reporting relationship) and has access to all levels of management needed to perform their duties
- monitoring internal audit's participation in non-assurance roles to assess whether it impacts their independence or interferes with the delivery of the internal audit program
- assessing the internal audit plan to ensure that it comprehensively covers material business risks that may threaten the achievement of strategic objectives and allows internal audit to assess culture
- reviewing and recommending the approval of the internal audit plan and work program by Council
- communicating the audit and governance committee's expectations to the Director Corporate Services in writing through the internal audit charter
- reviewing the internal audit charter annually for Council's approval

- reviewing the quality and timeliness of internal audit reports
- considering the implications of internal audit findings on the business, its risks and controls
- monitoring management's implementation of internal audit recommendations
- monitoring the progress of the internal audit plan and work program
- reviewing reports from the Director Corporate Services or the internal audit service provider on the overall state of Council's internal controls
- discussing whether management was cooperative and provided timely responses to internal audit requests

### *Compliance and ethics*

The audit and governance committee oversees Council's processes to ensure compliance with relevant laws and regulations and for promoting a strong governance culture within the Town. This includes:

- understanding Council's compliance framework including its obligations, the officers responsible for compliance activities and management oversight and review of these processes
- considering the impact of Council's culture on compliance processes
- overseeing compliance by reviewing arrangements that monitor the impact of changes in key laws, regulations, internal policies and accounting standards affecting Council's operations
- reviewing management's investigation of non-compliance matters and obtaining assurance from management that appropriate follow-up action was taken
- obtaining updates from management on matters of compliance and ethical matters that may have material impact on Council's financial statements, strategy, operations, health and safety or reputation
- reviewing and monitoring related party transactions and conflicts of interest
- enquiring with management, internal audit and the OAG on their assessment of the compliance culture, the risk of non-compliance, or whether they have any knowledge of any actual, suspected or alleged non-compliance affecting the Town
- overseeing complaints management and whistleblowing policies to ensure that they are recorded and actioned effectively

### *Financial and performance reporting*

The audit and governance committee oversees the integrity of financial and performance reporting processes within the Town. The committee's responsibilities include:

- reviewing the financial statements and providing advice to Council about whether they should be adopted by Council. The review includes assessing:

- whether the financial statements are consistent with the knowledge of the audit and governance committee members
- whether the financial statements comply with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.
- whether the financial statements accurately reflect the Town's financial position and performance, and if not, whether additional disclosures are required
- whether appropriate management action has been taken in response to any issues raised by the OAG, including financial statement adjustments or revised disclosures
- the quality of the Town's processes for preparing the financial statements, including how management has checked that they comply with relevant requirements
- significant issues, errors or discrepancies in the draft financial statements and ensuring members understand the reasons why these occurred
- the representation letter to be provided to the OAG to confirm that the assertions, including any immaterial errors collated during the audit, are appropriate.
- acting as a forum for communication between management and the OAG
- reviewing the Town's process to ensure the financial information included in the annual report is consistent with the audited financial statements.

### *External audit*

The audit and governance committee is responsible for communicating and liaising with the OAG. This includes understanding the results of financial and performance audits conducted within the Town and overseeing whether recommendations are implemented by management. The committee's responsibilities include:

- meeting with the OAG to discuss the audit plan (audit entrance meeting) and the results of the financial audit (audit exit meeting)
- discussing with the OAG any significant resolved or unresolved disagreements with management
- monitoring and critiquing management's response to OAG findings and recommendations
- reviewing reports from the OAG including auditor's reports, closing reports and management letters
- reviewing all representation letters signed by management to assess whether the information appears complete and appropriate
- meeting with the OAG at least once per year without management presence. At this meeting, the committee will discuss matters relating to the conduct of the audit, including any difficulties encountered, restrictions on scope of activities or access to information, significant disagreements with management and adequacy of management responses

- reviewing performance audits conducted at the Town and ensuring that agreed recommendations are implemented
- monitoring the relationship between internal auditors and the OAG
- reviewing results of relevant OAG audit reports and better practice publications for guidance on good practices, including any self-assessment by management
- reviewing the form and content of the proposed auditor's report on the Town's financial and performance report. This may include any proposed modification, emphasis of matter, key audit matters, other matters and uncorrected misstatements in other information.

### *Other responsibilities*

Perform other activities related to the role of this charter as requested by Council.

### **Administrative responsibilities**

#### *Meetings*

The audit and governance committee will meet at least four (4) times a year or more frequently as necessary.

The Presiding Member is required to call a meeting if asked to do so by Council. If a meeting is requested by another audit and governance committee member, OAG or Director Corporate Services, the Chair will decide whether the meeting is necessary.

The Presiding Member will oversee the planning and conduct of meetings including the approval of the agenda, draft minutes and reporting to Council.

A quorum will consist of a majority of committee members. Where there is more than one (1) external member on the audit and governance committee, a quorum will include at least one (1) external member. The quorum must be in place at all times during the meeting.

#### *Secretariat*

The secretariat will provide services as required by the audit and governance committee that includes:

- preparing a meeting agenda for each meeting that is approved by the Presiding Member
- circulating the meeting agenda and supporting papers at least five (5) days before the meeting
- preparing minutes of the meetings and circulating them no later than two (2) weeks after the meeting
- maintaining final meeting papers and minutes in accordance with the recordkeeping requirements of Council.

### *Independence and conflicts of interest*

The audit and governance committee must be independent from management of Council.

In consultation with the Presiding Member, Council should be satisfied that there are sufficient processes in place to manage any actual, perceived or potential conflicts of interest.

At the start of each audit and governance committee meeting, members are required to declare any conflicts of interest that may apply to specific matters on the meeting agenda. The Presiding Member is responsible for deciding if the member should excuse themselves from the meeting or from the audit and governance committee's consideration of the relevant agenda item(s).

Details of any personal interests declared by the Presiding Member and other audit and governance committee members, and actions taken to manage the conflicts, should be appropriately recorded in the meeting minutes and Council register of conflicts of interest in accordance with its policy.

### *Reporting*

The audit and governance committee will, as often as necessary, report to Council on its operations and activities during the year and confirm to Council that all functions outlined in this charter have been satisfactorily addressed.

The audit and governance committee may at any time, report to Council on any other matters it deems to be sufficiently important. In addition, any individual audit and governance committee member may request a meeting with Council at any time.

### *Review of charter*

The audit and governance committee will ensure that this charter complies with relevant legislative and regulatory requirements and will propose amendments when necessary to ensure that it accurately reflects the committee's current role and responsibilities.

The audit and governance committee will review this charter once every two (2) years and more frequently if required. The review will include consultation with Council. Any substantive changes to the charter will be recommended by the audit and governance committee and formally approved by Council.

Endorsed:  
Audit and Governance Committee  
Presiding Member

Approved:  
Town of Bassendean  
Mayor

[Signature]

[Signature]

[Date]

[Date]

DRAFT - FOR DISCUSSION

## Record Keeping Policy

### 1 Objectives

To ensure compliance with the requirements of the State Records Act 2000 and the Local Government Act 1995.

To ~~ensure record keeping is undertaken in a manner that~~ provides for adequate and efficient storage and retrieval of the Town's information, ~~required for the conducting of business, and allows for fast and efficient service of the organisation's stakeholders.~~

### 2 Scope

This policy ~~applies~~ is relevant to the whole organisation of the Town of Bassendean, including employees, Councillors, and ~~all~~ contractors engaged ~~employed~~ by the Town ~~of Bassendean~~ to fulfil specific business functions.

### 3 Definitions

**Government records** – ~~are~~ records created or received by a government organisation or a government organisation employee or contractor in the course of work for the organisation.

