



minutes

Audit Committee

MEETING HELD ON **MONDAY 10 MARCH 2014**

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CITY OF JOONDALUP

**MINUTES OF THE AUDIT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2,
JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON
MONDAY 10 MARCH 2014.**

ATTENDANCE

Committee Members

Cr Tom McLean, JP	<i>Presiding Member</i>
Cr Geoff Amphlett, JP	<i>Absent from 7.49pm to 7.51pm</i>
Cr Brian Corr	
Cr Mike Norman	
Cr Teresa Ritchie, JP	<i>Deputy Presiding Member</i>
Cr Philippa Taylor	
Vacant (External Member)	

Observer

Cr John Chester

Officers

Mr Garry Hunt	Chief Executive Officer
Mr Mike Tidy	Director Corporate Services
Ms Christine Robinson	Acting Manager Executive and Risk Services
Mr Peter McGuckin	Internal Auditor
Mr John Byrne	Governance Coordinator
Mrs Lesley Taylor	Governance Officer

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.06pm.

DECLARATIONS OF INTEREST

Disclosures of Financial / Proximity Interest

Nil.

Disclosures of interest affecting impartiality

Elected Members (in accordance with Regulation 11 of the *Local Government [Rules of Conduct] Regulations 2007*) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

Name/Position	Cr Geoff Amphlett, JP.
Item No./Subject	Item 4 – Appointment of External Member to Audit Committee.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	One of the applicants, Mr Bryan Saunders is known to Cr Amphlett.

Name/Position	Cr Mike Norman.
Item No./Subject	Item 4 – Appointment of External Member to Audit Committee.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	One of the applicants, Ms Stephanie Norman is Cr Norman's daughter.

Name/Position	Cr John Chester.
Item No./Subject	Item 4 – Appointment of External Member to Audit Committee.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	One of the applicants, Mr Bryan Saunders is known to Cr Chester.

Name/Position	Mr Garry Hunt, Chief Executive Officer.
Item No./Subject	Item 4 – Appointment of External Member to Audit Committee.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Two of the applicants, Mr Gunther Hoppe and Mr Bryan Saunders are known to Mr Hunt.

Name/Position	Mr Garry Hunt, Chief Executive Officer.
Item No./Subject	Item 8 – Confidential Report - Chief Executive Officer's Credit Card Expenditure for the quarter ended 31 December 2013.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	The Chief Executive Officer is the card holder.

APOLOGIES/LEAVE OF ABSENCE

Apology:

Mayor Troy Pickard.

Leave of Absence Previously Approved:

Cr Brian Corr	27 March to 5 April 2014 inclusive;
Cr Geoff Amphlett, JP	16 April to 29 April 2014 inclusive;
Cr Kerry Hollywood	16 April to 4 May 2014 inclusive;
Cr Liam Gobbert	16 April to 17 May 2014 inclusive;
Cr John Chester	1 May to 12 May 2014 inclusive.

CONFIRMATION OF MINUTES

MINUTES OF THE AUDIT COMMITTEE HELD ON 12 AUGUST 2013 AND THE SPECIAL AUDIT COMMITTEE HELD ON 6 NOVEMBER 2013

MOVED Cr Amphlett, SECONDED Cr Taylor that the minutes of the following meetings of the Audit Committee be confirmed as a true and correct record:

- 1 Meeting held on 12 August 2013;
- 2 Special meeting held on 6 November 2013.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

The Presiding Member reiterated to committee members the confidentiality of Items 8, 9 and 10 to be considered at this meeting.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

In accordance with Clause 5.2 of the City's *Meeting Procedures Local Law 2013*, this meeting was not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS**ITEM 1 ADOPTION OF MEETING DATES FOR 2014 - AUDIT COMMITTEE**

WARD	All
RESPONSIBLE DIRECTOR	Mr Jamie Parry Governance and Strategy
FILE NUMBER	50068, 101515
ATTACHMENT	Nil.
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For the Audit Committee to consider the proposed schedule of Committee meeting dates for 2014.

EXECUTIVE SUMMARY

In order to assist with forward planning for all Elected Members, management and staff, a schedule of meeting dates has been prepared for the Audit Committee, ensuring synergy between meeting dates and the flow of information and decision-making.

It is recommended that the Audit Committee ADOPTS the meeting dates and times for the Audit Committee of the City of Joondalup to be held at the Joondalup Civic Centre, Boas Avenue, Joondalup.

BACKGROUND

The Audit Committee was established at the Ordinary Council Meeting held on 14 March 2000 (CJ042-03/00 refers). The purpose of the committee is to oversee the internal and external audit; risk management; and compliance functions of the City.

At its meeting held on 19 November 2013 (CJ208-11/13 refers) Council adopted the meeting dates for the Strategy and Briefing sessions, and Ordinary Council meetings.

The schedule of Council meeting dates was based on the format used for the last five years; a monthly meeting format with Strategy Sessions held on the first Tuesday of each month; Briefing Sessions held on the second Tuesday and Council meetings on the third Tuesday.

This enables committee meetings to be scheduled on the Monday, Tuesday or Wednesday of weeks one, two and three so as to minimise potential conflicts with other Council activities and provide a ‘meeting-free’ week in the fourth week of each month.

DETAILS

The proposed meeting dates have been determined to align with statutory audit and compliance reporting dates, as well as align with the existing Council meeting structure.

Issues and options considered

The Audit Committee can either:

- adopt the meeting dates as proposed in this report
or
- amend the meeting dates.

Legislation / Strategic Community Plan / policy implications

Legislation	<i>Local Government Act 1995. Local Government (Administration) Regulations 1996. Meeting Procedures Local Law 2013.</i>
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Strategic Community Plan

Key theme	Governance and Leadership.
Objective	Corporate capacity.
Strategic initiative	Not applicable.
Policy	Not applicable.

