

Minutes

Audit & Risk Committee Meeting

20 February 2017

ATTENTION

These Minutes are subject to confirmation

This is a committee which has only made recommendations to Council. No action should be taken on any recommendation contained in these Minutes. The council resolution pertaining to an item will be made at the Ordinary Council Meeting next following this meeting.

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City of Nedlands

Minutes of a meeting of the Audit & Risk Committee held in the Meeting Room at the City of Nedlands on Monday 20 February 2017 at 5:32 pm.

Audit & Risk Committee Minutes

Declaration of Opening

The Presiding Member declared the meeting open at 5:30 pm and drew attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

Present and Apologies and Leave Of Absence (Previously Approved)

Committee Members

Councillor I S Argyle Dalkeith Ward (Presiding Member His Worship the Mayor R M Hipkins Councillor L J McManus **Coastal Districts Ward** Councillor B G Hodsdon (Arrived at 5.36pm) Hollywood Ward Mr K Eastwood Community Member

Staff Mr G Trevaskis Chief Executive Officer

> Mr A Melville Manager Health &

Compliance

Mrs L Driscoll **Director Corporate & Strategy** Corporate & Strategy Mrs S Gibson

Administration Officer

Also in Attendance Mr R Bronkhorst **BDO**

> Mr A Hillbeck **BDO** Councillor R Binks Hollywood Ward

Public There were no members of the public present.

Leave of Absence Nil. (Previously Approved)

Apologies Mr P Satchel Community Member

> Mr R Senathirgajah Community Member

Absent Councillor G A R Hay Melvista Ward

Disclaimer

Members of the public who attended the meeting should not act immediately on anything they heard at the meeting, without first seeking clarification of Council's position. For example by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

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1. Public Question Time

Nil.

2. Addresses By Members of the Public (only for items listed on the agenda)

Nil.

3. Disclosures of Financial Interest

The Presiding Member reminded Councillors and Staff of the requirements of Section 5.65 of the *Local Government Act* to disclose any interest during the meeting when the matter is discussed.

There were no disclosures of Financial Interest.

4. Disclosures of Interests Affecting Impartiality

The Presiding Member reminded Councillors and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

There were no disclosures of interests affecting impartiality.

5. Declarations by Members That They Have Not Given Due Consideration to Papers

Nil.

6. Confirmation of Minutes

6.1 Audit & Risk Committee Meeting 7 November 2016

Moved –Mr Eastwood Seconded – Mayor Hipkins

The minutes of the Audit & Risk Committee held 7 November 2016 be confirmed.

CARRIED

7. Items for Discussion

Note: Regulation 11(da) of the *Local Government (Administration) Regulations* 1996 requires written reasons for each decision made at the meeting that is significantly different from the relevant written recommendation of a committee or an employee as defined in section 5.70, but not a decision to only note the matter or to return the recommendation for further consideration.

Councillor Hodsdon joined the meeting at 5.36 pm.

7.1 BDO Control Self-Assessment – Fraud Management

Applicant	City of Nedlands		
Owner	BDO		
Officer	Andrew Melville		
Director	Lorraine Driscoll		
Director	20 0 1		
Signature	Lance Del		
Disclosure of	No officer involved in the preparation of this report		
Interest	had any interest which required it to be declared in		
	accordance with the provisions of the Local		
	Government Act (1995).		

Moved – Councillor Hodsdon Seconded – Councillor Argyle

Committee Recommendation / Recommendation to the Audit and Risk Committee

The Audit and Risk Committee receives the Fraud Management Control Self-Assessment and notes the finding and recommendation of the review and the actions proposed by Administration.

CARRIED UNANIMOULSY 5/-

Background

BDO Audit (WA) Pty Ltd are the City's appointed Internal Auditors and in accordance with the 2016/17 Internal Audit Annual Plan have facilitated a Control Self-Assessment of the City's fraud management processes.

A Control Self-Assessment is a process through which internal control effectiveness is examined and assessed. The objective is to provide a facilitated self-assessment for compliance with relevant management policies and procedures. The assessment is conducted with input from city personnel and is facilitated by the BDO Audit Team.

The attached report contains details of the issues raised and management's comments.