**Record** – means any record of information however recorded and includes:

- Anything on which there is writing or Braille;
- A map, plan diagram or graph;
- A drawing, pictorial, or graphic work, or photograph;
- Anything on which there are figures, marks, perforations, or symbols, having meaning for persons qualified to interpret them;
- Anything from which images, sounds or writing can be reproduced with or without the aid of anything else; and
- Anything on which information has been stored or recorded, either mechanically, magnetically or electronically.

**Source:**

- State Records Act 2000
- State Records Commission Standard 1 – Government Recordkeeping.

### Delegation

~~It is the function of the Chief Executive Officer, under the Local Government Act, to “ensure that records and documents of the local Government are properly kept for the purposes of this Act and any other written law”.~~

~~The Act also states that “A CEO may delegate to any employee of the Local government the exercise of any of the CEO’s duties under this Act other than this power of delegation”.~~

~~Under legislation, the Chief Executive Officer delegates to the Records Management the authority to carry out his function as it relates to record keeping, under the Local Government Act, and in line with the requirements of the State Records Act 2000.~~

#### **4 Capture and Creation**

All records received by the Town’s ~~employees~~ are to be registered in the Records Management system. All records created ~~by officers~~ on behalf of the Town are to be captured at the point of creation regardless of format within the electronic record keeping system. ~~No officer, excepting the Records Management staff, are responsible for will undertake the storage of all any records, regardless of perceived importance or content, . No officer, excepting the Records Management staff, are responsible for will managing undertake the disposal of all ny records, regardless of content and perceived importance.~~

~~Disposal will always be undertaken in accordance with the requirements of the State Records Office of Western Australia General Disposal Authority for Local Government (1999).~~

#### **5 Control, Security and Protection**

All ~~files~~/records are assigned a designated security level at the point of creation subject to their sensitivity and adequately secured and protected from violation, unauthorised access or destruction.

All ~~ny file~~/records checked out from ~~R~~records Management must ~~is to~~ remain within the Town’s offices, unless.

~~No officer may remove files/records from the Town’s offices without authoris~~ed~~ty by~~from the CEO.

Access to the Town’s records is provided~~will be~~ in accordance with designated and approved access and security classifications.

~~General~~ Public access to the Town’s records is provided~~will be~~ in accordance with the Local Government Act 1995 and the Freedom of Information Act 1992.

#### **6 Appraisal, Retention and Disposal of Records**

All records are to be stored in accordance with the Town’s Record Keeping Plan.

~~All records maintained by the Town of Bassendean are to be disposed of in accordance with the State Records Office’s General Disposal Authority (GDA) for Local Government Records.~~

~~All rRecords required to be retained for more than 20 years and records designated as “Retain Permanent State Records”, with exception of Human Resources records,~~

are stored in acid-free boxes and are to be stored in the Town's approved archive storage facilities.

All temporary records required to be retained for less than 20 years are to be stored in years of destruction in acid-free boxes, by year of destruction, within the Town's on-site approved archive storage facilities, and destroyed at the end of the applicable destruction year. Records Management staff are responsible for managing the disposal of all records in accordance with the requirements of the State Records Office of Western Australia General Disposal Authority for Local Government Information.

## 7 Roles and Responsibilities

### 7.1 Chief Executive Officer:

The Chief Executive Officer must ensure that there is a system for the maintenance and management of records that is compliant with relevant legislation, including but not limited to the State Records Act 2000, this Policy and the Town's Record Keeping Plan Best Practice Standards.

### 7.2 Directors and Managers:

Directors and Managers must have a responsibility to ensure all new employees are inducted and trained as to their record keeping responsibilities, and that they must ensure records created under their control and direction are recorded in the Town's corporate Records Keeping Management systems.

### 7.3 All Employees and Contractors:

All employees and, including contractors must to the Town, are to create, collect and retain records relating to the business activities they perform. That includes they are to identifying records, ensuring records are for capture, and appropriately recording those records into the Records Management keeping system, in compliance and that all records are handled in a manner commensurate with statutory requirements and the Town's policies and procedures for record keeping.

### 7.4 Councillors Elected Members:

Councillors Elected members must create and keep records of communications or transactions which convey information relating to the Town of Bassendean's functions. These records should be copied or forwarded to the Chief Executive Officer Town's Records team mailbox for capture into the Town's Records Management official record keeping system.

The State Records Commission policy regarding the records of Councillors local government elected members requires the creation and retention of records of the:

*"...communications and transactions of elected members which constitute evidence affecting the accountability of the Council and the discharge of its business."*

This policy applies regardless of a record's format or where it was received.

The following ~~See~~ table provides guidelines for the capture and recording of Councillor records. ~~below for definitions of Elected Member Records.~~

### Which records should be captured?

Yes – Forward to <del>Chief Executive</del> Records Mailbox	No – Do not forward to <del>Chief Executive</del> Records Mailbox
<p><b>Communication to and from <u>community members</u> <del>Ratepayers</del></b></p> <ul style="list-style-type: none"> <li>Complaints <del>and</del> compliments;</li> <li>Correspondence concerning corporate matters;</li> <li>Submissions, petitions <del>and</del> lobbying;</li> <li>Information for Council's interest relating to local government business activity <del>and</del> functions.</li> </ul> <p><b>File notes of telephone, meetings <del>and</del> other verbal conversations</b> between an elected member and another party, regarding Town-<del>of Bassendean</del> projects or business activities.</p> <p><b>Work diaries</b> containing information that may be significant to the conduct of the elected member on behalf of the Town-<del>of Bassendean</del>.</p> <p><b>Presentations and speeches</b> delivered as part of an Elected Member's official duties.</p>	<p><b>Duplicate copies</b> (e.g. copies of Council Meeting agenda, minutes <del>and</del> attachments).</p> <p><b>Draft documents <del>and</del> working papers</b> which are already captured by <del>R</del>records <del>M</del>management.</p> <p><b>Publications</b> (e.g. newsletters, circulars, journals).</p> <p><b>Invitations</b> to community events where an elected member is not representing Council or the Town-<del>of Bassendean</del>.</p> <p><b>File notes of telephone, meetings <del>and</del> other verbal conversations</b> which convey routine information only or do not relate to the Town-<del>of Bassendean</del>'s business or functions.</p> <p><b>Electioneering</b> or party-political information.</p>

Document responsibilities:			
Owner: Manager Information and Technology			
Inception date:	8 November 2009	Owner Business Unit:	Information & Technology
Review date:	3 years after approval date (TBA)	Decision maker:	Council
Compliance requirements:		Repeal and replace:	N/A
Legislation:			
<i>State Records Act 2000</i> <i>Local Government Act 1995</i> <i>Freedom of Information Act 1992</i>			

## Record Keeping Policy

### 1 Objectives

- 1.1 To ensure compliance with the requirements of the *State Records Act 2000* and the *Local Government Act 1995*.
- 1.2 To provide for adequate and efficient storage and retrieval of the Town's information.

### 2 Scope

- 2.1 This policy applies to the whole organisation of the Town of Bassendean, including employees, Councillors, and contractors engaged by the Town to fulfil specific business functions.

### 3 Definitions

**Government records** – records created or received by a government organisation or a government organisation employee or contractor in the course of work for the organisation.

**Record** – means any record of information however recorded and includes:

- Anything on which there is writing or Braille;
- A map, plan diagram or graph;
- A drawing, pictorial, or graphic work, or photograph;
- Anything on which there are figures, marks, perforations, or symbols, having meaning for persons qualified to interpret them;
- Anything from which images, sounds or writing can be reproduced with or without the aid of anything else; and
- Anything on which information has been stored or recorded, either mechanically, magnetically or electronically.

**Source:**

- *State Records Act 2000*
- State Records Commission Standard 1 – Government Recordkeeping.

### 4 Capture and Creation

- 4.1 All records received by the Town are to be registered in the Records Management system. All records created on behalf of the Town are to be captured at the point of creation regardless of format within the electronic record keeping system. Records Management staff are responsible for the storage of all records.