Risk management considerations

Should forward planning of committee meetings not be identified, then there is a risk for meetings to be held on an ad-hoc basis; lacking coordination with other key meetings and corporate planning processes.

Financial/budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The dates proposed are intended to provide Council, Committee members and staff with an indicative meeting timeline for the Audit Committee. They align with key audit and compliance reporting dates and functions throughout the year and are aligned to the Council meeting structure.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Amphlett, SECONDED Cr Norman that the Audit Committee ADOPTS the following meeting dates and times for the Audit Committee of the City of Joondalup to be held at the Joondalup Civic Centre, Boas Avenue, Joondalup:

Audit Committee To be held in Conference Room 2
6.00pm on Monday 4 August 2014
7.00pm on Monday 13 October 2014

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

**ITEM 2 HALF YEARLY REPORT - CONTRACT EXTENSIONS
– 1 JULY 2013 TO 31 DECEMBER 2013**

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	07032
ATTACHMENT	Attachment 1 Bi-Annual Figures for Contract Extensions - 1 July 2013 to 31 December 2013 – Council Approved Contracts
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Audit Committee to note the details of contracts extended by the Chief Executive Officer between 1 July 2013 and 31 December 2013.

EXECUTIVE SUMMARY

The schedule of contracts extended by the Chief Executive Officer during the half-year ended on 31 December 2013 is provided in Attachment 1.

It is recommended that the Audit Committee NOTES the contracts extended by the Chief Executive Officer during the period 1 July 2013 and 31 December 2013, forming Attachment 1 to this Report.

BACKGROUND

At its meeting held on 1 November 2005 (Item CJ231-11/05 refers), Council resolved that a half-yearly report be prepared for the Audit Committee detailing contracts that were originally approved by Council and have subsequently been extended by the Chief Executive Officer.

DETAILS

Council has delegated to the Chief Executive Officer the authority to approve all contract extensions on tenders approved by Council subject to a report to the Audit Committee being prepared on a half-yearly basis providing details of those contracts extended.

During the period 1 July 2013 and 31 December 2013 two contracts were extended.

Issues and options considered

The option to extend the contracts by the Chief Executive Officer is required to maintain continuity of the applicable services to the City.

Legislation / Strategic Community Plan / policy implications

Legislation The City's legal advice is that under section 5.41(d) of the *Local Government Act 1995* the Chief Executive Officer may be delegated the power to extend a contract – provided the Chief Executive Officer does not extend the contract beyond the "total term of the Contract" specified by the Council in the resolution.

Strategic Community Plan

Key theme Governance and Leadership.

Objective Corporate capacity.

Strategic initiative Demonstrate accountability through robust reporting that is relevant and easily accessible by the community.

Policy Not applicable.

Risk management considerations

The delegated authority to extend Contracts is limited to the original terms and conditions approved by resolution of Council when the tender was first awarded.

Financial/budget implications

In accordance with each individual Contract and approved budget limits.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

This report provides the Audit Committee with details of contracts originally approved by Council or by the Chief Executive Officer under delegated authority, which have subsequently been extended by the Chief Executive Officer during the period from 1 July 2013 and 31 December 2013.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Norman, SECONDED Cr Ritchie that the Audit Committee NOTES the contracts extended by the Chief Executive Officer during the period 1 July 2013 and 31 December 2013, forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1AUDIT100314.pdf](#)

ITEM 3 HALF YEARLY REPORT - WRITE OFF OF MONIES - 1 JULY 2013 – 31 DECEMBER 2013

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	07032, 101515
ATTACHMENT	Nil
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

For the Audit Committee to note monies written off under delegated authority.

EXECUTIVE SUMMARY

The total amount written off under delegated authority during the six months ended 31 December 2013 came to \$7,460.10, mainly comprising 5,559 small amounts of unpaid rates below the \$100 reportable limit totalling \$4,752.78.

The total amount includes the following items written off on the recommendation of the City's debt collection agency:

- One item of unpaid leisure centre membership fee of \$424.50.
- Eight items of dog impound fees of \$1,843.99.
- Six items of room hire fees, all below the reportable limit of \$100, totalling \$438.83.

It is therefore recommended that the Audit Committee RECEIVES the report of amounts written off under delegated authority for the period 1 July to 31 December 2013.

BACKGROUND

Section 6.12 (1) (c) of the *Local Government Act 1995* gives the Council the power to write off any amount of money owing to the City.

At its meeting held on 6 June 2006 (CJ079-06/06 refers), Council approved to delegate to the CEO the authority to write off monies owed to the City, subject to a report being provided to the Audit Committee on a six monthly basis on the exercise of this delegation for amounts between \$100 and \$20,000.

The CEO under section 5.44 has delegated his authority to nominated employees, up to the limits provided in the instrument of delegation.

DETAILS

During the six months ended 31 December 2013 a total amount of \$7,460.10 was written off as unrecoverable. This amount included the following:

- 5,559 items of small rates balances that are below the reportable limit, totalling \$4,752.78, representing in the main rounding decimals or minor penalty interest charges for a few days late payment where ratepayers did not pay the penalty or the full penalty and the cost of collection was, for all practical purposes, proving to be uneconomical.
- Six small items that are all below the reportable limit of \$100 for room hire fees totalling \$438.83.

The following table provides the details of nine reportable amounts written off during the six month period.

