

minutes

Audit Committee

MEETING HELD ON **TUESDAY 2 AUGUST 2016**

TABLE OF CONTENTS

Item No.	Title	Page No.
	Declaration of Opening	3
	Declarations of Interest	4
	Apologies/Leave of absence	4
	Confirmation of Minutes	4
	Announcements by the Presiding Member without discussion	5
	Identification of matters for which the meeting may be closed to the public	5
	Petitions and deputations	5
	Reports	6
1	New Auditor – Moore Stephens Perth – [105507]	6
2	Executive and Risk Services Program 2016-17 – [49586]	9
3	Chief Executive Officer's Review of Systems Regarding Risk Management, Internal Control and Legislative Compliance – [49586]	13
4	External Review – Efficiency and Cost Saving Opportunities – [103906]	21
5	Half Yearly Report - Contract Extensions – 1 January to 30 June 2016 – [07032]	28
6	Half Yearly Report - Write Off of Monies - 1 January to 30 June 2016 – [07032]	31
7	Confidential – Chief Executive Officer's Credit Card Expenditure (January to March 2016) – [09882]	34
	Urgent Business	35
	Motions of which previous notice has been given	35
	Requests for Reports for future consideration	35
	Closure	35

CITY OF JOONDALUP

MINUTES OF THE AUDIT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2,
JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON
TUESDAY 2 AUGUST 2016.

ATTENDANCE

Committee Members

Cr Christine Hamilton-Prime	<i>Presiding Member</i>	
Mayor Troy Pickard		<i>from 5.49pm</i>
Cr Tom McLean, JP		
Cr Nige Jones		
Cr Russell Poliwka	<i>Deputy Presiding Member</i>	

Officers

Mr Garry Hunt	Chief Executive Officer	<i>from 5.48pm</i>
Mr Mike Tidy	Director Corporate Services	
Mr Brad Sillence	Manager Governance	
Ms Christine Robinson	Manager Executive and Risk Services	
Mr Roney Oommen	Manager Financial Services	<i>absent from 5.59 to 6.01pm</i>
Mr Peter McGuckin	Internal Auditor	
Mrs Deborah Gouges	Governance Officer	

Guest

Mr David Tomasi	Partner, Moore Stephens	<i>to 5.59pm</i>
-----------------	-------------------------	------------------

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 5.45pm.

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	Mr Garry Hunt, Chief Executive Officer.
Item No./Subject	Item 7 - Confidential - Chief Executive Officer's Credit Card Expenditure (January to March 2016).
Nature of interest	Interest that may affect impartiality.
Extent of Interest	The Chief Executive Officer is the card holder.

APOLOGIES/LEAVE OF ABSENCE**Apologies**

Cr Sophie Dwyer.
Cr John Logan.

Leave of Absence Previously Approved

Cr Liam Gobbert	29 August to 4 October 2016 inclusive;
Cr Sophie Dwyer	11 September to 16 September 2016 inclusive;
Cr Sophie Dwyer	6 November to 11 November 2016 inclusive.

CONFIRMATION OF MINUTES**MINUTES OF THE AUDIT COMMITTEE HELD ON 29 FEBRUARY 2016**

MOVED Cr Poliwka **SECONDED** Cr McLean that the minutes of the meeting of the Audit Committee held on 29 February 2016 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (4/0)

In favour of the Motion: Crs Hamilton-Prime, Jones, McLean and Poliwka.

MINUTES OF THE SPECIAL AUDIT COMMITTEE HELD ON 14 JUNE 2016

MOVED Cr Poliwka SECONDED Cr McLean that the minutes of the special meeting of the Audit Committee held on 14 June 2016 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (4/0)

In favour of the Motion: Crs Hamilton-Prime, Jones, McLean and Poliwka.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

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

The Chief Executive Officer entered the room at 5.48pm.

Mayor Pickard entered the room at 5.49pm.

A presentation was given by Mr David Tomasi for the following Item:

Item 1 New Auditor – Moore Stephens Perth.

REPORTS**ITEM 1 NEW AUDITOR - MOORE STEPHENS PERTH**

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	105507, 101515
ATTACHMENTS	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 the attendance of the newly appointed auditor, Moore Stephens Perth at the Audit Committee meeting to be held on 2 August 2016.

EXECUTIVE SUMMARY

At its meeting held on 28 June 2016 (CJ104-06/16 refers), Council adopted the recommendation of the Audit Committee and appointed Moore Stephens Perth as the City's auditor with effect from the audit of the 2015-16 financial year for a period of two years, with the option to extend for a further year. The new auditor has been invited to introduce Moore Stephens Perth to the Audit Committee.

It is therefore recommended that the Audit Committee NOTES the attendance of the auditor Moore Stephens Perth, at the Audit Committee meeting to be held on 2 August 2016.

BACKGROUND

Section 7.2 of the *Local Government Act 1995* requires an auditor appointed by the local government to audit the accounts and annual financial report of the local government. At its meeting held on 28 June 2016 (CJ104-06/16 refers), Council appointed Moore Stephens Perth as the City's auditor for the 2015-16 and 2016-17 financial years, with an option to extend this to the audit of 2017-18.

DETAILS

The City's previous contract for audit services was with Grant Thornton Pty Ltd. With the expiry of that three-year contract with the conclusion of the 2014-15 audit, the City invited quotes for a new audit services contract in 2016.