## **5 Control, Security and Protection**

- 5.1 All records are assigned a designated security level at the point of creation subject to their sensitivity and adequately secured and protected from violation, unauthorised access or destruction.
- 5.2 All records checked out from Records Management must remain within the Town's offices, unless authorised by the CEO.
- 5.3 Access to the Town's records is provided in accordance with designated and approved access and security classifications.
- 5.4 Public access to the Town's records is provided in accordance with the *Local Government Act 1995* and the *Freedom of Information Act 1992*.

## **6 Retention and Disposal of Records**

- 6.1 All records are to be stored in accordance with the Town's Record Keeping Plan.
- 6.2 Records Management staff are responsible for managing the disposal of all records in accordance with the requirements of the State Records Office of Western Australia General Disposal Authority for Local Government Information.

## **7 Roles and Responsibilities**

### **7.1 Chief Executive Officer:**

- 7.1.1 The CEO must ensure that there is a system for the maintenance and management of records that is compliant with relevant legislation, including the *State Records Act 2000*, this Policy and the Town's Record Keeping Plan.

### **7.2 Directors and Managers:**

- 7.2.1 Directors and Managers must ensure all new employees are inducted and trained as to their record keeping responsibilities, and that records created under their control and direction are recorded in the Town's Records Management system.

### **7.3 All Employees and Contractors:**

- 7.3.1 Employees and contractors must create, collect and retain records relating to the business activities they perform. That includes identifying records for capture, and appropriately recording those records in the Records Management system, in compliance with statutory requirements and the Town's policies and procedures for record keeping.

## 7.4 Councillors:

7.4.1 Councillors must create and keep records of communications or transactions which convey information relating to the Town's functions. These records should be copied or forwarded to the Town's Records team mailbox for capture into the Town's Records Management system.

7.4.2 State Records Commission policy regarding the records of Councillors requires the creation and retention of records of the:

*"...communications and transactions of elected members which constitute evidence affecting the accountability of the Council and the discharge of its business."*

7.4.3 This policy applies regardless of a record's format or where it was received.

7.4.4 The following table provides guidelines for the capture and recording of Councillor records.

Yes – Forward to Records Mailbox	No – Do not forward to Records Mailbox
<p><b>Communication to and from community members</b></p> <ul style="list-style-type: none"> <li>• Complaints and compliments;</li> <li>• Correspondence concerning corporate matters;</li> <li>• Submissions, petitions and lobbying;</li> <li>• Information for Council's interest relating to local government business activity and functions.</li> </ul> <p><b>File notes of telephone, meetings and other verbal conversations</b> between an elected member and another party, regarding Town projects or business activities.</p> <p><b>Work diaries</b> containing information that may be significant to the conduct of the elected member on behalf of the Town.</p> <p><b>Presentations and speeches</b> delivered as part of an Elected Member's official duties.</p>	<p><b>Duplicate copies</b> (e.g. copies of Council Meeting agenda, minutes and attachments).</p> <p><b>Draft documents and working papers</b> which are already captured by Records Management.</p> <p><b>Publications</b> (e.g. newsletters, circulars, journals).</p> <p><b>Invitations</b> to community events where an elected member is not representing Council or the Town.</p> <p><b>File notes of telephone, meetings and other verbal conversations</b> which convey routine information only or do not relate to the Town's business or functions.</p> <p><b>Electioneering</b> or party-political information.</p>

Document responsibilities:			
Owner: Manager Information and Technology			
Inception date:	8 November 2009	Owner Business Unit:	Information & Technology
Review date:	3 years after approval date (TBA)	Decision maker:	Council
Compliance requirements:		Repeal and replace:	N/A
Legislation:			
	<i>State Records Act 2000</i> <i>Local Government Act 1995</i> <i>Freedom of Information Act 1992</i>		

Draft

## Purchasing Policy

### 1. OBJECTIVE

The objectives of this Policy are to:

- (a) Align procurement at the Town of Bassendean with the strategic and operational objectives of Council, consistent with Council's priorities to support the local economy and environmentally sustainable outcomes, while providing value for money; and
- (b) Ensure procurement at the Town is conducted in compliance with applicable legislation, regulation, standards, and policy.

### 2. SCOPE

The Policy applies to all Town officers undertaking procurement on behalf of the Town.

### 3. POLICY STATEMENT

The Town is committed to best practice in the procurement of goods and services that align with the principles of transparency, probity and good governance and complies with the *Local Government Act 1995* and Part 4 of the *Local Government (Functions and General) Regulations 1996*.

### 4. POLICY DETAILS

#### 4.1 Ethics & Integrity

All officers of the Town are to observe the highest standards of ethics, honesty, fairness and integrity when undertaking purchasing activities and act in an honest, fair and professional manner consistent with the Town's values. Ethical behaviour includes avoiding conflicts of interest and disclosing any actual or perceived conflict of interest.

The Town's Code of Conduct details the behavioural expectations of Town Officers.

#### 4.2 Value for Money

Value for money is the overarching principle guiding all procurement activities. Value for money does not mean accepting the lowest quote. Value for money is achieved through the critical assessment of price, risk, safety and quality standards, financial viability of suppliers, timeliness, past contractor performance, specified qualitative criteria, as well as environmental sustainability, social and local outcomes to determine the best value for the Town.

## 4.3 Procurement Risk

The Town will effectively manage risk in procuring goods and services from external contractors and suppliers to achieve the best procurement outcomes in accordance with this Policy. The Town may engage an independent Probity Auditor for projects assessed as presenting high reputational, financial or community risk.

The Town's Procurement Manual provides a best practice procurement resource for each stage of the procurement process and must be followed for all procurement activity within the Town.

## 4.4 Purchasing Thresholds and Practices

### 4.4.1 Defining the Purchasing Value

The Town will apply the following principles to assess and determine purchasing values to ensure appropriate purchasing practice and threshold management for all purchasing activities:

- (a) Exclude Goods and Services Tax (GST);
- (b) Use the actual or expected value of a contract over the full contract period including the value of all contract extension options; and
- (c) Determine the appropriate length of a contract based on the nature of goods and services to be provided, historical purchasing activity, an assessment of expected future purchasing requirements, and market conditions.

Procurement activities for the same goods or services should be aggregated into a single procurement activity to achieve the best value for money and efficiencies for the Town. Multiple procurement activities for the same goods or services must not be conducted, where the effect (whether intentional or otherwise) is to avoid a procurement threshold specified in 4.4.2.

The calculated estimated purchasing value will determine the applicable threshold and purchasing practice.

## 4.4.2 Purchasing Thresholds

The purchasing value determines the applicable purchasing threshold and the sourcing requirements, as specified in the following table:

Purchase Value Threshold (ex GST)	Sourcing Requirement
Up to \$1,000	<p>Direct purchase from supplier; quotations not required.</p> <p><u>Note: Town purchasing cards may be used for purchases up to of &lt; \$1,000, pursuant to should be made with a purchasing card in line with the Town's council Purchasing Card Procedures</u></p>
<u>From \$1,001 to \$5,000</u>	<p><u>Obtain at least one written quotation from a suitable supplier.</u></p> <p><u>Where a competitive market exists for the good or service, a written quotation may include an advertisement, catalogue, supplier website, or similar.</u></p>
From \$51,001 to \$20,000	<p>Obtain at least <del>Two</del> (2) written quotations from <del>a</del> suitable suppliers.</p> <p><del>Where appropriate for the Purchase Value Threshold:</del></p> <ul style="list-style-type: none"> <li><del>A written quotation can include advertisements, catalogues, and supplier websites; and</del></li> </ul> <p><del>It if is not possible to obtain a written quotation, a verbal quotation appropriately documented, and confirmed with the supplier is acceptable.</del></p> <p>A record of the purchasing decision must be kept in accordance with the Town's <u>Procurement Manual</u><del>Record Keeping Plan</del>.</p>
From \$20,001 and up to \$60,000	<p>Seek at least three (3) written quotations <del>(including through the Town's electronic procurement portal or email)</del> from suitable suppliers using the applicable RFQ documentation specified in the Town's Procurement Manual.</p> <p><del>The purchasing decision is to be based upon assessment of the suppliers' responses to:</del></p> <ul style="list-style-type: none"> <li><del>The specified requirement for the goods or services required; and</del></li> <li><del>Value for money criteria.</del></li> </ul>