Item	Date of Invoice	Debtor's Name	Nature of Debt	Amount \$
1	28/05/2012	Shannon Humphries	CLC Membership fee	424.50
2	17/02/2012	Ryan Brown	Dog impound fee	195.40
3	13/09/2012	Troy Gerald Burton	Dog impound fee	224.55
4	13/09/2012	Daniel Belgiovane	Dog impound fee	247.00
5	13/09/2012	Mark Roberts	Dog impound fee	221.20
6	13/09/2012	Dillan Nikich	Dog impound fee	177.64
7	16/10/2012	Mark Roberts	Dog Registration and impound fee	250.20
8	24/10/2012	John Loseby	Dog Registration and impound fee	251.00
9	23/11/2012	Brook Matich	Dog Registration and impound fee	277.00
			Total	2,268.49

- Item 1 relates to membership fee arrears for Craigie Leisure Centre. This is one of the debts outstanding before the new booking system software was put in place, which enables tighter control on unpaid memberships. When the internal follow up actions for the declined direct debits were not successful the debt was referred to the debt collectors who could not trace the debtor based on the available information. The debt was recommended for write off.
- Items 2-9 relate to dog registration charges and dog impound fee paid to Julies Boarding Kennels and Cattery for maintenance costs of dogs impounded by the City until they are collected by their owners. The owners did not pay the dues and all subsequent recovery efforts were unsuccessful. Being uneconomical to instigate further actions, the debts were recommended for write off.

Debt recovery processes were initiated when payments were overdue. Debts were written off on the advice of the City's debt collection agency where the debtor could not be traced or it became uneconomical to take any legal action.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications

Legislation	Section 6.12(1) (c) of the <i>Local Government Act 1995</i> . Section 5.42 of the <i>Local Government Act 1995</i> . Section 5.44 of the <i>Local Government Act 1995</i> .
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Strategic Community Plan

Key theme	Financial Sustainability
Objective	Effective management.
Strategic initiative	Not applicable.
Policy	Not applicable.

Risk management considerations

The amounts written off are immaterial in value and are either unrecoverable or uneconomical to recover, none of which represent a noteworthy financial risk to the City.

Financial/budget implications

Account no.	3256
Budget Item	Bad Debts written off
Annual Budget	\$ 13,700
Year to Date Budget	\$ 8,900
Year to Date Actual	\$ 7,460
Year to Date variance	\$ 1,440

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

Monies written off under delegated authority comprised 5,559 small items of unpaid rates totalling \$4,752.78, all of which were below the \$100 reportable limit. The remaining 15 items totalling \$2,707.32 were all written off following unsuccessful debt recovery action.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Ritchie, SECONDED Cr Taylor that the Audit Committee RECEIVES the Report of monies written off under delegated authority for the period 1 July to 31 December 2013.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

Disclosures of interest affecting impartiality

Name/Position	Cr Geoff Amphlett, JP.
Item No./Subject	Item 4 – Appointment of External Member to Audit Committee.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	One of the applicants, Mr Bryan Saunders is known to Cr Amphlett.

Name/Position	Cr Mike Norman.
Item No./Subject	Item 4 – Appointment of External Member to Audit Committee.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	One of the applicants, Ms Stephanie Norman is Cr Norman's daughter.

Name/Position	Cr John Chester.
Item No./Subject	Item 4 – Appointment of External Member to Audit Committee.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	One of the applicants, Mr Bryan Saunders is known to Cr Chester.

Name/Position	Mr Garry Hunt, Chief Executive Officer.
Item No./Subject	Item 4 – Appointment of External Member to Audit Committee.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Two of the applicants, Mr Gunther Hoppe and Mr Bryan Saunders are known to Mr Hunt.

ITEM 4 APPPOINTMENT OF EXTERNAL MEMBER TO AUDIT COMMITTEE

WARD	All
RESPONSIBLE DIRECTOR	Mr Jamie Parry Governance and Strategy
FILE NUMBER	50068, 101515
ATTACHMENTS	Attachment 1 Online responses of applicants Attachment 2 Covering letter and CV applicant A Attachment 3 Covering letter and CV applicant B
	<i>(Please Note: Attachments 1 - 3 are confidential and will appear in the official Minute Book only).</i>
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to consider the outcomes from expressions of interest received and appoint an external member to the Audit Committee.

EXECUTIVE SUMMARY

The external member resigned from the Audit Committee dated 10 January 2013. The City subsequently sought Expressions of Interest on two occasions during 2013 to fill the vacant position.

Five expressions of interest have been received and are provided to Council for its consideration in appointing an external member to the Audit Committee.

BACKGROUND

The Audit Committee was established at the Ordinary Council meeting held on 14 March 2000 (CJ042-03/00 refers). The purpose of the committee is to oversee the internal and external audit, risk management and compliance functions of the City.

The Audit Committee comprises seven Elected Members plus an independent external member. The previous external member, Mr Andy Cowin, submitted his notice of resignation from the Audit Committee in a letter dated 10 January 2013, as he was relocating interstate.

The Audit Committee and subsequently Council considered the issue of appointing a replacement external member. At its meeting held on 16 April 2013 (CJ057-04/13 refers), Council resolved to call for expressions of interest to fill the position of external member to the Audit Committee.

The expressions of interest process was commenced on Thursday 16 May 2013 and concluded on Monday 3 June 2013, with the following activities undertaken to encourage expressions of interest:

- Advertisement placed in the *Joondalup Weekender*.
- Email distributed to CPA Australia and the Institute of Chartered Accountants, requesting they inform their members of the opportunity.
- Public notice placed on the City's website directing interested applicants to an information pack developed for prospective members.
- Development of an online form to simplify the expression of interest process.

Despite the City undertaking both a community based advertising approach, as well as a targeted approach of finance professionals, no submissions were received and no enquiries were received by City officers regarding the external member vacancy.

This outcome was reported to the Audit Committee at its meeting held on 12 August 2013 and subsequently resolved by Council at its meeting held on 24 September 2013 (CJ184-09/13 refers) as follows:

"That Council leave the position of external member to the Audit Committee vacant and reconsider an appointment following the October 2013 local government elections."