Moore Stephens Perth was appointed by Council as the new auditor with effect from the audit of the 2015-16 year for a period of two years (CJ104-06/16 refers). Grant Thornton had been the City's auditor for a number of years prior to this.

It is therefore considered appropriate that Moore Stephens Perth be introduced to the Audit Committee by the partner in charge and have an opportunity to discuss their audit approach with the committee before finalising the audit of the 2015-16 accounts and annual financial report.

The Audit Committee meeting scheduled to be held on 2 August 2016 presents the ideal opportunity for this to take place.

Legislation / Strategic Community Plan / policy implications

Legislation *Local Government Act 1995.*

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

Not applicable.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr McLean SECONDED Mayor Pickard that the Audit Committee NOTES the attendance of the auditor Moore Stephens Perth, at the Audit Committee meeting to be held on 2 August 2016.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr Hamilton-Prime, Mayor Pickard, Crs Jones, McLean and Poliwka.

The Manager Financial Services and Mr David Tomasi left the room at 5.59pm.

The Manager Financial Services entered the room at 6.01pm.

ITEM 2 EXECUTIVE AND RISK SERVICES PROGRAM 2016-17

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	49586, 101515
ATTACHMENTS	Attachment 1 Executive and Risk Services Program 2016-17
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 *Executive and Risk Services Program 2016-17*, which includes the *Internal Audit Program*.

EXECUTIVE SUMMARY

The *Executive and Risk Services Program* sets out the program of audits to guide audit activity, the work of the Internal Auditor and other monitoring and reviewing activities to be undertaken.

The *Internal Audit Program* section allows for Chief Executive Officer and other unspecified management requests, specialist advice and investigations. This section is subject to change and modification during the year on the authorisation of the Chief Executive Officer.

It is therefore recommended that the Audit Committee NOTES the Executive and Risk Services Program for 2016-17 forming Attachment 1 to this Report.

BACKGROUND

With the establishment of the Executive and Risk Services Business Unit in July 2013 the City has been repositioning itself in order to gain a better understanding of the risks it is exposed to and develop strategies to combat those risks.

This is due in some part to changes to the reporting regime of the Corruption and Crime Commission and the Public Sector Commission, as well as local government being identified as high risk for fraud and misconduct.

The main services of Executive and Risk Services are as follows:

- *Internal Audit Program* – which provides an independent and objective review of City operations and systems; and provides assurance that risk management, controls and compliance processes are effective.

- *Service Effectiveness and Efficiency Review Program* – which ensures the integrity of data and information; as well as identifying areas to reduce costs by eliminating and identifying waste and improving efficiency and effectiveness throughout the City's operations.

To further assist with this repositioning, a more targeted and intelligence led approach will be implemented, such as:

- targeted audits and reviews using data analytics to allow for quicker identification and assessment of issues
- evidence based approach to prioritise areas for review
- benefits management process to quantify potential savings for improvement opportunities and monitor benefits post implementation.

DETAILS

The program incorporates the following areas:

- 1 *Internal Audit Program* – this sets out the internal audit activity to be carried out by the City's Internal Auditor (who reports directly to the Chief Executive Officer for assigned activities). This section is established in consultation between the Chief Executive Officer and the Internal Auditor and where appropriate includes input from Directors to address areas that present risks to the City's operations.

The main focus for this program will be to prioritise and undertake reviews of the insights of data analytics on procurement and finance data, which is a recommendation from the fraud and misconduct risk assessment. These findings will better prioritise and direct internal audit activities to those areas of operational risk.

- 2 *Service Effectiveness and Efficiency Review Program* – this sets out the reviews to be carried out by the City's Business Performance Analyst (who reports directly to the Chief Executive Officer for assigned activities). This section is established in consultation between the Chief Executive Officer and the Business Performance Analyst and where appropriate includes input from Directors or Managers to identify areas to reduce costs by eliminating and identifying waste and improving efficiency and effectiveness throughout the City's operations. This program also includes service level monitoring and review, and business/financial/operational analysis to inform risk management decision-making and to provide confidence and integrity of data and/or information.

This program will also prioritise insights of data analytics to help identify operational efficiency and cost saving opportunities, including analysing and evaluating headcount, payroll and spend data.

Both areas are subject to change and modification during the year on the authorisation of the Chief Executive Officer.

- 3 *Data Analytics Program and Local Government Benchmarking Program* – this will allow for targeted audits and reviews for the *Internal Audit Program* and *Service Effectiveness and Efficiency Review Program*, as well as comparative benchmarking with local governments from Western Australia, New South Wales and New Zealand.

- 4 *Quality Management System* – over the past three years the City has implemented ISO:9001 (Quality Management System) within the Infrastructure Services directorate. The main objective of this system is to enhance the City's commitment to continuous improvement and customer service. An external surveillance audit to maintain certification is currently underway.

Aligning this system to the *Internal Audit Program* and *Service Effectiveness and Efficiency Review Program* will assist to fulfil the *Strategic Community Plan* strategic initiative to continuously strive to improve performance and service delivery across all corporate functions.

Legislation / Strategic Community Plan / policy implications

Legislation Regulation 6 of the *Local Government (Financial Management) Regulations 1996*.
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.
- Continuously strive to improve performance and service delivery across all corporate functions.