Purchase Value Threshold (ex GST)	Sourcing Requirement
	<p>Quotations received are subject to relevant evaluation, review and approvals, <u>in accordance with the Town's Evaluation Handbook and using the documentation specified in the Town's Procurement Manual.</u></p> <p><del>A record of the purchasing decision must be kept in accordance with the Town's Record Keeping Plan.</del></p>
From \$60,001 and up to \$250,000	<p>Request For Quotation (<b>RFQ</b>).</p> <p>Conduct an <u>oOpen market</u> RFQ process in accordance with this Policy and the Town's Procurement Manual <del>by seeking at least three (3) written quotations from suitable suppliers.</del></p> <p><u>Or</u></p> <p><u>Seek at least three (3) written quotations from suitable suppliers using the WALGA Preferred Supplier Program or the State Government CUA.</u></p> <p><u>Or</u></p> <p><u>Seek at least one (1) written quotation from an Aboriginal Business or Australian Disability Enterprise, in accordance with clauses 5.2.1 and 5.2.2 of this Policy, respectively.</u></p> <p><u>The above RFQ processes must be conducted by the Town's Procurement Unit and areis subject to formal evaluation, review and approvals, in accordance with the Town's Evaluation Handbook and Procurement Manual.</u></p> <ul style="list-style-type: none"> <li><del>• Officers must use using the applicable RFQ documentation specified in the Town's Procurement Manual.</del></li> <li><del>• The RFQ must be sought from either:</del> <ul style="list-style-type: none"> <li><del>○ Open market;</del></li> <li><del>○ WALGA Preferred Supplier Arrangement;</del></li> </ul> </li> </ul> <p><del>The RFQ processes must be conducted by the Town's Procurement Unit and is subject to formal evaluation, review and approvals.</del></p>
Over \$250,000	Request for Tender ( <b>RFT</b> )

Purchase Value Threshold (ex GST)	Sourcing Requirement
	<p>• <del>Conduct an oOpen mMarket public RFT process or utilising a Tender Exempt option</del> in accordance with Part 4 of the Local Government (Functions and General) Regulations 1996, <del>this Policy and the Town's Procurement Manual by seeking a sufficient number of quotes from suitable suppliers to ensure a competitive field.</del></p> <p><u>Or</u></p> <p><u>Seek written quotations from suitable suppliers using the WALGA Preferred Supplier Program or the State Government CUA. A sufficient number of quotations should be sought to provide a competitive field.</u></p> <p><u>Or</u></p> <p><u>Seek at least one (1) written quotation from an Australian Disability Enterprise, in accordance with clause 5.2.2 of this Policy.</u></p> <p><u>The above processes must be conducted by the Town's Procurement Unit and are subject to formal evaluation, review and approvals, in accordance with the Town's Evaluation Handbook and Procurement Manual.</u></p> <p><u>The RFT processes must be conducted by the Town's Procurement Unit and is subject to formal evaluation, review and approvals.</u></p> <p><u>Tender exempt options include:</u></p> <p><u>WALGA Preferred Supplier Program</u></p> <p><u>WA Disability Enterprise</u></p> <p><u>An Aboriginal Business</u></p> <p><u>The RFT must be sought from either:</u></p> <ul style="list-style-type: none"> <li><u>○ Open market;</u></li> <li><u>○ WALGA Preferred Supplier Arrangement;</u></li> <li><u>○ WA Disability Enterprise or an Aboriginal business.</u></li> </ul> <p><u>Officers must seek a sufficient number of quotes from suitable suppliers to ensure a competitive field.</u></p>

Purchase Value Threshold (ex GST)	Sourcing Requirement
	<del>The RFT processes must be conducted by the Town's Procurement Unit and is subject to formal evaluation, review and approvals.</del>

## 4.5 Inviting Tenders Though not Required to do so

The Town may decide to invite a Public Tender, despite the estimated purchase value being less than the prescribed tender threshold, where it considers a public tender process will provide better value for money, in accordance with clause 4.2 of this Policy. In such cases, the tender process must comply with the legislative requirements and the Town's Procurement Manual.

## 4.6 Unique Nature of Supply (Sole Supplier)

An arrangement with a supplier based on the unique nature of the goods or services required or for any other reason, where it is unlikely that there is more than one potential supplier, may be approved where the:

- (a) Purchasing value is estimated to be over \$5,000 and less than \$60,000; and
- (b) Purchasing requirement has been documented in a detailed specification.

The CEO may approve a sole supplier arrangement for purchases of up to \$60,000. A sole supplier arrangement may be approved for a maximum period of three (3) years.

## 4.7 Expressions of Interest

Expressions of Interest (EOI) will be considered as a prerequisite to a tender process where one or more of the following criteria apply:

- (a) An inability to sufficiently scope or specify the requirement;
- (b) Significant variability for how the requirement may be met;
- (c) Potential for suppliers to offer unique solutions and / or multiple options for how the purchasing requirement may be obtained, specified, created or delivered;
- (d) Significant creative element; or
- (e) A procurement methodology that allows for the assessment of a significant number of potential tenderers leading to a shortlisting process based on non-price assessment.

The EOI process is to be conducted in line with an RFT process and similar rules apply. An RFT should follow an EOI process, with those shortlisted under the EOI invited to participate.

#### **4.8 Emergency Purchases**

An emergency purchase is exempt from the purchasing thresholds and practices specified in this Policy.

An emergency purchase is defined as an unanticipated and unbudgeted purchase, which is required to respond to an emergency. An emergency purchase does not include a purchase that was not planned for due to time constraints.

The Town must make every effort to anticipate required purchases in advance and to allow sufficient time to apply the other clauses of this Policy.

Purchases or contracts entered in to under an emergency must be limited in scope to that which is necessary only to deal with the emergency. Once the immediacy of the emergency has passed, an appropriate procurement process must be undertaken for replacement or reinstatement works.

The CEO shall approve an emergency purchase.

#### **4.9 Anti-Avoidance**

The Town will not conduct multiple purchasing activities with the intent (inadvertent or otherwise) of "splitting" the purchase value, so that the effect is to avoid a particular purchasing threshold or the need to call a public tender. This includes the creation of two or more contracts or creating multiple purchase order transactions of a similar nature.

#### **4.10 Procurement Governance**

The Procurement Unit will manage all RFQ and RFT processes and will exercise governance and oversight over the Town's other procurement activities, including threshold compliance, sole supplier application, procurement probity, audit and reporting requirements.

#### **4.11 Purchasing Procedures**

The procurement of goods and services must comply with the purchasing procedures specified in the Procurement Manual.

### **5. SUSTAINABLE PROCUREMENT**

The Town is committed to sustainable procurement practices that favour suppliers that demonstrate environmentally sustainable business practices and social outcomes, environmentally preferable products and businesses that provide local economic benefits.

The Town will give effect to this commitment by, wherever appropriate, designing quotations and tenders that incorporate a qualitative criterion for sustainable

procurement with a percentage allocation, to provide an advantage to suppliers of goods and services that demonstrate commitment to these desired environmental, social and local economic outcomes.