Following the local government elections, the expression of interest process was recommenced on Thursday 28 November 2013 and concluded on Friday 13 December 2013. An advertisement was placed in the *Joondalup Weekender* and on the City's website.

DETAILS

As a result of the expression of interest process and including the targeting of persons that had made enquiries, five submissions were received.

The advertisement stipulated that applicants must meet the following essential criteria:

- Be a member of CPA Australia or the Institute of Chartered Accountants.
- Demonstrate their knowledge and experience of:
 - business or financial management / reporting
 - risk management systems and procedures
 - internal business controls
 - legislative compliance programs.

The following attributes were considered to be preferential criteria:

- Exposure to local government financial management and reporting.
- Reside within the City of Joondalup and/or be enrolled to vote in the elections for the City in accordance with the provisions of the *Local Government Act 1995*.

It is considered that all applicants possess relevant qualifications and experience to contribute to the Audit Committee's activities. Four of the five applicants are residents of the City of Joondalup.

The responses submitted by the applicants were collated and are provided as a confidential document (Attachment 1 refers). Two applicants also submitted a covering letter and a copy of their CV by email separately, which are also provided as confidential documents (Attachments 2 and 3 refer).

Issues and options considered

The Council now needs to assess the expressions of interest received and consider appointing an external member to the Audit Committee. The appointment is to be made by Council for a maximum two-year term ending at the local government elections in October 2015.

Council can either:

- appoint an external member of the Audit Committee from the expressions of interest received, for a term to expire in October 2015
- re-advertise expressions of interest for the position of external member of the Audit Committee for a term to expire in October 2015
- leave the position of external member of the Audit Committee vacant
or
- amend the composition of the Audit Committee and remove the position of external member.

Legislation / Strategic Community Plan / policy implications

Legislation *Local Government Act 1995.*
Local Government (Audit) Regulations 1996.

Strategic Community Plan

Key theme Governance and Leadership.

Objective Active democracy.

Strategic initiative Optimise opportunities for the community to access and participate in decision-making processes.

Policy Not applicable.

Although not a policy, the Audit Committee Charter makes provision for the objectives, functions and operation of the Audit Committee. Section 4 of the charter sets out provisions in relation to membership and that includes clauses making provision for the appointment of an external member to the Audit Committee.

Risk management considerations

The Audit Committee is an important element of risk management and a contributor to the mitigation of risk. It plays a significant oversight role. Having an external member on the committee adds an additional element to that oversight role by bringing a focus that is not influenced by other issues before Council. It also offers the opportunity of an independent and fresh perspective.

Financial/budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

The Audit Committee plays a role in providing financial and risk oversight of the City's activities, thereby helping secure the long-term sustainability of the City.

Consultation

Advertisements seeking expressions of interest were placed in a local newspaper, as well as advertising the vacancy on the City's website. Initially an email was also sent to CPA Australia and the Institute of Chartered Accountants, requesting they inform their members of the opportunity. Direct email solicitation was also undertaken with persons who had made enquiries regarding the role.

COMMENT

The position of external member on the Audit Committee meets strategic initiatives of the City and offers an impartial view of auditing, compliance and risk management mitigation activities at the City.

It is therefore recommended that Council considers appointing an external member to the Audit Committee from one of the five expressions of interest received.

VOTING REQUIREMENTS

Absolute Majority.

OFFICER'S RECOMMENDATION

That Council CONSIDERS appointing a person to the position of external member to the Audit Committee, for a term to expire in October 2015.

MOVED Cr Corr, SECONDED Cr Amphlett that Council APPOINTS Mr Gary Kong as the external member of the Audit Committee for a term to expire in October 2015, subject to a satisfactory interview with the Presiding Member of the Audit Committee, the Chief Executive Officer and the Director Corporate Services being undertaken.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

ITEM 5 2013 COMPLIANCE AUDIT RETURN

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	09492, 50068, 101515
ATTACHMENT	Attachment 1 2013 Compliance Audit Return
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to adopt the City's 2013 Compliance Audit Return (the return) prior to it being submitted to the Department of Local Government and Communities (DLGC).

EXECUTIVE SUMMARY

The DLGC Compliance Audit Return for the period 1 January 2013 to 31 December 2013 has been completed and is required to be adopted by Council before being submitted to the DLGC by 31 March 2014.

It is therefore recommended that Council:

- 1 *ADOPTS the completed 2013 Local Government Compliance Audit Return for the period 1 January 2013 to 31 December 2013 forming Attachment 1 to this Report;*
- 2 *in accordance with Regulation 15 of the Local Government (Audit) Regulations 1996, SUBMITS the completed Compliance Audit Return as detailed in Part 1 above, to the Department of Local Government and Communities.*

BACKGROUND

The 2013 return was made available to local governments by the DLGC on its website for online completion.

The structure of the return is the same as the previous year and focuses on areas of compliance considered high risk. This incorporates all the statutory requirements prescribed in Regulation 13 of the *Local Government (Audit) Regulations 1996*.

Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996* prescribe the requirements for local governments when carrying out the compliance audit, reporting to the Audit Committee and Council, and certification and submission of the Return to the Department.

DETAILS

The 2013 return contains the compliance categories of:

- commercial enterprises by local governments
 - delegation of power / duty
 - disclosure of interest
 - disposal of property
 - elections
 - finance
 - local government employees
 - official conduct
 - tenders for providing goods and services.

The 2013 return reveals a high level of compliance with legislation by the City, however it should be noted that the response to question 15 under Tenders for Providing Goods and Services in relation to a purchasing policy is "No". The City's answer to this in previous years was "Yes" as there were detailed protocols in place for the supply of goods and services. It has become clear that this does not fulfil the requirements of Regulation 11A of having a current purchasing policy. The City is in the process of developing a purchasing policy for adoption by Council.

Legislation / Strategic Community Plan / policy implications

Legislation Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*.