The Fraud Management Control Self-Assessment is presented to the Audit and Risk Committee for their information.

Attachment

 BDO Audit (WA) Pty Ltd – Fraud Management Control Self-Assessment

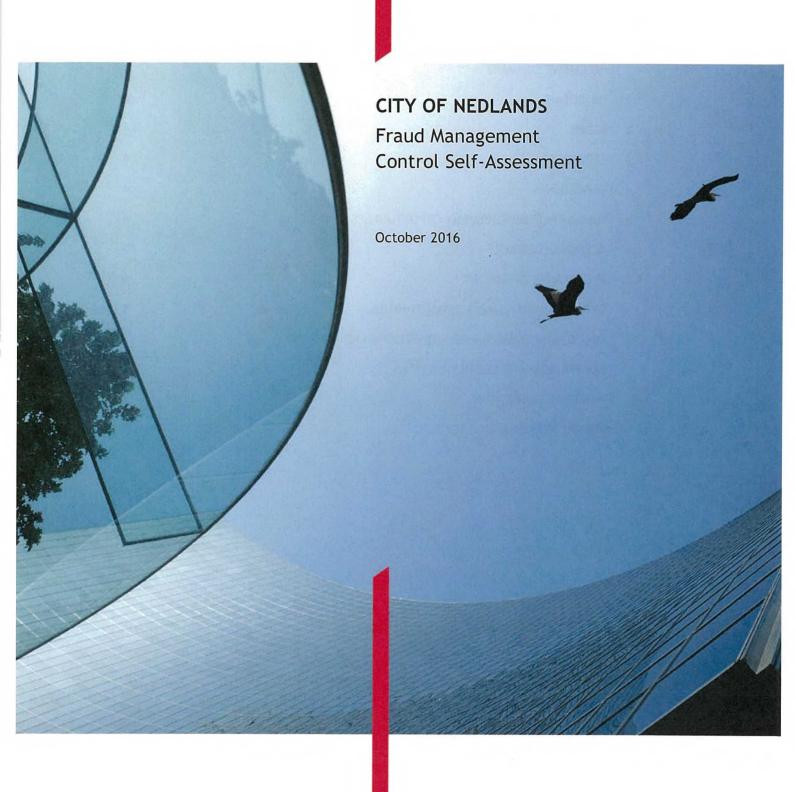






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1. EXECUTIVE SUMMARY

1.1 Objective

In accordance with the 2016/17 Internal Audit Annual Plan, we have facilitated a Control Self-Assessment (CSA) of the Fraud management processes for the City of Nedlands (the City) with selected City personnel. A CSA is a process through which internal control effectiveness is examined and assessed. The objective is to provide a facilitated self assessment for compliance with relevant management polcies and procedures. The "self" refers to the involvement and input provided by City personnel to perform the assessment that was facilitated by the BDO internal audit team.

1.2 Scope

On 9 September 2016, we facilitated a CSA at the City's offices with personnel identified by the City to review the risk management and control processes with respect to the City's fraud management process.

The following City personnel participated directly in the CSA:

Title of Participant	Name of Participant
CEO	Greg Trevaskis
Director Corporate and Strategy	Lorraine Driscoll

In addition to the above we conducted a Fraud management awareness survey that was distributed to various staff for completion. Refer section 3 of this report for survey content and results.

1.3 Approach

In performing this CSA, we:

- Obtained and reviewed relevant and available policy and procedure documentation to understand them and the roles and responsibilities of personnel performing them
- Agreed a date for the CSA with City personnel and requested City personnel arrange for personnel attendance and participation
- Facilitated the CSA with nominated City personnel
- Conducted a Fraud management awareness Survey among the City's staff members. 8 staff members was selected randomly to participate in the Survey
- Summarised recommendations for improvement in a draft report and provided it to City personnel for management comments
- Upon receipt of management comments, finalised the report and issued to the CEO.

1.4 Conclusion

As this review was a facilitated CSA, we have not provided a rating. A summary of improvement opportunities identified during the CSA is provided at 1.6 below.

1.5 Summary of Improvement Opportunities

During the facilitated CSA, three improvement opportunities were identified. A summary is provided in the following table and are further detailed in Section 3 of this report.