Where a qualitative criterion for sustainable procurement has been included as part of an RFQ or RFT process, a price tolerance will be applied during price evaluation to suppliers of goods and services that demonstrate the highest evaluation for that criterion. The price tolerance will be up to ten (10) per cent for an RFQ and up to five (5) per cent for an RFT.

## **5.1 Environmentally Sustainable Procurement**

The Town recognises the need to protect the environment in procurement, including the waste reduction hierarchy, water and energy efficiency, emissions reduction, habitat destruction and pollution. Where appropriate specifications will incorporate minimum requirements for environmental protection and sustainable procurement. When procuring goods and services, the Town will support businesses that demonstrate environmentally sustainable practices in its overall assessment of value for money.

## **5.2 Social Outcomes**

The Town recognises the importance of social and community outcomes.

When procuring goods and services, the Town will support businesses that provide positive social and community outcomes in its overall assessment of value for money.

### **5.2.1 Aboriginal Businesses**

The Town is not required to publicly invite tenders (pursuant to Part 4 of the *Local Government (Functions and General) Regulations 1996*), if the goods or services are supplied by an entity on the WA Aboriginal Business Directory, published by the WA Chamber of Commerce and Industry, or an entity approved by the Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation), where consideration under the contract is \$250,000 or less.

Aboriginal businesses may be invited to quote for the supply of goods and services under the tender threshold. Where a quotation has been provided by an Aboriginal business that is considered to provide value for money to the Town, there is no requirement for further quotations that would otherwise be required under this Policy.

### **5.2.2 Australian Disability Enterprises**

The Town is not required to publicly invite tenders (pursuant to Part 4 of the *Local Government (Functions and General) Regulations 1996*) if the goods or services are to be supplied by an Australian Disability Enterprise.

Australian Disability Enterprises may be invited to quote for the supply of goods and services under the tender threshold. Where a quotation has been provided by an Australian Disability Enterprise that is considered to provide value for money to the

Town, there is no requirement for further quotations that would otherwise be required under this Policy.

## 5.3 Local Economic Benefit

The Town recognises the economic benefits local business and local employment brings to the community and is committed, to supporting the local economy. The Town seeks to encourage development of competitive local businesses within its boundaries. Where appropriate, the Town will seek participation of local business in its supply chain when procuring goods and services, by supporting businesses that provide local economic benefits, through being a local business, and/or the use of local sub-contractors or local employees, for example.

## 6. RECORD KEEPING

Records of all purchasing activity, communications and transactions must be maintained as local government records, in accordance with the *State Records Act 2000 (WA)* and the Town's Records Keeping Policy,

The Town also must consider and will include in each contract for the provision of goods or services the contractor's obligations for creating, maintaining and where necessary the transferral of records to the Town relevant to the performance of the contract.

## 7. PURCHASING POLICY NON-COMPLIANCE

The Purchasing Policy is mandated under Regulation 11A of the *Local Government (Functions and General) Regulations 1996* and therefore forms part of the legislative framework in which the Local Government is required to conduct business.

Purchasing activities are subject to financial and performance audits, which examine compliance with legislative requirements and the Town's policies and procedures. Non-compliance with legislation or this Policy must be reported to the Chief Executive Officer.

Document Control box			
Document Responsibilities:			
<b>Owner:</b>	<u>Director Corporate Services</u> Chief Executive Officer	<b>Owner Business Unit:</b>	<u>Corporate Services</u> Office of the Chief Executive Officer
<b>Inception Date:</b>	December 2020 (OCM-11/12/20)	<b>Decision Maker:</b>	Council

<b>Review Date:</b>	30/06/2026	<b>Repeal and Replace:</b>	
<b>Compliance Requirements:</b>			
<b>Legislation:</b>	<i>Local Government Act 1995</i> <i>Local Government (Functions and General) Regulations 1996</i>		

DRAFT

## Purchasing Policy

### 1. Objectives

The objectives of this Policy are to:

- (a) Align procurement at the Town of Bassendean with the strategic and operational objectives of Council, consistent with Council's priorities to support the local economy and environmentally sustainable outcomes, while providing value for money; and
- (b) Ensure procurement at the Town is conducted in compliance with applicable legislation, regulation, standards, and policy.

### 2. Scope

The Policy applies to all Town officers undertaking procurement on behalf of the Town.

### 3. Policy Statement

The Town is committed to best practice in the procurement of goods and services that align with the principles of transparency, probity and good governance and complies with the *Local Government Act 1995* and Part 4 of the *Local Government (Functions and General) Regulations 1996*.

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#### 4.1 Ethics and Integrity

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#### 4.3 Procurement Risk

The Town will effectively manage risk in procuring goods and services from external contractors and suppliers to achieve the best procurement outcomes in accordance with this Policy. The Town may engage an independent Probity Auditor for projects assessed as presenting high reputational, financial or community risk.

The Town's Procurement Manual provides a best practice procurement resource for each stage of the procurement process and must be followed for all procurement activity within the Town.

## 4.4 Purchasing Thresholds and Practices

### 4.4.1 Defining the Purchasing Value

The Town will apply the following principles to assess and determine purchasing values to ensure appropriate purchasing practice and threshold management for all purchasing activities:

- Exclude Goods and Services Tax (GST);
- Use the actual or expected value of a contract over the full contract period including the value of all contract extension options; and
- Determine the appropriate length of a contract based on the nature of goods and services to be provided, historical purchasing activity, an assessment of expected future purchasing requirements, and market conditions.

Procurement activities for the same goods or services should be aggregated into a single procurement activity to achieve the best value for money and efficiencies for the Town. Multiple procurement activities for the same goods or services must not be conducted, where the effect (whether intentional or otherwise) is to avoid a procurement threshold specified in 4.4.2.

The calculated estimated purchasing value will determine the applicable threshold and purchasing practice.

### 4.4.2 Purchasing Thresholds

The purchasing value determines the applicable purchasing threshold and the sourcing requirements, as specified in the following table:

Purchase Value Threshold (ex GST)	Sourcing Requirement
Up to \$1,000	Direct purchase from supplier; quotations not required. <b>Note:</b> Town purchasing cards may be used for purchases up to \$1,000, pursuant to the Town's Purchasing Card Procedures
From \$1,001 to \$5,000	Obtain at least one written quotation from a suitable supplier. Where a competitive market exists for the good or service, a written quotation may include an advertisement, catalogue, supplier website, or similar.
From \$5,001 to \$20,000	Obtain at least two (2) written quotations from suitable suppliers. A record of the purchasing decision must be kept in accordance with the Town's Procurement Manual.

From \$20,001 and up to \$60,000	<p>Seek at least three (3) written quotations from suitable suppliers using the applicable RFQ documentation specified in the Town's Procurement Manual.</p> <p>Quotations received are subject to relevant evaluation, review and approvals, in accordance with the Town's Evaluation Handbook and Procurement Manual.</p>
From \$60,001 and up to \$250,000	<p>Request For Quotation (<b>RFQ</b>).</p> <p>Conduct an open market RFQ process in accordance with this Policy and the Town's Procurement Manual.</p> <p>Or</p> <p>Seek at least three (3) written quotations from suitable suppliers using the WALGA Preferred Supplier Program or the State Government CUA.</p> <p>Or</p> <p>Seek at least one (1) written quotation from an Aboriginal Business or Australian Disability Enterprise, in accordance with clauses 5.2.1 and 5.2.2 of this Policy, respectively.</p> <p>The above process must be conducted by the Town's Procurement Unit and are subject to formal evaluation, review and approvals, in accordance with the Town's Evaluation Handbook and Procurement Manual.</p>
Over \$250,000	<p>Request for Tender (<b>RFT</b>)</p> <p>Conduct an open market public RFT process in accordance with Part 4 of the Local Government (Functions and General) Regulations 1996</p> <p>Or</p> <p>Seek written quotations from suitable suppliers using the WALGA Preferred Supplier Program or the State Government CUA. A sufficient number of quotations should be sought to provide a competitive field.</p> <p>Or</p> <p>Seek at least one (1) written quotation from an Australian Disability Enterprise, in accordance with clause 5.2.2 of this Policy.</p> <p>The above processes must be conducted by the Town's Procurement Unit and are subject to formal evaluation, review and approvals, in accordance with the Town's Evaluation Handbook and Procurement Manual.</p>

#### **4.5 Inviting Tenders Though not Required to do so**

The Town may decide to invite a Public Tender, despite the estimated purchase value being less than the prescribed tender threshold, where it considers a public tender process will provide better value for money, in accordance with clause 4.2 of this Policy. In such cases, the tender process must comply with the legislative requirements and the Town's Procurement Manual.