Key theme Financial Sustainability.

Objective Effective management.

Strategic initiative To conduct business in a financially sustainable manner.

Policy Not applicable.

Risk management considerations

Internal audit is an independent appraisal service, and audit activity is an important element of risk management and a contributor to the mitigation of risk.

Monitoring and reviewing activities will provide evidence of the appropriateness and effectiveness of systems and procedures in regard to risk management, internal control and legislative compliance, as required by the *Local Government (Audit) Regulations 1996*.

Aligning the internal audit and monitoring and reviewing activities to ISO:9001 (Quality Management System) and the data analytics program will also assist with risk mitigation strategies to ensure the City conducts business in a financially sustainable manner.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

Internal audit activity focuses on areas of risk including financial and non-financial systems and compliance with legislation, regulations, policies and best practice. Recommendation action plans are developed and agreed with management for audit recommendations and follow-ups conducted to ensure that they are implemented as agreed.

The *Service Effectiveness and Efficiency Review Program* focuses on improving efficiency and effectiveness throughout the City's operations and will follow the method of identifying target services, assessing and identifying opportunities, prioritising opportunities and developing recommendations, and monitoring and tracking progress.

Insights gained from the data analytics program will allow for an evidence based approach to prioritise areas for audit and review, as well as assisting to quantify potential savings for improvement/cost saving opportunities.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr McLean SECONDED Cr Jones that the Audit Committee NOTES the *Executive and Risk Services Program* for 2016-17 forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr Hamilton-Prime, Mayor Pickard, Crs Jones, McLean and Poliwka.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnAUDIT160802.pdf](#)

ITEM 3 CHIEF EXECUTIVE OFFICER'S REVIEW OF SYSTEMS REGARDING RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	49586, 101515
ATTACHMENTS	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 Council to note the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the City's systems in regard to risk management, internal control and legislative compliance.

EXECUTIVE SUMMARY

The *Local Government (Audit) Regulations 1996* require a local government's Chief Executive Officer to review, at least once every two years, the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance.

At its meeting held on 2 August 2016 a report was presented to the Audit Committee providing the results of the Chief Executive Officer's review since the last report in October 2014.

It is therefore recommended that Council NOTES the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the City's systems in regard to risk management, internal control and legislative compliance.

BACKGROUND

The *Local Government (Audit) Regulations 1996* prescribe the requirements for local governments in relation to the engagement of auditors, the annual compliance audit return and the functions of the audit committee.

Regulation 16 – Functions of Audit Committee

16 *Audit committee, functions of*

An audit committee -

(c) *is to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to -*

- (i) *report to the council the results of that review; and*
- (ii) *give a copy of the CEO's report to the council.*

Regulation 17 – CEO to review certain systems and procedures

17 *CEO to review certain systems and procedures*

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to -*
 - (a) *risk management; and*
 - (b) *internal controls; and*
 - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

This report provides the results of the Chief Executive Officer's review.

DETAILS

The Chief Executive Officer has reviewed the City's systems in relation to risk management, internal control and legislative compliance and considers that they are appropriate and effective.

The City's activities that support risk management, internal control and legislative compliance include informing/guiding documents, taskforces/committees and audits/reviews/assessments and are outlined in this report.

Informing / Guiding Documents

Risk Management Framework

The City has had a *Risk Management Framework* in place since January 2009 which was updated and presented to the Audit Committee at its meeting held on 12 August 2013. The framework was endorsed by Council at its meeting held on 24 September 2013 (CJ190-09/13 refers). The framework describes the principles of risk management and details the roles and responsibilities of risk management from the Audit Committee to individual employees. The framework includes a risk level matrix and criteria for assessing risks in terms of likelihood and consequences. The Internal Auditor reviews the framework on an annual basis to ensure it is current and reflects the latest Australian Standards. The framework was last updated in October 2014 and the 2015 review did not require any changes.

Risk Management Policy

The City has had a *Risk Management Policy* in place since being adopted by Council at its meeting held on 24 September 2013 (CJ190-09/13 refers) which states the objectives for, and commitment to, risk management. The policy is designed to align with this and make a statement on the City's objectives, approach and commitment to effective risk management across all its operations. The policy includes the following statement:

“The City is committed to ensuring that effective risk management remains central to all its operations while delivering a wide and diverse range of services to its residents and visitors. The management of risk is the responsibility of everyone and should be an integral part of organisational culture and be reflected in the various policies, protocols, systems and processes used to ensure efficient and effective service delivery. The Risk Management Framework will reflect good practice and sound corporate governance and be consistent with AS/NZS ISO 31000:2009 Risk management – Principles and guidelines.”

The draft policy was presented to the Audit Committee at its meeting held on 12 August 2013 prior to being adopted by Council.

The policy has not been reviewed since being adopted by Council at its meeting held on 24 September 2013. As there was no need to change the *Risk Management Framework* following the 2015 review, it was determined that the policy did not need to be reviewed.

Corporate Risk Register

The City has developed a *Corporate Risk Register* which captures risks that may prevent the achievement of the City’s key strategic objectives and major systems and projects. The register includes financial and non-financial systems and helps ensure compliance with key legislation, details key current controls and identifies new controls to reduce risks. The register is an important element of risk management that assists the City in capturing and recording risks that threaten the major systems and the delivery of major projects.