Improvement Opportunity
Fraud management policy and procedures
A formal fraud management policy and related procedures to be implemented that outline the City's processes for the detection, reporting, investigation and management of fraud.
Formalised a fraud control plan
A fraud control plan is to be developed that outlines executive management's approach to preventing, detecting and responding to fraud.
Enhance Fraud training and awareness
A formal fraud awareness and training programme is to be developed and implemented that is fit for purpose for all staff members.

1.6 Acknowledgement

We thank the staff at the City of Nedlands for their support and assistance to us in performing this CSA.

1.7 Acceptance of Report

On behalf of City of Nedlands			
Signature:	Seeres C:		
Name:	Greg Trevaskis		
Title:	Chief Executive Officer		
Date:	31 october 2016		

2. DETAILED IMPROVEMENT OPPORTUNITIES

1 - Fraud management policy and procedures

The City does not have a formal fraud policy and or procedure in place.

We recommend the City create and implement a formal fraud management policy and procedure based on relevant industry standards, such as Australian Standard AS8001-2008, which would include the detection, reporting, investigation and management of Fraud both internal and external to the organisation.

Agree with recommendation. Policy will be developed by 31st December 2016

Management Comments

2 - Formalised a fraud control plan

Fraud Management

The City does not have a defined fraud control plan in place outlining the various Governance practices and standards to be followed for the prevention, detection and responses to fraud.

We recommend the City implement a formal fraud control plan based on a fraud risk assessment, which should include elements such as Leadership, Ethics, Responsibility, Fraud policies, Preventions systems, Fraud Awareness, Third Party management systems, notification systems, detection systems and investigation systems.

Our understanding of a Fraud Contol Plan is a collation of all documents relating to fraud ie a framework of all elements relating to fraud. This will be implemented as we continue to develop our policies and systems in this area. This is an ongoing/evolving process and as such has no specific end date.

3 - Enhance fraud control training and awareness

We have selected 8 staff members to complete a Fraud Management awareness Survey, of which 4 responded to complete the survey.

Based on the survey results, 75% of the staff responded "Disagree" to the question "Our organisation runs a comprehensive awareness program about fraud control" which indicates that fraud awareness training needs improvement.

Currently the City provides ad hoc training and awareness training sessions for staff. We recommend that the City develop a targeted fraud training and awareness program suitable for all staff and within applicability of their various job roles.

Do not feel that it is necessary to 'develop a targeted fraud training awareness program' however we agree to heighten awareness with Directors and Managers - who will then cascade to their teams. We are not attaching any specific date to this activity as we see it as an ongoing activity and part of risk management and good governance

3. FRAUD AWARENESS SURVEY - QUESTIONS AND RESULTS

	Survey Questions	Strongly Disagree	Disagree	Agree	Strongly Agree
1.	The CEO and senior management team are committed to actively managing the risks associated with fraud in my workplace.		25%		75%
2.	We have ethical behaviours policies that staff in my work area are aware of and understand that staff will be disciplined for fraudulent or corrupt behaviour, and for breaches of our code of conduct/ethics.			50%	50%
3.	Most staff in my work area are aware of their responsibilities and the responsibilities of management for minimising fraud in our workplace.		33%		67%
4.	Our fraud control policies and procedures tell us how to deal effectively with the fraud risks we face in our workplace		25%	75%	
5.	The functions of my work area are regularly assessed to identify and address the fraud risks we face in our workplace		25%	50%	25%
6.	Our organisation runs a comprehensive awareness program about fraud control		75%	25%	
7.	I am confident our organisation has policies and systems in place to ensure that third parties are appropriately checked and verified		25%	25%	50%
8.	Staff and third parties are encouraged to report alleged fraud or corruption that may occur within my organisation		25%	25%	50%
9.	I am confident my organisation systematically makes efforts to detect fraud and corruption		25%	25%	50%
10.	I am confident internal investigations of alleged fraud and corruption would be carried out independently and to high standards in my organisation	4.1	25%	25%	50%



4. KEY ENGAGEMENT DETAILS & TIMING

Engagement Detail	
Date Final Report Issued	31 October 2016
Review Period Covered	CSA performed on 09 September 2016
BDO Engagement Principal	Andrew Hillbeck
Client Sponsor	Greg Trevaskis