#### **4.6 Unique Nature of Supply (Sole Supplier)**

An arrangement with a supplier based on the unique nature of the goods or services required or for any other reason, where it is unlikely that there is more than one potential supplier, may be approved where the:

- (a) Purchasing value is estimated to be over \$5,000 and less than \$60,000; and
- (b) Purchasing requirement has been documented in a detailed specification.

The CEO may approve a sole supplier arrangement for purchases of up to \$60,000. A sole supplier arrangement may be approved for a maximum period of three (3) years.

#### **4.7 Expressions of Interest**

Expressions of Interest (EOI) will be considered as a prerequisite to a tender process where one or more of the following criteria apply:

- (a) An inability to sufficiently scope or specify the requirement;
- (b) Significant variability for how the requirement may be met;
- (c) Potential for suppliers to offer unique solutions and / or multiple options for how the purchasing requirement may be obtained, specified, created or delivered;
- (d) Significant creative element; or
- (e) A procurement methodology that allows for the assessment of a significant number of potential tenderers leading to a shortlisting process based on non-price assessment.

The EOI process is to be conducted in line with an RFT process and similar rules apply. An RFT should follow an EOI process, with those shortlisted under the EOI invited to participate.

#### **4.8 Emergency Purchases**

An emergency purchase is exempt from the purchasing thresholds and practices specified in this Policy.

An emergency purchase is defined as an unanticipated and unbudgeted purchase, which is required to respond to an emergency. An emergency purchase does not include a purchase that was not planned for due to time constraints.

The Town must make every effort to anticipate required purchases in advance and to allow sufficient time to apply the other clauses of this Policy.

Purchases or contracts entered into under an emergency must be limited in scope to that which is necessary only to deal with the emergency. Once the immediacy of the emergency has passed, an appropriate procurement process must be undertaken for replacement or reinstatement works.

The CEO shall approve an emergency purchase.

#### **4.9 Anti-Avoidance**

The Town will not conduct multiple purchasing activities with the intent (inadvertent or otherwise) of "splitting" the purchase value, so that the effect is to avoid a particular purchasing threshold or the need to call a public tender. This includes the creation of two or more contracts or creating multiple purchase order transactions of a similar nature.

#### **4.10 Procurement Governance**

The Procurement Unit will manage all RFQ and RFT processes and will exercise governance and oversight over the Town's other procurement activities, including threshold compliance, sole supplier application, procurement probity, audit and reporting requirements.

#### **4.11 Purchasing Procedures**

The procurement of goods and services must comply with the purchasing procedures specified in the Procurement Manual.

### **5. Sustainable Procurement**

The Town is committed to sustainable procurement practices that favour suppliers that demonstrate environmentally sustainable business practices and social outcomes, environmentally preferable products and businesses that provide local economic benefits.

The Town will give effect to this commitment by, wherever appropriate, designing quotations and tenders that incorporate a qualitative criterion for sustainable procurement with a percentage allocation, to provide an advantage to suppliers of goods and services that demonstrate commitment to these desired environmental, social and local economic outcomes.

Where a qualitative criterion for sustainable procurement has been included as part of an RFQ or RFT process, a price tolerance will be applied during price evaluation to suppliers of goods and services that demonstrate the highest evaluation for that criterion. The price tolerance will be up to ten (10) per cent for an RFQ and up to five (5) per cent for an RFT.

#### **5.1 Environmentally Sustainable Procurement**

The Town recognises the need to protect the environment in procurement, including the waste reduction hierarchy, water and energy efficiency, emissions reduction, habitat destruction and pollution. Where appropriate specifications will incorporate minimum requirements for environmental protection and sustainable procurement. When procuring goods and services, the Town will support businesses that

demonstrate environmentally sustainable practices in its overall assessment of value for money.

## **5.2 Social Outcomes**

The Town recognises the importance of social and community outcomes.

When procuring goods and services, the Town will support businesses that provide positive social and community outcomes in its overall assessment of value for money.

### **5.2.1 Aboriginal Businesses**

The Town is not required to publicly invite tenders (pursuant to Part 4 of the *Local Government (Functions and General) Regulations 1996*), if the goods or services are supplied by an entity on the WA Aboriginal Business Directory, published by the WA Chamber of Commerce and Industry, or an entity approved by the Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation), where consideration under the contract is \$250,000 or less.

Aboriginal businesses may be invited to quote for the supply of goods and services under the tender threshold. Where a quotation has been provided by an Aboriginal business that is considered to provide value for money to the Town, there is no requirement for further quotations that would otherwise be required under this Policy.

### **5.2.2 Australian Disability Enterprises**

The Town is not required to publicly invite tenders (pursuant to Part 4 of the *Local Government (Functions and General) Regulations 1996*) if the goods or services are to be supplied by an Australian Disability Enterprise.

Australian Disability Enterprises may be invited to quote for the supply of goods and services under the tender threshold. Where a quotation has been provided by an Australian Disability Enterprise that is considered to provide value for money to the Town, there is no requirement for further quotations that would otherwise be required under this Policy.

## **5.3 Local Economic Benefit**

The Town recognises the economic benefits local business and local employment brings to the community and is committed, to supporting the local economy. The Town seeks to encourage development of competitive local businesses within its boundaries. Where appropriate, the Town will seek participation of local business in its supply chain when procuring goods and services, by supporting businesses that provide local economic benefits, through being a local business, and/or the use of local sub-contractors or local employees, for example.

## **6. Record Keeping**

Records of all purchasing activity, communications and transactions must be maintained as local government records, in accordance with the *State Records Act 2000 (WA)* and the Town's Records Keeping Policy.

The Town also must consider and will include in each contract for the provision of goods or services the contractor's obligations for creating, maintaining and where necessary the transferral of records to the Town relevant to the performance of the contract.

## **7. Purchasing Policy Non-Compliance**

The Purchasing Policy is mandated under Regulation 11A of the *Local Government (Functions and General) Regulations 1996* and therefore forms part of the legislative framework in which the Local Government is required to conduct business.

Purchasing activities are subject to financial and performance audits, which examine compliance with legislative requirements and the Town's policies and procedures. Non-compliance with legislation or this Policy must be reported to the Chief Executive Officer.