Strategic Community Plan

Key theme Governance and Leadership.

Objective Corporate capacity.

Strategic initiative Demonstrate accountability through robust reporting that is relevant and easily accessible by the community.

Risk management considerations

The risk associated with the Council failing to adopt the return would result in non-compliance with the legislative requirements of the *Local Government (Audit) Regulations 1996*.

Financial/budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The responses to the questions in the return were provided by the relevant Managers to their Director for their review and approval before being forwarded to the Internal Auditor for entry on the DLGC website.

The 2013 return reveals a high level of compliance with legislation by the City. However one area of non compliance in relation to a purchasing policy is being addressed.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Amphlett, SECONDED Cr Ritchie that Council:

- 1 ADOPTS the 2013 Local Government Compliance Audit Return for the period 1 January 2013 to 31 December 2013 forming Attachment 1 to this Report;
- 2 in accordance with Regulation 15 of the *Local Government (Audit) Regulations 1996*, SUBMITS the completed Compliance Audit Return as detailed in Part 1 above to the Department of Local Government and Communities.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2AUDIT100314.pdf](#)

ITEM 6 CORPORATE RISK REGISTER

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	49586, 101515
ATTACHMENTS	Attachment 1 Corporate Risk Register
AUTHORITY / DISCRETION	Executive – The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

PURPOSE

For Council to adopt the City's *Corporate Risk Register*.

EXECUTIVE SUMMARY

The City has in place a *Risk Management Framework* which was presented to the Audit Committee on 12 August 2013 and endorsed by Council at its meeting held on 24 September 2013 (CJ190-09/13 refers). It is a requirement of the framework that the City develops a *Corporate Risk Register*. The register has been developed to capture risks at a strategic level, with risks at an operational level being captured in Business Unit Risk Registers.

It is therefore recommended that Council:

- 1 *ENDORSES the Corporate Risk Register forming Attachment 1 to this Report;*
- 2 *NOTES that the Chief Executive Officer will submit an annual report on the Corporate Risk Register to the Audit Committee.*

BACKGROUND

The City has had in place a *Risk Management Framework* since January 2009 which has resulted in the production of risk registers for every business unit. The updated framework requires the development of a *Corporate Risk Register* for the City.

DETAILS

The register is intended to capture risks at a strategic level that may impact on the operation of major systems and the delivery of major projects. The main risks for the City have been identified and can be assigned within the following categories:

- 1 Human Safety and Wellbeing.
- 2 Legislative and Compliance.
- 3 Environmental.
- 4 Strategic and Governance Position.
- 5 Service Delivery and Business Continuity.
- 6 Financial and Economic.
- 7 Human Resources.
- 8 Asset Management and Infrastructure.
- 9 Major Commercial City Projects.

The register was developed as recommended by AS/NZS ISO 31000:2009 – *Risk Management – Principles and Guidelines* including the process for the assessments of all risks. Risk assessments were undertaken using the Risk Level Matrix and Assessment Criteria contained in the City's *Risk Management Framework*.

The development of the register included the following:

- Executive Leadership Team Business Planning Session.
- Consultation with the City's Directors and Managers.
- Review of the City's Strategic Community Plan.
- Review of Business Unit Risk Registers.
- Review of corporate risk registers for other local governments.

The register details:

- the corporate risks within each risk category
- control methods that are currently in place
- the residual risk assessment including the overall risk level
- any further control actions required
- the lead risk owners
- the target date for the implementation of the control action.

All further control actions, their implementation date and the risk owner will be captured and monitored. The *Corporate Risk Register* will be reviewed by the Chief Executive Officer on a quarterly basis and reported to the Audit Committee every two years. The *Corporate Risk Register* is included as Attachment 1.

Legislation / Strategic Community Plan / policy implications

Legislation *Local Government (Audit) Regulations 1996.*

Strategic Community Plan

Key theme	Governance and Leadership
Objective	Corporate capacity.
Strategic initiative	Continuously strive to improve performance and service delivery across all corporate functions.
Policy	<i>Risk Management Policy.</i>

Risk management considerations

The *Corporate Risk Register* is an important element of risk management and will improve the City's ability to identify, assess and treat risks that threaten major systems and the delivery of the *Corporate Business Plan* and the *Strategic Community Plan*.

Financial/budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

The on-going review of the City's risk management profile is intended to raise the profile of risk, improve the City's approach to risk and embed risk management across all its systems and processes. The *Corporate Risk Register* will assist the City in capturing and recording risks that threaten the major systems and the delivery of major projects. Ownership will be assigned and further actions recorded and reported.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Amphlett, SECONDED Cr Norman that Council:

- 1 **ENDORSES the Corporate Risk Register forming Attachment 1 to this Report;**
- 2 **NOTES that the Chief Executive Officer will submit an annual report on the Corporate Risk Register to the Audit Committee.**

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3AUDIT100314.pdf](#)

ITEM 7 COST EFFICIENCY AND SERVICE REVIEWS

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	103906, 101515
ATTACHMENT	Attachment 1 Cost Efficiency and Service Review Approach
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE+

For the Audit Committee to note the update of the activities relating to the revised program of cost efficiency and service reviews since July 2013.

EXECUTIVE SUMMARY

Since July 2013 the City has been undertaking reviews of activities in order to identify areas to reduce costs by eliminating and identifying waste and improving efficiency and effectiveness throughout the City's operations.

It is therefore recommended that the Audit Committee NOTES this report outlining the activities undertaken relating to cost efficiency and service reviews.

BACKGROUND

The Chief Executive Officer initiated a more extensive program of reviews to be undertaken of a number of the City's activities in order to identify opportunities for increasing efficiencies, reducing waste and reducing the costs of the services.