CSA Timing	Planned Date	Actual Date	Comments on Variations
CSA Commencement	09 September 2016	09 September 2016	
CSA Completion	09 September 2016	09 September 2016	
Draft report sent	16 September 2016	27 September 2016	Time taken to complete Fraud Awareness Survey
Management Comments Received	4 October 2016	31 October 2016	
Final report issued	11 October 2016	31 October 2016	



4. INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure within which the control procedures that are subject to internal audit operate is not reviewed in its entirety and, therefore, no opinion or view is expressed as to the effectiveness of the greater internal control structure. An internal audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are done on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this internal audit report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, client management and personnel. We have indicated within this internal audit report the sources of the information provided. We have not sought to verify those sources independently unless otherwise noted within the internal audit report. We are under no obligation in any circumstance to update this internal audit report, in either oral or written form, for events occurring after the internal audit report has been issued in final form unless specifically agreed with management.

5. RESTRICTION OF USE

This report is intended solely for the use of management, the City of Nedlands Council, the external auditors, regulatory agencies or the City's legal counsel and cannot be used by, circulated, quoted, disclosed, or distributed to third parties without BDO's prior written consent.

7.2 BDO Control Self-Assessment – Accounts Receivable

Applicant	City of Nedlands		
Owner	BDO		
Officer	Andrew Melville		
Director	Lorraine Driscoll		
Director	20 0 1		
Signature	Lance Del		
Disclosure of	No officer involved in the preparation of this report		
Interest	had any interest which required it to be declared in		
	accordance with the provisions of the Local		
	Government Act (1995).		

Moved – Mr K Eastwood Seconded – Councillor Hodsdon

Committee Recommendation / Recommendation to the Audit and Risk Committee

The Audit and Risk Committee receives the Accounts Receivable Control Self-Assessment and notes the finding and recommendation of the review and the actions proposed by Administration.

CARRIED UNANIMOUSLY 5/-

The Director Corporate and Strategy undertook to complete a review of the Audit trail for accounts receivable by 30 June 2017.

Background

BDO Audit (WA) Pty Ltd are the City's appointed Internal Auditors and in accordance with the 2016/17 Internal Audit Annual Plan have facilitated a Control Self-Assessment of the City's accounts receivable processes.

A Control Self-Assessment is a process through which internal control effectiveness is examined and assessed. The objective is to provide a facilitated self-assessment for compliance with relevant management policies and procedures. The assessment is conducted with input from city personnel and is facilitated by the BDO Audit Team.

The attached report contains details of the issues raised and management's comments.

The Accounts Receivable Control Self-Assessment is presented to the Audit and Risk Committee for their information.

