

CITY OF JOONDALUP

MINUTES OF MEETING OF THE AUDIT COMMITTEE HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON WEDNESDAY, 26 APRIL 2006

ATTENDANCE

Committee Members:

CMR M ANDERSON - Chairman

CMR J PATERSON

Absent from 1758 hrs to 1801 hrs

CMR P CLOUGH

CMR S SMITH

CMR A FOX

Officers:

MR G HUNT

Chief Executive Officer

MR C HIGHAM

Acting Director, Corporate Services

MR I COWIE

Director, Governance and Strategy

MR S HAFEZ

Manager, Financial Services

MR B BARTSH

Internal Auditor

MRS L TAYLOR

Minute Clerk

DECLARATION OF OPENING

The Chairman declared the meeting open at 1734 hrs.

APOLOGIES/LEAVE OF ABSENCE

Nil.

CONFIRMATION OF MINUTES

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 7 MARCH 2006

MOVED Cmr Smith, **SECONDED** Cmr Clough that the Minutes of the meeting of the Audit Committee held on 7 March 2006 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cmr Anderson, Paterson, Clough, Smith and Fox

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTERESTS**Disclosure of interest affecting impartiality**

Commissioners and staff are required under the Code of Conduct, in addition to declaring any financial interest, 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 Commissioner/employee is also encouraged to disclose the nature of the interest.

Name/Position	Cmr M Anderson
Item No/Subject	Item 5 - Review of Draft Audit Committee Charter
Nature of interest	Interest that may affect impartiality
Extent of Interest	Cmr Anderson is a Chartered Accountant, and a member of the Institute of Chartered Accountants

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

Nil.

PETITIONS AND DEPUTATIONS

Nil.

**ITEM 1 HALF-YEARLY REPORT - CONTRACT
EXTENSIONS - [07032]**

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of the CEO

PURPOSE

The purpose of this report is to provide the Audit Committee with details of contracts that were originally approved by Council that have been extended by the Chief Executive Officer between July 2005 and December 2005.

EXECUTIVE SUMMARY

At its meeting held on 1 November 2005, Council resolved that a half-yearly report be prepared for the Audit Committee detailing contracts that were originally approved by Council that have been extended by the Chief Executive Officer (CJ231-11/05 refers). The report for the half-year 1 July 2005 to 31 December 2005 is attached.

It is recommended that the Audit Committee NOTES the report detailing contracts extended by the CEO during the period July - December 2005 as shown on Attachment 1 to this Report.

BACKGROUND

A report was presented to an ordinary meeting of Council on 1 November 2005 requesting a Delegated Authority for the CEO to approve contract extensions originally endorsed by Council, subject to satisfactory performance by the supplier.

Following its deliberation, it was resolved:

That Council:

- 1 APPROVES the Delegated Authority to allow the Chief Executive Officer to approve any contract extensions, within the original terms and conditions approved by Council, subject to satisfactory performance;*
- 2 a condition of this delegation is that the Chief Executive Officer reports to the Audit Committee on a six monthly basis on the exercising of this delegation.*

DETAILS

At its meeting of 1 November 2005 Council considered the advice received from the City's solicitors in relation to the CEO's ability to extend contracts awarded by Council.

The legal opinion stated that although the wording was slightly ambiguous, under section 5.41(d) of the Local Government Act the CEO has the power to extend the contract – provided the CEO does not extend the contract beyond the “total term of the contract” specified by the Council in the resolution.

Council created a delegation of authority for the CEO 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.

The half-yearly report as requested is provided at Attachment 1.

Issues and options considered:

As provided in CJ231 – 11/05.

Link to Strategic Plan:

The list of payments links to the Strategic Plan outcome of: “The City of Joondalup is a sustainable and accountable business” and in particular objective 4.1 which is “to manage the business in a responsible and accountable manner”.

Legislation – Statutory Provisions:

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.

Policy Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

The report provides the Audit Committee with details of contracts originally approved by Council, that have been extended by the CEO.

ATTACHMENTS

Attachment 1	Half-yearly report providing details on contracts extended by the CEO during the period 1 July 2005 and 31 December 2005
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MOVED Cmr Paterson, SECONDED Cmr Smith that the Audit Committee NOTES the report detailing contracts extended by the CEO during the half-year period as shown on Attachment 1 to this Report.