The register was presented to the Audit Committee at its meeting held on 10 March 2014 and endorsed by Council at its meeting held on 18 March 2014 (CJ044-03/14 refers). The register is continually monitored by Executive and Risk Services and updated on a quarterly basis to ensure agreed actions are implemented and that new and emerging risks are captured. The register is currently being updated to better define strategic and operational risks and will be presented to the Audit Committee following review by the City’s internal Risk Management Taskforce in June 2016.

Business Unit Risk Registers

Each business unit develops their own risk register as part of the annual business planning process. The risk registers identify, assess and describe control actions for risks that affect the operation and delivery of services by that business unit to internal and external stakeholders.

Emergency Management Risk Register

Local government has statutory obligations for emergency management and the risk register is essential to identify risks, their severity and to identify the agencies responsible for mitigation of the risk. The City developed an *Emergency Management Risk Register* in conjunction with the Western Australian Local Government Association which identifies the actions that should be instigated to reduce the probability and potential impact of the identified risks. The register was presented to the Audit Committee on 18 March 2013 prior to being submitted to the Local Emergency Management Committee.

A review is currently scheduled for the first half of 2016-17.

Business Continuity Plan

The City’s current plan was developed and tested in conjunction with Local Government Insurance Services during 2012 and 2013 to ensure the City can prepare for, and continue to operate after an incident or crisis. This plan is a significant component of the City’s overall management of risk and increases the City’s recovery capabilities ensuring decisions are made quickly minimising financial, environmental and reputational impacts.

Directorate Plans are scheduled for annual reviews to be completed by 31 October each year. The *Consolidated Business Continuity Plan* is currently being reviewed and updated in readiness for a desktop exercise scheduled to occur by 31 December 2016.

Purchasing Policy

The City's *Purchasing Policy*, adopted by Council at its meeting held on 15 July 2014 (CJ126-07/14 refers), was reviewed in light of legislative changes to the *Local Government (Functions and General) Regulations 1996* that took effect on 1 October 2015.

In 2015, the WA Department of Local Government and Communities introduced a number of amendments to the *Local Government (Functions and General) Regulations 1996*. Changes to Part 4 – Provision of goods and services necessitated a corresponding review of the City's *Purchasing Policy* and identified a number of changes required for the City to comply with the revised legislation. Key changes include amendments to regulations 11, 11A, 12, 14, 15, 16, 17, 18, 21 as well as the introduction of regulation 21A and regulations 24AA to 24AJ (as division 3 to Part 4). The City also identified some additional improvements to the policy.

The amendments were necessary to bring the City's *Purchasing Policy* in line with the revised legislation. While the policy could have been retained in its current form without giving effect to the legislative updates, the City would have been unable to make use of either the increased tender threshold or the provision for establishment of pre-qualified supplier panels as set out in the amended legislation. This could have resulted in on-going operational inefficiencies and higher use of resources.

The policy's objective remains the same – *to outline the City's commitment and approach to achieving value for money in an equitable and transparent manner when purchasing goods and services*, as does its statement – *The City is committed to developing and maintaining purchasing systems and practices that ensure goods and services are obtained in an equitable and transparent manner that complies with applicable legislation and delivers value for money*.

Purchasing Protocols

The City's purchasing practices must be carried out in compliance with the following Purchasing Protocols, which were also updated in line with the amendments to the City's *Purchasing Policy*:

- Purchasing of Goods and Services.
- Tenders for Providing Goods and Services.
- Quotations for Providing Goods and Services.
- Purchasing Goods and Services under Panel Contracts.

Compliance Calender

A compliance calendar has been in place since July 2014 which outlines the City's obligations for statutory reporting, legislative compliance or formal submissions that is required under various legislative provisions.

Taskforces and Committees

Risk Management Taskforce

The City has in place a Risk Management Taskforce that meets on a quarterly basis to discuss major risk issues that may arise within the City. The membership includes the Chief Executive Officer, Director Corporate Services, Director Infrastructure Services, Manager Executive and Risk Services, Internal Auditor and various other City officers.

The Terms of Reference were updated in February 2016 and include the following:

- Review and provide advice on the adherence to and corporate reporting of the *Risk Management Policy, Framework and Corporate Risk Register* (including protocols, procedures and processes).
- Review the *Business Continuity Plan* and ensure that it is tested on a regular basis.
- Undertake peer review (particularly impact and consequences) of major projects and new initiatives (valued over \$2 million) and policy / strategy initiatives prior to being presented to Council.
- Examine, investigate, review and/or make recommendations on any other matter pertaining to the risk management of the City referred to it by the Chief Executive Officer.
- Consider any reports of the Health and Safety Committees (inside staff and outside staff) and Emergency Planning Committee, as well as providing guidance and direction on repetitive / reoccurring matters or any high level matters that require intervention.
- Review the terms of reference of the Health and Safety Committees and the Emergency Planning Committee.
- Consider the requirements for the awareness and understanding of corporate risk identification and its management.

Financial Review Taskforce

The Financial Review Taskforce has a clear focus on best practice financial management and the future financial sustainability of the City. Permanent agenda items include salaries and wages, capital expenditure, fleet and plant replacement, maintenance operation expenditure, capital works program and purchasing compliance.