Service reviews, process mapping and continuous improvement is a long established practice at the City, where improvements plans are implemented following reviews of existing service levels. As part of the City's annual business planning process, business units are required to identify main customer groups and determine the service expectations of each of these groups.

Past service reviews include maintenance of City land within the commercial business precinct, and community transport. In 2009, the City undertook a review of the provision of graffiti removal which resulted in the tender including an incentive payment bonus / penalty arrangement based upon the performance of the contractor, as well as a lower price per square metre for graffiti removal. The removal time of graffiti has greatly reduced since this review, and value added functions have also been introduced, such as pre-event graffiti checks and removal, and contractor reported graffiti (rather than relying only on community reports). Since 2009-10 the expenditure for graffiti removal has significantly decreased.

At the Audit Committee on 12 August 2013 Mayor Pickard requested a report be submitted to a future meeting of the Audit Committee regarding the scoping of a forensic analysis of operational costs to identify possible efficiencies.

DETAILS

The intent of the cost efficiency and service reviews is to enable the City to demonstrate effectiveness and efficiency of services provided. The reviews are aimed at identifying opportunities for the following:

- Service and activity improvements.
- Assisting longer-term financial sustainability.
- Ensuring value for money and operational efficiency.
- Service level adjustments.
- Considering alternative modes of service delivery.
- Improved utilisation of available resources.

Each review will:

- Identify the service drivers (statutory, financial, operational) and review what is currently delivered.
- Consider desirable service levels – what should be delivered (within budgeting realities) while maintaining customer needs and process improvement focus.
- Review and recommend how the service would be best delivered (delivery model).

It is through these reviews rather than a forensic analysis that the City can identify areas to reduce costs by eliminating and identifying waste and improving efficiency and effectiveness. Forensic analysis as defined by the Institute of Internal Auditors is “*associated with investigations into fraudulent activity, the application of auditing skills to situations that have legal consequences*” and “*the practical steps that the auditor takes in order to gather evidence relevant to the fraudulent activity*”.

A forensic analysis would require the testing of all transactions and the interviewing of all staff associated with the activity, which would severely limit the City’s ability to deliver services at the current level. If any anomalies are identified during the reviews, a forensic analysis could then be initiated.

Approach

It is essential that the City examines all aspects of its operations to identify efficiencies, cost savings, and revenue generation opportunities. A methodical and structured review program is necessary to provide solid and reliable information on which decisions can be based. The City’s approach is outlined in Attachment 1.

The reviews are to be undertaken internally by the City's Executive and Risk Services business unit, and also by independent consultants.

1 Service reviews initiated by the City

- Non-Domestic Waste Collections within Parks, Reserves, Foreshores, Car Parks, City Centre and Bus Stops.
- Use of external contractors, effectiveness of the current work program and suggested delivery model for traffic management control. The expenditure for this in 2012-13 was \$861,769.

2 Service reviews to be undertaken by an independent consultant

INITIAL REVIEWS

- Selected Civic Events.
- Selected Cultural Events.
- Building maintenance (including plumbing and electrical) and cleaning of City buildings. The overall expenditure in 2012-13 for plumbing was \$846,516 and electrical was \$1,185,293.
- Utility consumption of City buildings.
- City's fleet utilisation and operating costs.

On completion of the abovementioned reviews, the following areas will then be analysed:

- Advertising, Marketing and Promotions (statutory and discretionary). The overall expenditure on these activities in 2012-2013 was:
 - Advertising General – \$303,887
 - Advertising Statutory – \$85,212
 - Promotions – \$229,341

This will include reviewing the expenditure across the organisation as well as reviewing the expenditure in this area by the City's Marketing and Communications business unit, which was established in November 2012. The establishment of this business unit was in part to ensure the City effectively communicates, raises awareness and promote its services and the value for money provided to the community whilst promoting and repositioning the City to achieve its new strategic goals and ambitions of being recognised as "a Global City: bold, creative and prosperous" – central themes of the Strategic Community Plan. The Marketing and Communications team is responsible for creating a greater external focus and driving change throughout the organisation to deliver the City's bold and enterprising vision.

- Landscape Maintenance (arterial roads, east-west). Improved budget control and reporting has been established, which will provide greater rigour when the service is reviewed. The arterial roads for this review are:
 - Burns Beach Road
 - Hepburn Avenue
 - Hodges Drive
 - Shenton Avenue
 - Warwick Road
 - Whitfords Avenue
- Mowing (arterial roads, east-west). Improved budget control and reporting has been established, which will provide greater rigour when the service is reviewed.
- Street Sweeping. The expenditure for the six months of July to December 2013 is \$400,264.
- Overhead Costs for Internal Service Providers (Financial Services, Human Resources and Information Technology).

3 Cost Efficiency Reviews

The following cost efficiency reviews have been identified and a timeframe for commencement will be developed by 30 June 2014. It has yet to be determined which of these will be reviewed by the City or an independent consultant.

- christmas decorations
- Elected Member requests
- building rental
- security patrol services
- street lighting
- street tree maintenance
- domestic rubbish collection

Service Reviews initiated by the City

The first review undertaken by the City's Executive and Risk Services business unit was the *Non-Domestic Waste Collections within Parks, Reserves, Foreshores, Car Parks, City Centre and Bus Stops*.

A review was undertaken of the City's arrangements for the collection of non-domestic waste (within parks, reserves, foreshores, car parks, City Centre and bus stops). The methodology used included interviews with relevant City staff and the examination of information including collection schedules, in-house service costs and contractor costs.

The City is responsible for servicing approximately 971 mobile garbage bins which are situated within its parks, reserves, foreshores, car parks, City Centre and at bus stops. A number of bins are serviced more than once per week with run schedules indicating that 1,647 bin services could be made on a weekly basis. Collections are made six days a week using two vehicles. The larger vehicle collects in City north Tuesday to Thursday and from both north and south Monday and Sunday. The smaller vehicle collects from City south Tuesday to Thursday and is not used Monday or Sunday. There are no waste collections made on Saturdays by either vehicle.