Chief Executive Officer gave an overview of the report.

To a query raised by Cmr Anderson in relation to the review of the security patrol service, it was advised that this was due in December 2006 and a review would be undertaken at that time.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cmr Anderson, Paterson, Clough, Smith and Fox

Appendix 1 refers

**ITEM 2 QUARTERLY REPORT- CORPORATE CREDIT CARD
USAGE - [09882] [18049]****WARD:** All**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of the CEO

PURPOSE

The purpose of this report is to provide the Audit Committee with details of the corporate credit card usage of the CEO for the quarter ended 31 December 2005.

EXECUTIVE SUMMARY

At its meeting held on 11 October 2005, Council inter alia resolved that a quarterly report on the corporate credit card usage of the CEO and Mayor is to be prepared and presented to the Audit Committee (Item CJ210-10/05 refers). The report for the quarter ended 31 December 2005 is attached.

It is recommended that the Audit Committee *NOTES the report on the corporate credit card usage of the CEO for the quarter ended 31 December 2005 as shown on Attachment 1 to this Report.*

BACKGROUND

The information to be provided in the Warrant of Payments on the usage of corporate credit cards was the subject of extensive investigation by the City, details of which were reported to Council on 11 October 2005.

Following its deliberation, it was resolved:

That Council:

- 1 *AGREES that the payee name be provided on the single line credit card payments included in the Warrant of Payments;*
- 2 *AMENDS the wording of the recommendation in the warrant of payments report to reflect the CEOs delegated power to make payments and councils procedural role in noting the Report;*
- 3 *REQUESTS that the Director of Corporate Services and Resource Management prepare a quarterly report for the Audit Committee on the corporate credit card usage of the CEO and Mayor.*

DETAILS

At its meeting held on 11 October 2005, Council considered the advice received from the City's legal representatives, the City's Auditors and the Department of Local Government and Regional Development on the details to be provided in the Warrant of Payments in relation to credit cards. Following its deliberation Council inter alia requested the Director of Corporate Services and Resource Management to prepare a quarterly report for the Audit Committee on the corporate credit card usage of the CEO and Mayor.

The quarterly report as requested is provided per Attachment 1.

Issues and options considered:

As provided in CJ210 – 10/05.

Link to Strategic Plan:

The list of payments links to the Strategic Plan outcome of: "The City of Joondalup is a sustainable and accountable business" and in particular objective 4.1 which is "to manage the business in a responsible and accountable manner".

Legislation – Statutory Provisions:

Regulation 11(1) of the Local Government (Financial Management) Regulations 1996 requires a local government to develop procedures for the authorisation and payment of accounts to ensure that there is effective security for, and properly authorised use of credit cards.

Risk Management considerations:

In accordance with the City's procedure 5.9 Use of Credit/Charge Cards, the CEO's credit card has a maximum limit of \$5,000. All expenditure incurred by the CEO by way of credit card is authorised by the Director Corporate Services. It is also a requirement, by resolution of Council, that the CEO's credit card expenditure is reviewed by the Audit Committee on a quarterly basis. The procedure additionally covers matters such as the issue and return of credit cards, lost or stolen cards, what purchases can be made by credit cards, documentation requirements and management review.

Financial/Budget Implications:

Not Applicable.

Policy Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

By ensuring that expenditure is incurred in accordance with procedures and within budget parameters, financial viability and sustainability is maintained.

Consultation:

Not Applicable.

COMMENT

The CEO's credit card usage is in accordance with procedure 5.9 Use of Credit/Charge Cards and the Contract of Employment of the CEO, with all expenditure being business related and authorised by the Director Corporate Services.

ATTACHMENTS

Attachment 1 CEO Quarterly Credit Card Expenditure for the Quarter Ended 31 December 2005

MOVED Cmr Clough, SECONDED Cmr Fox that the Audit Committee NOTES the report on the corporate credit card usage of the CEO for the quarter ended 31 December 2005 as shown on Attachment 1 to this Report.

Chief Executive Officer gave an explanation of amounts identified on the credit card allocated for his use, which is a requirement under his Contract of Employment that details of such expenditure be reported to the Audit Committee.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cmr Anderson, Paterson, Clough, Smith and Fox

Appendix 2 refers

ITEM 3 WRITE OFF OF MONIES - [07032]

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
 Office of the CEO

PURPOSE

To report to the Audit Committee on the exercise of the delegation to write off money.