The membership includes the Director Corporate Services, Director Infrastructure Services, Director Governance and Strategy, Manager Financial Services and Internal Auditor. The Chief Executive Officer is an ex-officio member. Managers and financial officers responsible for those agenda items listed above also attend to provide clarification on issues raised.

Audit Committee

The role of the Audit Committee is to provide guidance and assistance to Council as to:

- the carrying out of functions in relation to audits under the *Local Government Act 1995*
- the development of a process used to select and appoint a person to be the City's auditor
- matters to be audited and the scope of audits
- the carrying out of functions relating to other audits and other matters related to financial management
- the review, the appropriateness and effectiveness of the City's systems and procedures in relation to:

- risk management
- internal control
- legislative compliance
- internal and external audit reporting

The membership of the committee consists of six Elected Members with deputies, as well as a Presiding Member and Deputy Presiding Member.

Audits / Reviews / Assessments

Executive and Risk Services Program

The *Executive and Risk Services Program* sets out the program of audits to guide audit activity and other monitoring and reviewing activities to be undertaken and is presented annually to the Audit Committee.

The program incorporates the following areas:

- The *Internal Audit Program* sets out the internal audit activity to be carried out by the City's Internal Auditor (who reports directly to the Chief Executive Officer for assigned activities). The *Internal Audit Program* is established in consultation between the Chief Executive Officer and the Internal Auditor and where appropriate includes input from Directors to address areas that present risks to the City's operations. Internal audit is an independent appraisal service, and audit activity is an important element of risk management and a contributor to the mitigation of risk. The *Internal Audit Program* and relevant audits are also reviewed by an external auditor as part of the annual financial audit.
- The *Service Effectiveness and Efficiency Review Program* sets out the reviews to be carried out by the City's Business Performance Analyst (who reports directly to the Chief Executive Officer for assigned activities). The program is established in consultation between the Chief Executive Officer and the Business Performance Analyst and where appropriate includes input from Directors or Managers. This program includes service level monitoring and review, and business/financial/operational analysis to inform risk management decision making and to provide confidence and integrity of data and/or information.

Audits and reviews that have been completed or are currently being undertaken since October 2014 include the following:

- Gift registers and annual returns.
- Corporate trade cards and credit cards.
- Risk management plans for major City events.
- Emergency management plan for Craigie Leisure Centre.
- Emergency relief funding.
- Fraud and misconduct risk assessment.
- Compliance with Payment Card Industry Data Security Standard.
- Integrity of Financial Models.

Fraud and Misconduct Risk Assessment

In June 2015 KPMG finalised a fraud and misconduct risk assessment into the City's procurement practices. This assessment identified gaps in the current internal controls for which mechanisms have either been fully implemented or are in progress to further reduce risks in this area.

Compliance Audit Return

The City continues to complete the annual Compliance Audit Return and submit it to the Department of Local Government and Communities by the required deadline. The return focuses on key areas of legislation and the City has consistently demonstrated a high level of compliance.

External Audit Services

Annual financial audit – as required by section 7.2 of the *Local Government Act 1995*, the City appointed Grant Thornton to audit its accounts and annual financial report for a three year period (Audit Services 2012-13 to 2014-15). Grant Thornton is a well-established audit firm with significant industry experience and the capacity to provide the services to the City. At the expiry of this contract period, Moore Stephens Perth was appointed for a period of two years with an option for a further one year. Moore Stephens Perth is also a well-established audit firm with significant industry experience and has the proven capability to conduct the City's audit.

Four yearly review of financial management systems – as required by Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, the City appointed Deloitte Touche Tohmatsu in 2014 to undertake the review, which concluded:

“In relation to the nine key financial management functions included in the scope of the assignment, the City appears to have consistently maintained relevant protocols, policies, processes and procedures, which are fundamentally the same as those last assessed in 2010, except for the further enhancements noted at Section 3 of this Report.”

The report identified further opportunities for strengthening the internal control environment and made a number of recommendations, which have already been actioned or are currently in progress.

Public Sector Commission Integrity and Conduct Survey

Under the revised *Corruption, Crime and Misconduct Act 2003* the Public Sector Commission monitors and reports to Parliament on behavioural trends and activities undertaken by public authorities to respond effectively to and prevent misconduct. In addition, section 22 of the *Public Interest Disclosure Act 2003* requires the Public Sector Commissioner to report annually to Parliament on the compliance of public authorities with this Act.

In July 2015 the City completed a public interest disclosure survey which also included details on integrity and ethical conduct. This has now been replaced by the Integrity and Conduct Survey and is currently being completed by the City. The information gathered from these surveys enables the Public Sector Commission to develop strategies to help prevent misconduct in accordance with the *Corruption, Crime and Misconduct Act 2003*.

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

- Demonstrate accountability through robust reporting that is relevant and easily accessible by the community.
- Continuously strive to improve performance and service delivery across all corporate functions.

Policy

Not applicable.

Risk management considerations

The *Local Government (Audit) Regulations 1996* enhance the reporting of the City's approach to risk management, internal controls and legislative compliance with increased transparency and involvement for Elected Members.

Financial / budget implications

Not applicable.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

With the establishment of the Executive and Risk Services business unit in July 2013, the City has been repositioning itself in order to gain a better understanding of the risks it is exposed to and develop strategies to combat those risks.