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Document responsibilities:			
Owner:	Director Corporate Services	Owner Business Unit:	Corporate Services
Inception date:	OCM11/12/20 15 December 2020	Decision maker:	Council
Review date:	30/06/2026	Repeal and replace:	
Compliance requirements:			
Legislation	<b>Local Government Act 1995</b> <b>Local Government (Functions and General) Regulations 1996</b>		

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## Selected Local Government Purchasing Policies - Comparison

Local Government	Purchase Value Threshold 1	Purchase Value Threshold 2	Purchase Value Threshold 3	Purchase Value Threshold 4	Purchase Value Threshold 5	Thresholds per Contract or Per Supplier	Thresholds annual or multi-year spend requirements	Exemptions from Purchasing Policy
<b>Town of Bassendean</b>	<b>Up to \$2,000</b>  Obtain at least 1 verbal quotation from a suitable supplier.	<b>From \$2,001 and up to \$5,000</b>  Obtain at least 1 written quotation from a suitable supplier.	<b>From \$5,001 and up to \$100,000</b>  Seek at least 3 written quotations (including through an electronic procurement portal or email) from suitable suppliers using the applicable RFQ documentation specified in the Town's Procurement Manual.	<b>From \$100,001 and up to \$250,000</b>  Conduct an RFQ process in accordance with this Policy and the Town's Procurement Manual by seeking at least 3 written quotations from suitable suppliers using the applicable RFQ documentation specified in the Town's Procurement Manual.	<b>Over \$250,000</b>  Request for Tender (RFT) • Conduct a public RFT process in accordance with Part 4 of the Local Government (Functions and General) Regulations 1996, this Policy and the Town's Procurement Manual by seeking a sufficient number of quotes from suitable suppliers to ensure a competitive field.	<b>Per Supplier</b>	If a purchasing threshold is expected to be reached within three years for a particular supplier, the higher threshold is to be used to determine the purchasing requirements.	Landgate Charges; Financial Institution Charges; Courier Charges; Cab charge Charges; Postage Charges; Utilities Charges; Statutory Charges; Legal Charges; Insurance Policy Payments; Recurring association memberships; ESL and SES payments; Software Licencing renewal charges; and Fees for Confidential Matters or internal reviews.
<b>City of Vincent</b>	<b>Up to \$200</b>  Direct Purchase from the open market with zero quotations required.  <b>\$201 and up to \$5,000</b>  Seek two written* quotations from the open market. Officers may use their general knowledge of the market, advertisements, in-store price comparisons, catalogues, supplier web sites and any other reasonable means to determine whether the purchase represents value for money. *Where a written quote is not feasible a written note of the verbal quotation is to be recorded.	<b>\$5,001 and up to \$20,000</b>  Seek two written quotations from the open market. Officers may use their general knowledge of the market, advertisements, in-store price comparisons, catalogues, supplier web sites and any other reasonable means to determine whether the purchase represents value for money. Different suppliers should be used from time to time to test value for money for regular purchases.	<b>Over \$20,001 and up to \$50,000</b>  Seek three written quotations from the open market including a brief outlining the specified requirement.  <b>OR</b>  Seek two written quotations including a brief outlining the specified requirement from either: • an existing panel of pre-qualified suppliers administered by the City; or • a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA.	<b>\$50,001 and up to \$250,000</b>  Seek at least three written quotations from the open market by formal invitation under a Request for Quotation (RFQ), containing pricing schedule and detailed specification of goods and services required.  <b>OR</b>  Seek three written quotations from a pre-qualified panel of suppliers (whether administered by the City through the WALGA preferred supply program or State Government CUA). A formal Request for Quotation (i.e. City of Vincent template, WALGA Template or State Government CUA template) must be used.	<b>Over \$250,000</b>  Conduct a public Request for Tender process in accordance with Part 4 of the Local Government (Functions and General) Regulations 1996, this policy and the City's tender procedures.  <b>OR</b>  Obtain at least three written quotations from prequalified or WALGA suppliers by formal invitation under a Request for Quotation (RFQ), containing price and detailed specification of goods and services required.	<b>Per Contract</b>	The actual or expected value of a contract over the full contract period, including all options to extend; or the extent to which it could be reasonably expected that the City will continue to purchase a particular category of goods, services or works and what total value is or could be reasonably expected to be purchased; and If a purchasing threshold would be reached within three years for a particular contract for procurement, then the purchasing requirement under the relevant threshold (including the tender threshold) would need to be considered	Single source suppliers below \$250k; or from a pre-qualified panel supplier or WALGA; standard exclusions under reg 11
<b>City of Bayswater</b>	<b>Under \$1,000</b>  At least two (2) verbal quotations should be sourced, other than for miscellaneous items under \$150, which are normally dealt with under the petty cash guidelines and therefore do not require purchase orders	<b>Over \$1,000 and up to \$40,000</b>  3 written quotations shall be sought from suppliers for goods and services except where a Tender Exemption applies.	<b>\$40,000 - \$250,000</b>  As this will generally be a more complex procurement activity, the supplier should be provided with an appropriately-detailed specification, including: Selection Criteria; Price Schedule; and Conditions associated with responding as appropriate, and a statement shall be included requiring respondents to declare any conflict of interest.	<b>N/A</b>	<b>Over \$250,000</b>  Publicly advertised tenders for goods and services should be the preferred method for sourcing. Use of WALGA-Preferred Supply Contracts or State Government Common Use Agreements or exempt agencies should be considered only where competitive quotations can be achieved.	<b>Per Contract</b>	Contract options for extension should be considered when determining the tender value	ATCO, Western Power, Water Corporation, Telstra, Australia Post, Contestable gas and electricity retailers (EDL and Perth Energy)

## Selected Local Government Purchasing Policies - Comparison

Local Government	Purchase Value Threshold 1	Purchase Value Threshold 2	Purchase Value Threshold 3	Purchase Value Threshold 4	Purchase Value Threshold 5	Thresholds per Contract or Per Supplier	Thresholds annual or multi-year spend requirements	Exemptions from Purchasing Policy
<b>Town of Claremont</b>	<b>\$1,000 to \$5,000</b>  Obtain at least 2 oral or written quotations.	<b>Over \$5,000 and up to \$15,000</b>  Obtain at least 2 oral or written quotations from suppliers following issue of a brief outlining the specified requirement.	<b>Over \$15,000 and up to \$50,000</b>  Obtain at least 3 written quotations from suppliers following issue of a brief outlining the specified requirement.	<b>Over \$50,000 and up to \$250,000</b>  A formal RFQ process must be followed in accordance with the Act and the Regulations. At least three (3) written quotations must be obtained. RFQ from a pre-qualified suppliers are not required to be invited using a RFQ, however at least three (3) written quotes are still required to be obtained.	<b>Over \$250,000</b>  A formal RFT process must be followed in accordance with the Act and the Regulations subject to the exceptions in Regulation 11(2) and as set out within this policy	<b>Per Contract</b>	Purchase Value Threshold means the actual or expected value of a contract over the full contract period, including any options.	Emergency Purchases; Purchases where there is a sole source of supply; Services of WALGA and LGIS; Services of government entities and Government Trading Enterprises (GTE's); Newspaper advertising (or online equivalent); Advance / Prior Payment of Services (for example: accommodation, travel services, entertainment, conferences, seminars, Memberships, Subscriptions, training courses); Annual Services / Software maintenance / Support Fees; Fuels and Oils; Utility services; Reimbursements; Purchases for maintenance of equipment from Original Equipment Manufacturer where warranty provisions may be void; Purchases of urgent or unique nature or where exceptional circumstances arise and it is considered in the best interest of the Town, an exemption may be granted by the CEO.
<b>Town of Cottesloe</b>	<b>Up to \$2,000</b>  Direct purchase from suppliers requiring no quotations due to the minor and frequent nature of such goods. Verbal quotes can still be obtained particularly if a new supplier is involved.	<b>\$2,000 to \$10,000</b>  Direct purchase from suppliers requiring a minimum of 2 verbal quotations.	<b>\$10,000 to \$50,000</b>  Obtain at least 2 written quotations.	<b>\$50,000 to \$250,000</b>  Obtain at least 3 written quotations.	<b>\$250,000 and above</b>  Conduct a public tender process.	<b>Per Contract</b>	Where the value of purchasing (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be - the higher threshold requirements apply.	Engaging short term staff to relieve existing staff when on leave; Legal expenses where a specific firm is considered to be the preferred provider; Emergency situations; Urgent works such as electrical and plumbing repairs; Consultations and attendance fees with CEO endorsed aboriginal representatives; Member subscription services through WALGA or an authorised employee member service (e.g. LG Professionals) for matters such as conference attendance, training, insurance etc; Purchases via WALGA Preferred Supplier arrangements, with multiple quotes still sought from preferred suppliers where possible; Purchase of items where a sole source of supply exists because of the unique nature of the goods and services required (e.g. utilities, insurance etc.).