EXECUTIVE SUMMARY

At its meeting held on 29 June 2004 Council reviewed the delegated authority manual, resolved to amend the manual and to include an additional requirement under which a report is to be provided to the Audit Committee on the exercise of the delegation to write off money.

A report of small balances of rates written off under this delegation is herewith provided and it is recommended:

That the Audit Committee RECEIVES the report of rates written off under delegated authority for the period July to December 2005 as shown on Attachment 2 to this Report.

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. By authority of section 5.42 of the Act, the Council delegated this authority to the CEO, who in turn delegated his authority, up to the limits provided in the instrument of delegation, to other employees under section 5.44 of the Local Government Act, as stated in the Register of Delegation of Authority Manual under Write Off of Monies.

The Council resolved at its meeting held on 29 June 2004 (CJ135-06/04 refers) as follows:

- “3 *AMEND the Delegated Authority Manual as outlined on Attachment 2 to Report CJ135-06/04, with the inclusion of an additional amendment to “write off of monies” – on page 52 of the manual – to read:*

“Chief Executive Officer – individual items to \$20,000 subject to a report being provided to the Audit Committee on a six monthly basis on the exercise of this delegation”;

DETAILS

The attached report totalling \$3,197.22 represents 2,785 small amounts of rates written off by delegated officers for the period 1 July 2005 to 31 December 2005. These amounts vary from one cent to eight dollars reflecting, in the main, rounding decimals or penalty interest charged for a few days' late payment where ratepayers did not pay the penalty and the cost of collection was, for all practical purposes, proving to be un-economical. The report also contains one item of \$500.00, representing a write-off of an outstanding rate amount, by the CEO under the Financial Hardship policy.

Legislation – Statutory Provisions:

Section 6.12 (1)(c) of the Local Government Act 1995 states that a local government may write off any amount of money, which is owed to the local government.

Financial/Budget Implications:

All amounts written off were charged back to the rates/fee revenue account originally credited.

Policy Implications:

Delegation of Authority

COMMENT

The report is presented to the Audit Committee pursuant to Council resolution CJ135-06/04. A copy of the full report detailing the write-off of monies from 1 July 2005 to 31 December 2005 will be tabled at the meeting.

Following the resolution of the Council of 29 June 2004, it appears that many of the amounts written off are very minor in detail. It is therefore suggested that the decision of 29 June 2004 be amended to reflect that only accounts between \$1,000 and \$20,000 be reported to the Audit Committee.

ATTACHMENTS

Attachment 1	Delegation of Authority – Write Off of Monies
Attachment 2	Spreadsheet for Summary of Write Off of Monies for 1 July 2005 to 31 December 2005

VOTING REQUIREMENTS

Simple Majority

MOVED Cmr Paterson, SECONDED Cmr Clough that the Audit Committee:

- 1 RECEIVES the report of rates written off under delegated authority for the period July to December 2005 as shown on Attachment 2 to this Report;**
- 2 RECOMMENDS to the Council that the delegation to the CEO for the 'Authority to Write-Off Monies' as detailed in the Register of Delegated Authority be amended to read:**

'Delegation to – Chief Executive Officer – individual items to \$20,000, subject to a report being provided to the Audit Committee on a six (6) monthly basis on the exercise of this delegation for amounts between \$1,000 and \$20,000.'

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cmr Anderson, Paterson, Clough, Smith and Fox

Appendix 3 refers

ITEM 4 REVIEW OF PROCUREMENT PROCESSES - [09492]

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of the CEO

PURPOSE

To provide the Audit Committee with an update on the outcome of the review of the procurement system.

EXECUTIVE SUMMARY

A review of the procurement system has been carried out by Stanton Partners, which determined that the non-compliance was a result of a different interpretation of the nature of the transaction as it applied to the regulation and not as a result of avoidance. The Department of Local Government and Regional Development advised the results of the review and it in turn has advised the City that it considers the matter to be closed and that it does not intend to take any further action in relation to this issue.