The City continues to review and improve its systems to ensure effective monitoring of risk management programs, the maintenance of sound internal controls, and that a strong attitude towards legislative compliance persists.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Poliwka SECONDED Cr McLean that Council NOTES the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the City's systems in regard to risk management, internal control and legislative compliance.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr Hamilton-Prime, Mayor Pickard, Crs Jones, McLean and Poliwka.

ITEM 4 EXTERNAL REVIEW – EFFICIENCY AND COST SAVING OPPORTUNITIES

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	103906, 101515
ATTACHMENTS	Attachment 1 City of Joondalup Cost Optimisation Strategies: Global Perspective Attachment 2 Key statistics of the first five participants
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 outcomes of the review that explored on a global basis what other local governments are doing or have done to identify efficiency and cost saving opportunities across a wide range of services.

EXECUTIVE SUMMARY

Since July 2013 the City has been undertaking more focused 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.

At its meeting held on 17 August 2015 (CJ150-08/15 refers), Council requested that the Chief Executive Officer engage an appropriately qualified and independent organisation to review the City's *Service Effectiveness and Efficiency Review Program* and to recommend additional areas for review to achieve further efficiencies and cost savings.

To ensure the service review program intent and methodologies are sound and in line with Australian and international best practice, an external review has been undertaken to compare the City's service review program with leading municipalities from Australia, New Zealand, Canada and the United Kingdom by interviewing senior public servants with accountability for managing expenditure.

It is therefore recommended that the Audit Committee NOTES the outcomes of the review that explored on a global basis what other local governments are doing or have done to identify efficiency and cost saving opportunities across a wide range of services.

BACKGROUND

The Chief Executive Officer initiated an extensive program of review 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 improvement plans are implemented following reviews of existing service levels. Since 2005 the City has had a policy framework that aligns the City's performance management systems and practices with the principles of the *Business Excellence Framework*. This is a practical methodology for continuous improvement across all management aspects of the organisation, and better practice in the provision of services to the community.

As part of the annual budget process Managers are required to assess assumptions on which estimates and/or proposals are based for customers, volumes, legislative change and significant cost changes. Proposals for any changes (resources, service levels, internal restructuring and processes) are to include the impacts to the 'business as usual' budget estimate. These annual reviews are aimed at:

- identifying the service drivers (statutory, financial, operational) and reviews what is currently delivered
- considering desirable service levels – what should be delivered (within budgeting realities) while maintaining customer needs and process improvement focus
- reviewing and recommending how the service would be best delivered (delivery model).

Service Review Program

Five major review methodologies were identified to assist the City's approach. These are:

- Cost Efficiency and Service Reviews.
- Performance Audits / Reviews as guided by the *Standard on Assurance Engagement ASAE 3500 Performance Engagements*.
- Cost Management Program.
- Structured Cost Reduction.
- *ISO 9001:2008 Quality Management Systems Audits*.

These methodologies have been identified from partnering with other local government authorities, researching of leading practice approaches and advice sought from the Western Australian Office of the Auditor General on the conduct of efficiency and effectiveness reviews.

In order to be able to make sound and sustainable decisions, it is critical that data and information be gathered to ensure a data-driven approach to understanding, comparing and interrogating costs and service levels.

The intent of the service review program (and business as usual reviews) is to guide the City in demonstrating effectiveness and efficiency of services provided. The reviews are aimed at identifying opportunities for:

- 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.

Review of the City's Service Effectiveness and Efficiency Review Program

At the Audit Committee meeting held on 29 February 2016 it was reported that Deloitte undertook a review of the City's *Service Effectiveness and Efficiency Review Program* (Part One) and found that:

- The City has initiated a couple of individual service reviews and has selected a high level approach that is appropriate for the achievement of its objectives.
- A business case template has been drafted by Executive and Risk Services, intended to be used broadly to evaluate opportunities for service improvements as well as to provide Business Units with a template to be used to evaluate and present proposals for business improvement initiatives.
- The Executive and Risk Services team have drafted reporting templates to support the management and tracking of service reviews.

Deloitte also recommended:

- The use of data analytics to provide insights to help identify operational efficiency and cost saving opportunities.
- Analyse and evaluate headcount, payroll and spend data to uncover further efficiencies and cost savings.
- Prioritise recommendations and resourcing to achieve program objectives and outcomes.

The review to compare the City's service review program with leading municipalities on a global basis is the second part of the review.

DETAILS

A scope was developed by the City for an appropriately qualified and independent organisation to review the City's methodology for undertaking its *Service Effectiveness and Efficiency Review Program* to ensure it is in line with Australian and international best practice and that all opportunities for achieving efficiencies and cost savings are being explored.

Deloitte were appointed in April 2016 to undertake the review which included conducting a series of interviews with experts who are senior public servants with accountability for managing expenditure in municipalities across Australia, New Zealand, Canada, Sweden, Puerto Rico and the United Kingdom. Deloitte leveraged the services of an external research partner, 10EQS, who recruited and conducted the interviews using a domain-experienced interviewer. A report summarising the findings of the interviews is referred to as Attachment 1.