## Selected Local Government Purchasing Policies - Comparison

Local Government	Purchase Value Threshold 1	Purchase Value Threshold 2	Purchase Value Threshold 3	Purchase Value Threshold 4	Purchase Value Threshold 5	Thresholds per Contract or Per Supplier	Thresholds annual or multi-year spend requirements	Exemptions from Purchasing Policy
<b>Town of East Fremantle</b>	<b>Up to \$5,000</b>  Purchase directly from a supplier using a Purchasing or Corporate Credit Card issued by the Town, or obtain at least 1 oral or written quotation from a suitable supplier.	<b>Over \$5,001 and up to \$20,000</b>  Request at least 2 written quotations from suppliers following a brief outlining the specified requirement	<b>Over \$20,001 and up to \$50,000</b>  Request at least 3 written quotations from suppliers following a brief outlining the specified requirement	<b>Over \$50,001 and up to \$250,000</b>  Request at least 3 written quotations from suppliers by formal invitation under a Request for Quotation, containing price and detailed specification of goods and services required.	<b>Over \$250,000</b>  Where the purchasing requirement is not suitable to be met through a panel of pre-qualified suppliers, or any other tender-exempt arrangement as listed under section 8 of this Policy, conduct a public Request for Tender process in accordance with the Regulations, this policy and the Town's tender procedures.	<b>Per Contract</b>	The actual or expected value of a contract over the full contract period, including all options to extend; A best practice suggestion is that if a purchasing threshold is reached within three years for a particular category of goods, services or works, then the purchasing requirement under the relevant threshold (including the tender threshold) must apply.	The Town of East Fremantle will utilise the WALGA preferred supplier contract for legal services.  A tender is not required where the contract is for petrol, oil, or other liquid or gas used for internal combustion engines; the purchase is from a pre-qualified supplier; under a Panel established by the Town.
<b>Town of Victoria Park</b>	<b>Up to \$5,000</b>  The Town will use its general knowledge of the market to ascertain whether the purchase represents value for money in accordance with the relevant management practice. The Town should seek more than one quotation if they are not satisfied that the first choice of supplier would represent value for money.	<b>From \$5,000 up to \$50,000</b>  The Town is to obtain at least 3 written quotations from suppliers in accordance with the relevant management practice.	<b>From \$50,000 up to \$250,000</b>  The Town is to obtain at least 3 written quotations from suppliers in accordance with the relevant management practice.	<b>N/A</b>	<b>Above \$250,000</b>  A Request for Tender process is to be conducted where the purchasing requirement is not suitable to be met through a panel of pre-qualified suppliers, or any other tender-exempt arrangement, as prescribed.	<b>Per Contract</b>	<b>N/A</b>	Single source suppliers below \$250k; with waiver from CEO; or from a pre-qualified panel supplier ; standard exclusions under reg 11
<b>City of Subiaco</b>	<b>\$0 to \$5,000</b>  Direct Source. Obtain at least 1 verbal or written quotation from a suitable supplier. Written quotation can be in the form of an advertised price.	<b>\$5,001 to \$50,000</b>  Obtain at least 2 written quotations from suitable suppliers. Written quotation can be in the form of an advertised price.	<b>\$50,001 to \$100,000</b>  Seek at least 3 written quotations from suitable suppliers. The purchasing decision is to be based upon assessment of the supplier's response to: <ul style="list-style-type: none"> <li>• an outline of the specified requirement for the goods; services or works required; and</li> <li>• Value for Money criteria, not necessarily the lowest price.</li> </ul>	<b>\$100,001 to \$250,000</b>  Formal request for quotation can be made publicly available, and/or be made directly through the use of WALGA PSA, CUA or other government sector contract. Approval is required from the CEO or Director to call public quotations or purchase goods and services through the Council Preferred Supplier Contracts of WALGA or the whole of Government sector contract. Adequate steps are to be taken by staff to ensure that suitably qualified companies are notified of the request for quotation being made available. An evaluation report is to be prepared and submitted for approval in accordance with the city's register of delegations.	<b>Over \$250,000</b>  Tender Exempt arrangement (i.e. WALGA PSA, CUA or other tender exemption under F&G Reg. 11(2)) require at least three (3) written responses from suppliers by invitation under a formal Request for Quotation  OR  Public Tender undertaken in accordance with the Local Government Act 1995 and relevant City Policy and procedures.	<b>Per Contract</b>	<b>N/A</b>	<b>Less than \$250K</b> - Food and perishables <ul style="list-style-type: none"> <li>• Training and development</li> <li>• Software, hardware and online hosting, maintenance, support or licensing fees;</li> <li>• Engagement of artists, performers, and other art works;</li> <li>• Professional services (e.g. lawyers; engineers etc)</li> <li>• Memberships, subscriptions or renewals;</li> <li>• advertising services</li> <li>• utility services</li> <li>• maintenance of equipment from Original Equipment Manufacturer and where warranty provisions may be void</li> <li>• labour hire arrangements</li> <li>• LGIS Insurance Services</li> <li>• Sole Supplier arrangements</li> </ul>

## Selected Local Government Purchasing Policies - Comparison

Local Government	Purchase Value Threshold 1	Purchase Value Threshold 2	Purchase Value Threshold 3	Purchase Value Threshold 4	Purchase Value Threshold 5	Thresholds per Contract or Per Supplier	Thresholds annual or multi-year spend requirements	Exemptions from Purchasing Policy
Town of Mosman Park	<p><b>Under \$5,000</b></p> <p>Number of quotes: One verbal or one written quotation only required</p> <p>Purchase directly from a supplier using either:</p> <ul style="list-style-type: none"> <li>• Petty cash &lt; \$50</li> <li>• Purchase Order</li> <li>• Corporate Purchasing Card as authorised for use by the CEO</li> </ul>	<p><b>From \$5,001 to \$50,000</b></p> <p>Number of quotes and suitable suppliers:</p> <p>(a) Open market – three written quotes required; or</p> <p>(b) WALGA Preferred Supplier Program – one written quote; or</p> <p>(c) State Government Common Use Arrangement (CUA) – one written quote</p>	<p><b>From \$50,001 to \$250,000</b></p> <p>Number of quotes: At least three written quotes required from ALL suitable suppliers.</p>	N/A	<p><b>Over \$250,000</b></p> <p>Tender Exempt arrangements (e.g. WALGA Preferred Supplier Program, CUA or other Tender Exemption under Reg 11(2) Local Government (Functions and General) Regulations 1996 requires at least three (3) written responses from suppliers by invitation under a formal Request for Quotation.</p> <p>OR</p> <p>Public Tender undertaken in accordance with the Local Government Act 1995 and Regulations and the Town's Policy and procedures</p>	Per Contract	includes the actual or expected value of a contract over the full contract period, including all options to extend; or the extent to which it could be reasonably expected that the Town will continue to purchase a particular category of goods, services or works and what total value over a three year period is or could be reasonably expected to be purchased; and incorporates any variations to the original value of the purchase and be limited to a 10% tolerance of the original purchasing value	Engaging short term staff to relieve existing staff on leave; specialised legal services; the services required rely on intellectual property accrued by a person or organisation that has undertaken previous work for the Town; the need to undertake a new procurement process or commission and implement a new system would be more expensive than changing suppliers to renew software; maintain printers; or enter into new service agreements in cases where the Town's needs are already being adequately met; and . subscriptions are renewed to organisations such as WALGA or authorised employee member services (e.g. LG Professionals) for matters such as conference attendance, training, insurance etc. Emergency purchases, sole suppliers.