BACKGROUND

The City of Joondalup completed the 2004 Compliance Audit Report in accordance with Sections 13, 14 and 15 of the Local Government (Audit) Regulations. As part of this process one instance was reported as non-compliant whereby a tender was not invited “before the local government entered into contracts for the supply of goods or services, where the consideration under the contract was, or was expected to be, worth more than \$50,000” as required by Regulation 11 of the Local Government (Functions and General) Regulations 1996.

The supply of goods or services identified related to the installation, removal and storage of Christmas lighting. Operationally it was believed that as the value of this activity was below the \$50,000 regulatory threshold each year and there was no legal obligation to use the provider each year, it was not necessary to go to tender.

In completing the Compliance Audit Report a conservative view was taken that as the lights were stored with the provider there was an increased likelihood that the same provider would be used each year, although there was no legal obligation to do so. This would result in the total value of the goods and services provided over more than one year exceeding \$50,000.

DETAILS

At its meeting on 15 March 2005, Council:

Expresses its concern that the Tender Regulations have not been followed and advises the Department of Local Government and Regional Development that the Council has requested that a report on this matter be submitted to the Audit Committee.

The Department of Local Government and Regional Development was advised on 21 March 2005 of the concern and the City employed Stanton and Partners to investigate the matter.

The review by Stanton Partners concluded that the non-compliance was a result of a different interpretation of the nature of the transaction as it applied to the regulation and not as a result of avoidance.

It was also noted that processes and procedures have been updated and steps are in place that will reduce the likelihood of any similar non-compliance events in the future.

The Department of Local Government and Regional Development was advised on 2 November 2005 of the outcome of the review by Stanton Partners. The Department concluded that the non-compliance was a result of a different interpretation of the nature of the transaction as it applied to the regulation and not as a result of avoidance. The Department stated that it considers the matter to be closed and that it does not intend to take any further action in relation to this issue.

Link to Strategic Plan:

Strategy 1.2 (Leadership) of the Strategic Plan is:

“Take a leadership role, initiate facilitate and promote leading-edge projects and best practices which deliver significant benefits to the community.

To achieve this we will:

1.2.1 “Promote best practice principles within the Local Government industry”.

1.2.2 “Maintain best practice in risk management, compliance and performance reporting”.

Legislation – Statutory Provisions:

Section 5.8 of the Local Government Act 1995 provides for a local government to establish a committee to assist Council. Section 7.12 deals with “Duties of local government with respect to audits”.

Risk Management considerations:

The risks associated with not going to tender for the supply of goods or services in excess of \$50,000 would be a breach of the Local Government Act 1995.

Policy Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

As a result of the compliance return processes and procedures that have been updated, steps are in place that will reduce the likelihood of any similar non-compliance events in the future.

ATTACHMENTS

Nil.

VOTING REQUIREMENTS

Simple Majority

MOVED Cmr Smith, SECONDED Cmr Fox that the Audit Committee NOTES the outcome of the review by Stanton Partners and the comments from the Department of Local Government and Regional Development on the matter.

Chief Executive Officer provided an overview of the review as undertaken by Stanton Partners.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cmr Anderson, Paterson, Clough, Smith and Fox

Disclosure of interest affecting impartiality

Name/Position	Cmr M Anderson
Item No/Subject	Item 5 - Review of Draft Audit Committee Charter
Nature of interest	Interest that may affect impartiality
Extent of Interest	Cmr Anderson is a Chartered Accountant, and a member of the Institute of Chartered Accountants

ITEM 5 REVIEW OF DRAFT AUDIT COMMITTEE CHARTER - [50068]

WARD: All

RESPONSIBLE Mr Garry Hunt
DIRECTOR: Office of CEO

PURPOSE

To provide the Audit Committee with operational guidelines as a basis for developing the City's own Audit Committee Charter that is in line with best practice principles.

EXECUTIVE SUMMARY

Audit Committees play a major role in assisting Local Government organisations in fulfilling their corporate governance responsibilities.

It has been recognised that the introduction of a formal Charter for the Audit Committee will provide clear guidelines that will enhance the City's review processes.

BACKGROUND

A draft Audit Committee Charter was presented to the Audit Committee meeting on 18 October 2005, and subsequently to the Council meeting on 1 November 2005 (CJ226-11/05 refers) where the Council:

"REQUESTED the Chief Executive Officer to review the draft Audit Charter by modifying the words to more appropriately reflect:

- *Legislative requirements*
- *Oversight and monitoring role of the Audit Committee*
- *Clarification of the role and function of the Committee*
- *Terms of appointment of the independent Committee members*
- *Quorum numbers and composition of Committee*
- *Interaction with the Internal Auditor*
- *Status of independent persons"*

It was requested that a report be presented to a future Audit Committee meeting.