Participants in the research were:

- 1 Finance Manager, Victoria Shire Council, Australia.
- 2 Program Manager Business Transformation, Victoria City Council, Australia.
- 3 Director of Finance, Nova Scotia District Municipality, Canada.
- 4 Deputy City Manager and Chief Financial Officer, Province of Ontario City Council, Canada.
- 5 Executive Director Special Projects, Waikato Region City Council, New Zealand.

- 6 Chief Financial Officer, Skelleftea Region Municipality, Sweden.
- 7 Chairman of the Board, City Council, Sweden.
- 8 Transformation Officer, Canterbury City Council, Kent, United Kingdom.
- 9 Strategy and Transformation Officer, Worcestershire City Council, United Kingdom.
- 10 Finance Director, Puerto Rico.

The interview questions were agreed with the City and were intended to uncover how other local governments:

- identify various types of efficiency and cost saving opportunities
- prioritise and implement the selected initiatives.

The questions posed were:

- 1 What have been the best three-to-five initiatives the local government has undertaken in the last one-to-three years to deliver efficiencies/cost savings?
- 2 What was your strategy for identifying these areas for cost saving?
- 3 Were these cost saving initiatives managed as a program of work or were they individually identified and managed?
- 4 How were these initiatives prioritised for implementation?
- 5 How and who made the decision on whether a particular initiative was worth pursuing/ implementing?
- 6 Who led the implementation of the initiative(s) and how did you structure your team?
- 7 What have been the fiscal outcomes of these initiatives (expressed as a percentage of budget spend and indicative total budget for that particular service)?
- 8 What impact has the initiative had on service delivery outcomes?
- 9 Do you have an innovation program that drives efficiencies across the services you render to residents? If yes, how does this operate and how can you evidence success?

Key Findings of Review

Deloitte have summarised the key findings of the review into the following four areas, with the City's position being demonstrated in italics:

- 1 Key Initiatives to Drive Cost and Efficiency.

The key efficiency and cost saving opportunities undertaken by local Councils consisted of process improvement and financial efficiencies targeted across all service streams. Some examples include:

- Efficiency review study – covered every area of the organisation (refer to UK Canterbury City Council and Ontario City Council).
- Shared Services / business process optimisation / consolidation.
- Reclassification of “life” across asset classes to drive down depreciation (refer to Victoria Shire Council).
- Identification and disposal of under-performing land/building assets (refer to Ontario City Council and Canterbury City Council UK).

City's Current Position

Since July 2013 the City has been undertaking more focused 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.

2 Identification and Prioritisation of Initiatives.

The external agenda plays a significant role in shaping cost management strategies and program efficiency initiatives:

- Understanding the political narrative of the day.
- The need to be aware of community expectations.
- Focusing on strategic vision and assessing all projects through this lens.

While most local governments used alignment to strategy and level of dollar savings and customer feedback as a way to prioritise initiatives, some were varied in their approach – using financial and economic impact measures, allowing each division to prioritise their respective initiatives.

City's Current Position

The City is well positioned with a good understanding of the political narrative on a local, state and federal level. The Chief Executive Officer ensures that information is gathered to ensure the City is across current issues and sector trends. One such method is the membership of the Local Government Chief Officers Group who has recently undertaken site visits of the best-of-the-best local authorities who have strong economic development, tourism and service delivery focus. Recent locations include City of Coffs Harbour, City of Darwin and City of Townsville.

The City has strong engagement with the community and ensures expectations are captured through the Strategic Community Plan and other stakeholder management programs.

All projects undertaken by the City are aligned with the Strategic Community Plan and the Corporate Business Plan.

3 Program Structure.

- Most of the local governments took a holistic approach (that is managing initiatives as a program of work rather than individual projects). In particular one expert noted – delivering a holistic program of work significantly reduced risk of consequential impact across services.
- Independent assessment was used as a catalyst to drive change agenda. External consultants were bought into the program to provide objective analysis of the work and processes. There was strong return on investment where external support was leveraged.
- A centralised/dedicated Project Management Office was used to bring a co-ordinated focus on program of work and drive implementation.
- Accountability and responsibility resided where the services are delivered to enable ownership.

City's Current Position

The City commenced a Service Effectiveness and Efficiency Review Program and has engaged qualified independent consultants to review the Program.

The City has established a Project Management Office to centrally control and monitor the progress of major projects.

Recommendations from service reviews reside with the business owner. Executive and Risk Services support, monitor and audit the implementation of recommendations made from the reviews.

4 Measures of Success.

Depending on the nature of initiative, success measures used to evaluate the initiatives included both qualitative and quantitative indicators. Some examples include:

- Identified and realised savings (as a percentage of operating expenditure).
- Balancing community expectation, engagement and acceptance.
- Improved customer service and service delivery effectiveness.

City's Current Position

The City is currently researching and establishing a benefits mapping system to ensure efficiency gains made through service reviews and process improvements are captured in a centralised system and monitored.

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

Corporate capacity.

Strategic initiative

Continuously strive to improve performance and service delivery across all corporate functions

Policy

Not applicable.