The cost for servicing each bin by the City has been calculated as \$4.36 (based on the volume of tonnage tipped during 2012-13). This includes labour, fleet utilisation, overhead costs and tipping fees. The costs for external providers to undertake this service ranges from \$6.97 to \$9.38 per bin.

This review has revealed a number of areas where efficiencies can be made that will improve services, reduce operational costs and also increase capacity that may present the City with an opportunity to attract revenue by providing a commercial waste collection service without the need for additional resources. It is only after Recommendations 1 to 3 (listed below) have been completed that the true savings can be realised. It is planned that these recommendations will be completed by 30 June 2014.

This review recommended:

- 1 A comprehensive audit should be initiated to establish the number of mobile garbage bins and their exact locations within the City, which should also be mapped on the City's GIS system.
- 2 The servicing schedules and waste collection records should be reviewed in order to develop new servicing schedules that eliminates or minimises unnecessary time and travel or servicing of bins.
- 3 The review of the servicing schedules and waste collection records should be used to identify bins that are rarely or infrequently used with a view to removing or relocating them without adversely impacting on service.
- 4 The feasibility of providing a commercial waste collection service should be explored by the City, given a potential gap in the market.

A saving in relation to the service of emptying bulk bins situated at 20 community facilities was identified, although these bins were not part of the review. With tighter control of the receiving and processing of invoices, a saving of \$7,920 per annum was identified.

The second review that has commenced by the City's Executive and Risk Services business unit is the *Costs associated with the use of external contractors, effectiveness of the current work program and suggested delivery model for traffic management control.* This review is scheduled to be completed by 30 April 2014.

Service Reviews to be undertaken by an Independent Consultant

In February 2014 the City engaged an independent consultant to undertake a review of the following activities:

- Selected Civic Events.
- Selected Cultural Events.
- Building maintenance (including plumbing and electrical) and cleaning of City buildings.
- Utility consumption of City buildings.
- City's fleet utilisation and operating costs.

A meeting has been held with the consultant to discuss the preferred methodology to use, which will include meeting with the relevant managers to:

- Understand the strategy for the activity and how it is managed and structured.
- Understand any activity undertaken to evaluate service levels or challenging the current situation.
- Identify non-financial systems involved in the service provision.
- Obtain any further relevant information.

Issues and options considered

Preliminary research of leading practice approaches for service reviews has been undertaken. This included reviewing a 2012 study of service delivery reviews by the Australian Centre of Excellence for Local Government. The study reveals that progressive local governments have employed a formal system for reviewing the services they provide to their communities, and such processes had achieved tangible outcomes and community benefit. The study suggests that such reviews can identify opportunities for the following:

- Service and activity improvements.
- Cost savings.
- Service level adjustments.
- Alternative modes of service delivery.
- Improved resource usage.

Current Practice

The City currently undertakes reviews of activities as part of normal business practice. Recent reviews include:

- *Corporate advertising, promotions and public relations, and the planning and conducting of civic and ceremonial events.*
- Cost allocations were reviewed for these activities as part of the annual budget process. This information and data will be used as part of the review by the independent consultant.
- *Provision of E-Learning Programs in City Libraries.*

The City's four libraries deliver core services and programs including lending of resources in various formats, delivery of programs that enhance early literacy and lifelong learning, and a suite of e-learning services. A review was undertaken on the relatively new concept of e-learning programs.

Customer demand over the past four financial years has been:

- 2009-10 - 96,888 enquiries
- 2010-11 - 89,647 enquiries
- 2011-12 - 124,080 enquiries
- 2012-13 - 121,344 enquiries

The options considered for the delivery of e-learning programs within the City are:

- 1 Not deliver any e-learning programs. The result of this is that customers will struggle to access the suite of e-resources offered through the City's four Libraries. Customers will also struggle to access a variety of online mobile services such as booking hospital admissions, applying for jobs and accessing residency information. There will also potentially be an impact on the technology awareness and online literacy of customers, particularly for seniors, women and small business. This is contrary to philosophies and ambitions articulated in the recently adopted *Joondalup: Digital City* strategy.
- 2 Rely on not-for-profit organisations within the community to deliver e-learning programs. There are very limited options for this means of service delivery within the City, and it is unlikely that these not-for-profit organisations will have the capacity to assist customers to access the suite of e-resources offered through the City's Libraries.
- 3 Continue to deliver the four e-learning programs within the existing financial and staffing capacity. Libraries throughout the world are delivering e-learning programs as part of their business models.
- 4 Expand the e-learning programs offered. Appropriate business cases would be required to support such an expansion, which would need to consider customer demand, models of delivery, costing and potential for user-pays.

There is a considerable risk if the City's libraries were to cease delivering e-learning programs, particularly those that support access to library materials such as e-titles. There could also be negative community reaction as well as a potential breach of the *Agreement for the Delivery of Public Library Services* between the State and Local Governments.

This review recommended that the City continue the ongoing delivery of the suite of e-learning programs within the existing financial and staffing capacity, given the annual cost to deliver the four programs is \$6,137. The review also noted that technology is continually changing the service proposition for public libraries and that any expansion to the services that require additional resources will be the subject of business cases as part of the City's annual budgeting process.

- *Waste Operations*

The following cost efficiency savings have been identified during the annual budget process and review of services:

- Waste disposal charges – the reduced landfill rate per tonne has identified a saving of \$1.6 million per annum.
- New recycling material processing contract – the expression of interest process indicates the new processing rate will be significantly lower and will result in a saving of \$1.3 million per annum when the new contract is in place from January 2015. There are no risks associated with the commodity prices or operating the materials recovery facility.