Following the Council meeting the Local Government Operational Guidelines were received by the City from the Department of Local Government and Regional Development.

DETAILS

A draft Audit Committee Charter has been developed and is submitted to the Audit Committee for its consideration. This charter has been based on the:

- Draft charter presented to the Audit Committee in October 2005;
- The requested changes suggested by the Committee at the October 2005 meeting; and
- Local Government Operational Guidelines (No 9) as prepared by the Department of Local Government and Regional Development.

Link to Strategic Plan:

Strategy 1.2 (Leadership) of the Strategic Plan is:

“Take a leadership role, initiate facilitate and promote leading-edge projects and best practices which deliver significant benefits to the community.

To achieve this we will:

1.2.1 “Promote best practice principles within the Local Government industry”.

1.2.2 “Maintain best practice in risk management, compliance and performance reporting”.

Legislation – Statutory Provisions:

Section 5.8 of the Local Government Act 1995 provides for a local government to establish a committee to assist Council. Section 7.12 deals with “Duties of local government with respect to audits”.

Risk Management considerations:

Not Applicable.

Policy Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

It is considered that the attached Charter Guidelines will assist the Council in discharging its corporate governance responsibilities by clearly articulating the objectives, roles and responsibilities, amongst other matters, of the Audit Committee.

ATTACHMENTS

Attachment 1 Draft Audit Committee Charter

Attachment 2 Audit Committees in Local Government - Local Government
Operational Guidelines Number 9

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION: That the Audit Committee ADOPTS the Audit Committee Charter as detailed in Attachment 1 to this Report.

Cmr Paterson left the Room, the time being 1758 hrs.

MOVED Cmr Fox, SECONDED Cmr Smith that the Audit Committee ADOPTS the Audit Committee Charter as detailed in Attachment 1 to this Report, subject to the following amendments:

Objectives:

- 2.1 Delete – “accept responsibility”
 Replace with the word “oversee”**
- 4.4 After external persons, insert the words “being natural persons”**
- 4.6 After the word fee, insert the words “to be set as part of the budget process”**
- 7.1(b) After the word Officer, insert the words “and report back to Council”**
- 7.1 (t) After the word “indicators”, the paragraph is deleted and the following is inserted:**

“the Audit Committee may seek information or obtain advice on matters of concern using the normal processes of the City.”

Chief Executive Officer advised the issue of a draft Audit Charter for the City had been presented to the Audit Committee meeting in October 2005, where it was requested that the wording of the draft Audit Charter be modified to more appropriately reflect the issues identified on page 15 of this evening's agenda as being required to be incorporated into the draft Charter.

The Motion was Put and

CARRIED (4/0)

In favour of the Motion: Cmr Anderson, Clough, Smith and Fox

Appendix 4 refers

Cmr Paterson entered the Room at 1801 hrs.

ITEM 6 RISK MANAGEMENT FRAMEWORK - [49586]

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of CEO

Chief Executive Officer gave an overview of the current position and advised the framework in place at present is not adequate for an organisation the size of the City of Joondalup.

Chief Executive Officer stated this has been identified as a matter for focus by the Executive Management team.

A scope for business continuity has been issued, but in terms of the operations of the City, more rigorous measures need to be adopted in relation to major events that the City holds. A recent audit undertaken by Stanton Partners highlighted some issues for action.

MOVED Cmr Paterson, SECONDED Cmr Smith that a report be submitted to the next meeting of the Audit Committee in relation to an appropriate risk management framework for the City of Joondalup.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cmr Anderson, Paterson, Clough, Smith and Fox

ITEM 7 CREDIT CARD PROCEDURES - [82558]

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of CEO

PURPOSE

To advise the Audit Committee of the changes made to the Corporate Credit Card procedures to bring them into line with the guidelines issued by the Department of Local Government and Regional Development.

EXECUTIVE SUMMARY

The corporate credit card procedures have been updated to conform to the guidelines issued by the Department of Local Government and Regional Development.