Risk management considerations

The review of the City's activities will improve 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 implicationsCurrent financial year impact

Account no.	1.210.A2301.3265.0000.
Budget Item	Consultancy.
Budget amount	\$ 50,000
Amount spent to date	\$ 0
Proposed cost	\$ 31,500
Balance	\$ 18,500

All amounts quoted in this report are exclusive of GST.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

A meeting has been scheduled with Deloitte to discuss the outcomes of their review, including the possibility of incorporating the work undertaken by the City of Boston, who has a performance management program called *Boston About Results* “...that uses performance measurement and data analytics to develop strategies and programs that evaluate City performance, reduce costs and ultimately deliver better services to their residents, businesses and visitors. Boston also has a collection of scorecards that outline the goals of the program but most importantly provide a wealth of information that afford the public insight into the services the City provides along with a snapshot of their performance.” (accessed from <https://www.cityofboston.gov/BAR/>).

The City of Boston has also been highlighted in a 2015 report published by Microsoft Australia titled *Accelerating Australia’s innovation ecosystem: Lessons from Boston and recommendations for a unique path forward*. This report will also be used to enhance the City’s service delivery by identifying efficiency and cost saving opportunities.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Pickard SECONDED Cr Jones that the Audit Committee NOTES the outcomes of the review that explored on a global basis what other local governments are doing or have done to identify efficiency and cost saving opportunities across a wide range of services.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr Hamilton-Prime, Mayor Pickard, Crs Jones, McLean and Poliwka.

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2agnAUDIT160802.pdf](#)

ITEM 5 HALF YEARLY REPORT - CONTRACT EXTENSIONS – 1 JANUARY TO 30 JUNE 2016

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	07032, 101515
ATTACHMENTS	Attachment 1 Contract Expenditure Report
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 January to 30 June 2016.

EXECUTIVE SUMMARY

The schedule of contracts extended by the Chief Executive Officer during the half-year ended on 30 June 2016 is provided in Attachment 1.

It is therefore recommended that the Audit Committee NOTES the contracts extended by the Chief Executive Officer during the period 1 January to 30 June 2016, 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 January to 30 June 2016 three 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 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 January to 30 June 2016.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr McLean SECONDED Mayor Pickard that the Audit Committee NOTES the contracts extended by the Chief Executive Officer during the period 1 January to 30 June 2016, forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr Hamilton-Prime, Mayor Pickard, Crs Jones, McLean and Poliwka.

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3agnAUDIT160802.pdf](#)

**ITEM 6 HALF YEARLY REPORT - WRITE OFF OF MONIES -
1 JANUARY TO 30 JUNE 2016**

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	07032, 101515
ATTACHMENTS	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

To report to the Audit Committee on monies written off under delegated authority.

EXECUTIVE SUMMARY

The total amount written off under delegated authority during the six months ended 30 June 2016 is \$6,470.27, comprising 5,026 small amounts of unpaid rates and costs.

It is therefore recommended that the Audit Committee RECEIVES the report of amounts written off under delegated authority for the period 1 January to 30 June 2016.

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 Chief Executive Officer 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 Chief Executive Officer 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 30 June 2016 a total amount of \$6,470.27 was written off as unrecoverable. This amount included the following:

- 5,020 items of small rates balances that are below the reportable limit, totalling \$5,350.06, 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 items of legal fees related to rates recovery totalling \$1,120.21 being court costs written off as agreed with the ratepayers on reaching a settlement of their dues.

Issues and options considered

Not applicable.

Legislation / Strategic Community Plan / policy implications

Legislation Section 6.12(1)(c) of the *Local Government Act 1995*.
Section 5.42 of the *Local Government Act 1995*.
Section 5.44 of the *Local Government Act 1995*.

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.
Budget amount	\$ 13,500
Year to Date Budget	\$ 13,500
Year to Date Actual	\$ 10,456
Year to Date variance	\$ 3,044

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

Monies written off under delegated authority comprised 5,020 small items of unpaid rates totalling \$5,350.06, all of which were below the \$100 reportable limit and the amount of \$1,120.21 due from six ratepayers towards legal costs.

VOTING REQUIREMENTS

Simple Majority.

MOVED Mayor Pickard SECONDED Cr Poliwka that the Audit Committee RECEIVES the report of monies written off under delegated authority for the period 1 January to 30 June 2016.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr Hamilton-Prime, Mayor Pickard, Crs Jones, McLean and Poliwka.

Disclosure of interest affecting impartiality

Name/Position	Mr Garry Hunt, Chief Executive Officer.
Item No./Subject	Item 7 - Confidential - Chief Executive Officer's Credit Card Expenditure (January to March 2016).
Nature of interest	Interest that may affect impartiality.
Extent of Interest	The Chief Executive Officer is the card holder.

ITEM 7 CONFIDENTIAL - CHIEF EXECUTIVE OFFICER'S CREDIT CARD EXPENDITURE (JANUARY TO MARCH 2016)

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	09882
ATTACHMENT	Attachment 1 Chief Executive Officer's Credit Card Expenditure – Quarter ended 31 March 2016) (Please Note: This report and attachment is confidential and will appear in the official Minute Book only)
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 Mayor Pickard SECONDED Cr Poliwka that the Audit Committee NOTES the report on the corporate credit card usage of the Chief Executive Officer for the quarter ended 31 March 2016.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cr Hamilton-Prime, Mayor Pickard, Crs Jones, McLean and Poliwka.

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 6.30pm; the following Committee Members being present at that time:

Cr Christine Hamilton-Prime
Mayor Troy Pickard
Cr Tom McLean, JP
Cr Nige Jones
Cr Russell Poliwka