- Metal recycling from bulk collection – a trial has been undertaken of the pre-collection of metals from bulk verge collections and has shown the activity can be undertaken at \$75 per tonne compared to the bulk collection cost of \$240 per tonne. This diversion from landfill will be included in the new bulk contract and it is expected to generate savings on the contract price.
- Mattress recycling from bulk collection – mattresses from bulk verge collections are now recycled at a cost of \$14, whereas they were previously included as landfill at a cost of \$25. This has identified a saving of \$25,000 during 2013-14. This diversion from landfill will be included in the new bulk contract and it is also expected to generate savings on the contract price.
- *Street Lighting Maintenance*

A new contract commenced on 1 January 2014 which contained improved management controls. Preliminary results show the service has greatly improved with better response and resolution times. The better contract management control and improved maintenance will generate savings on the contract price into the future.

- *In-house Resourcing of Electrical Expertise*

An Electrical Projects Officer position was established in July 2013 to allow the City to have in-house expertise to improve the management of electrical projects. The savings realised to date include:

- \$149,000 saving for a floodlighting project due to the change of supply specification to an alternative option.
- \$40,000 saving for the Entry Statement Project on costs for power connection.
- \$12,000 saving for a contract variation cost due to incorrect specification provided by an external design company.

- *Grant Funded Projects (Design and Supervision Costs)*

Design and supervision costs have been included in some grant funded projects, which has identified a saving of \$20,000 during 2013-14.

Legislation / Strategic Community Plan / policy implications

Legislation	<i>Local Government Act 1995.</i>
	<i>Local Government (Audit) Regulations 1996.</i>
Strategic Community Plan	
Key theme	Governance and Leadership.
Objective	Corporate capacity.
Strategic initiative	Continuously strive to improve performance and service delivery across all corporate functions.

Risk management considerations

The review of the City's activities will ensure the effective and efficient allocation of resources and service levels. Cost efficiency targets are essential to ensure the City's *20 Year Strategic Financial Plan* and *Strategic Community Plan* is achievable.

Financial/budget implications

The cost to undertake the first five external reviews is \$48,125.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

By undertaking this revised program of cost efficiency and service reviews it is expected that the following outcomes can be achieved:

- Service and activity improvements.
- Assisting longer-term financial sustainability.
- Ensuring value for money and operational efficiency.
- Service level adjustments.
- Considering alternative modes of service delivery.
- Improved utilisation of available resources.

It is also important to note that when introducing, adjusting or increasing service levels or programs, a cost benefit analysis must be undertaken to determine whether the identified return on investment is realised.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Norman, SECONDED Cr Amphlett that the Audit Committee NOTES this report outlining the activities undertaken relating to cost efficiency and service reviews.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

Appendix 4 refers

To access this attachment on electronic document, click here: [Attach4AUDIT100314.pdf](#)

Disclosure of interest that may affect impartiality

Name/Position	Mr Garry Hunt, Chief Executive Officer.
Item No/Subject	Item 8 – Confidential - Chief Executive Officer's Credit Card Expenditure for the quarter ended 31 December 2013.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	The Chief Executive Officer is the card holder.

ITEM 8 CONFIDENTIAL REPORT - CHIEF EXECUTIVE OFFICER'S CREDIT CARD EXPENDITURE FOR THE QUARTER ENDED 31 DECEMBER 2013

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	09882, 101515
ATTACHMENTS	Attachment 1 Chief Executive Officer's Credit Card Expenditure – Quarter Ended 31 December 2013
	<i>(Please Note: This attachment is confidential and will appear in the official Minute Book only)</i>
AUTHORITY / DISCRETION	Information - Includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting')

This report is confidential in accordance with Section 5.23(2)(a) of the *Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

a matter affecting an employee.

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Cr Amphlett, SECONDED Cr Ritchie that the Audit Committee NOTES the report on the corporate credit card usage of the Chief Executive Officer for the quarter ended 31 December 2013 forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

**ITEM 9 CONFIDENTIAL - FOLLOW-UP AUDIT REPORT ON
NON-COMPLIANCE IN CITY'S PROCUREMENT
PRACTICES**

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	89528, 101515
ATTACHMENT	Attachment 1 Follow Up Audit Report
	<i>(Please Note: This attachment is confidential and will appear in the official Minute Book only)</i>
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

This report is confidential in accordance with Section 5.23(2)(f)(i) of the *Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

- (f) *A matter that if disclosed, could be reasonably expected to —*
- (i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;*

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Cr Amphlett, SECONDED Cr Ritchie that the Audit Committee NOTES the consultant's report on the follow-up actions in response to the consultant's recommendations on purchasing compliance forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

**ITEM 10 CONFIDENTIAL - LOCAL GOVERNMENT
PROCUREMENT AUDIT**

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	25586, 101515
ATTACHMENTS	Attachment 1 Local Government Authority Procurement Audit – City of Joondalup
	<i>(Please Note: This attachment is confidential and will appear in the official Minute Book only)</i>
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

This report is confidential in accordance with Section 5.23(2)(f)(i) of the *Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

- (f) *A matter that if disclosed, could be reasonably expected to —*
 - (i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;*

A full report was provided to Elected Members under separate cover. The report is not for publication.

Cr Amphlett left the room at 7.49pm and returned at 7.51pm.

MOVED Cr Amphlett, SECONDED Cr Norman that the Audit Committee NOTES the findings of the RSM Bird Cameron Report following the audit of the City's procurement practices initiated by the Corruption and Crime Commission, provided as Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Norman, Ritchie and Taylor.

URGENT BUSINESS

Nil.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 8.07pm; the following Committee Members being present at that time:

Cr Tom McLean, JP
Cr Geoff Amphlett, JP
Cr Brian Corr
Cr Mike Norman
Cr Teresa Ritchie, JP
Cr Philippa Taylor