BACKGROUND

A forensic audit was conducted by Deloitte Touche Tohmatsu in March 2004. The audit scope included a range of contractual issues associated with the previous Chief Executive Officer, including the use of his corporate credit card. A subsequent Internal Audit was conducted in July 2004, which focused on the other corporate credit cardholders from December 1999 to January 2004.

At its meeting on 18 October 2005, the Audit Committee resolved that:

Use of Credit/Charge Cards be reviewed in light of the Local Government Operational Guidelines Number 11 in relation to use of corporate credit and the discussions that have taken place at this meeting.

DETAILS

The credit card corporate procedures have been updated to conform to the guidelines issued by the Department of Local Government and Regional Development (Attachment 1 refers).

Link to Strategic Plan:

Strategy 1.2 (Leadership) of the Strategic Plan is:

“Take a leadership role, initiate facilitate and promote leading-edge projects and best practices which deliver significant benefits to the community.

To achieve this we will:

1.2.1 “Promote best practice principles within the Local Government industry”.

1.2.2 “Maintain best practice in risk management, compliance and performance reporting”.

Legislation – Statutory Provisions:

Section 5.8 of the Local Government Act 1995 provides for a local government to establish a committee to assist Council. Section 7.12 deals with “Duties of local government with respect to audits”.

Risk Management considerations:

The risks associated with not complying with corporate credit card procedures include non-compliance with policy and legislation.

Policy Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

Not Applicable.

ATTACHMENTS

Attachment 1 Proposed Procedure for Use of Credit/Charge Cards

VOTING REQUIREMENTS

Simple Majority

OFFICER’S RECOMMENDATION: That the Audit Committee ENDORSES the changes to the Corporate Credit Card procedures as shown on Attachment 1 to this Report.

MOVED Cmr Paterson, SECONDED Cmr Fox that the Audit Committee ENDORSES the changes to the Corporate Credit Card procedures as shown on Attachment 1 to this Report, subject to the following changes:

That all references to 5.9 in the document be changed to read 5.6 and that in Item 5.6.3 after the word “Officer”, the following words be inserted

“or, in the case of the CEO’s card, the Director of Corporate Services.”

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cmr Anderson, Paterson, Clough, Smith and Fox

ITEM 8 REVIEW OF FINANCIAL MANAGEMENT SYSTEM - [50068]

WARD: All

**RESPONSIBLE
DIRECTOR:** Mr Garry Hunt
Office of the CEO

PURPOSE

To advise the Audit Committee that the review of the Financial Management System has been completed as required by Section 6.10 of the Local Government Act 1995.

EXECUTIVE SUMMARY

A review of the financial management system has been completed by Stanton Partners who concluded “ *We are satisfied that the overall control environment pertaining to the financial system of the City of Joondalup are adequate and appropriate for the needs of the City of Joondalup*”.

BACKGROUND

Section 6.10 of the Local Government Act 1995 and Regulation 5 (2) (c) states: “*The CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews*”

DETAILS

A review of the financial management system has been completed by Stanton Partners in accordance with Section 6.10 of the Local Government Act 1995 and Regulation 5 (2) (c) of the Local Government (Financial Management) Regulations 1996. A copy of their report is included in Attachment 1.

Legislation – Statutory Provisions:

Section 6.10 of the Local Government Act 1995 and Regulation 5 (2) (c) states: “*The CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews*”.

Risk Management considerations:

The risk management considerations include the need to ensure the integrity of data in the financial system is protected and to comply with legislation.

Financial/Budget Implications:

Not Applicable.

Policy Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

The review of the financial management system by Stanton Partners revealed that the internal controls were considered adequate and appropriate for the needs of the City of Joondalup.

ATTACHMENTS

Attachment 1

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION: That the contents of the Financial Management System Review be NOTED by the Audit Committee.

MOVED Cmr Smith, SECONDED Cmr Fox that the contents of the Financial Management System Review be NOTED by the Audit Committee and that a report on this issue will be submitted to a future Council meeting.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Cmr Anderson, Paterson, Clough, Smith and Fox

Appendix 6 refers

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Chairman declared the Meeting closed at 1810 hrs; the following Commissioners being present at that time:

CMR J PATERSON
CMR P CLOUGH
CMR M ANDERSON
CMR S SMITH
CMR A FOX