Attachment

 BDO Audit (WA) Pty Ltd – Accounts Receivable Control Self-Assessment

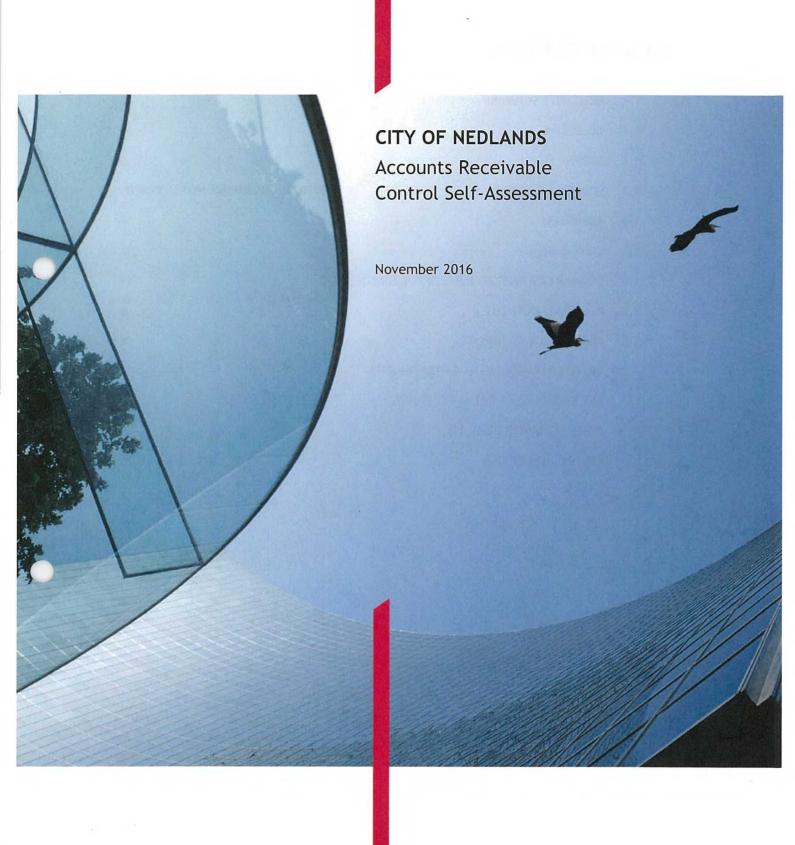






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1. EXECUTIVE SUMMARY

1.1 Objective

In accordance with the 2016/17 Internal Audit Annual Plan, we have facilitated a Control Self-Assessment (CSA) of the Accounts Receivable processes for the City of Nedlands (the City) with selected City personnel. A CSA is a process through which internal control effectiveness is examined and assessed. The objective is to provide a facilitated self assessment for compliance with relevant management polcies and procedures. The "self" refers to the involvement and input provided by City personnel to perform the assessment that was facilitated by the BDO internal audit team.

1.2 Scope

On 20 October 2016, we facilitated a CSA at the City's offices with personnel identified by the City to review the risk management and control processes with respect to the City's Accounts Receivable process.

The following City personnel participated directly in the CSA:

Title of Participant	Name of Participant
Director Corporate and Strategy	Lorraine Driscoll
Manager of Finance	Kim Chua
Finance Officer (AR, Assets & Insurance)	Daniel Wong
Coordinator Financial Accounting	Vanaja Jayaraman
Coordinator Rangers	Jessica Wotherspoon
Coordinator Corporate Services	Natalie Wilson

1.3 Approach

In performing this CSA, we:

- Obtained and reviewed relevant and available policy and procedure documentation to understand them and the roles and responsibilities of personnel performing them
- Agreed a date for the CSA with City personnel and requested City personnel arrange for personnel attendance and participation
- Facilitated the CSA with nominated City personnel
- Summarised recommendations for improvement in a draft report and provided it to City personnel for management comments
- Upon receipt of management comments, finalised the report and issued to the CEO.

1.4 Conclusion

As this review was a facilitated CSA, we have not provided a rating. A summary of improvement opportunities identified during the CSA is provided at 1.5 below.



1.5 Summary of Improvement Opportunities

During the facilitated CSA, five improvement opportunities were identified. A summary is provided in the following table and are further detailed in Section 3 of this report.

Reference	Improvement Opportunity
1	Accounts Receivable policy and procedures
	A formal Accounts Receivable policy should be developed and implemented and procedural documentation should be either revised or developed and implemented.
2	Segregation of duties for invoice processing process
	Segregation of duties can be improved by improving controls as the Finance Officer has sole responsibility for creating and processing invoices and creating and processing credit notes.
3	Excessive number of Users with access to Accounts Receivable Modules
	Access controls over the Accounts Receivable modules can be improved as there are 252 users with the same level of access to the Accounts Receivable modules and the access level is the highest available. User access levels and respective Accounts Receivable functions in the system should also be defined.
4	Implement Accounts Receivable Delegation of Authority
	A formal Delegation of Authority for accounts receivable should be implemented.
5	Accounts Receivable master file governance
	Controls should be implemented that will enable appropriate monitoring of changes to accounts receivable master file data.

1.6 Acknowledgement

We thank the staff at the City of Nedlands for their support and assistance to us in performing this CSA.



1.7 Acceptance of Report

On behalf of City of Nedlands			
Signature:	Eserció		
Name:	Greg Trevaskis		
Title:	Chief Executive Officer		
Date:	+ Navember 2016		

2. DETAILED IMPROVEMENT OPPORTUNITIES

Accounts Receivable	Management Comments	
1 - Accounts Receivable policy and procedures	Agree with recommendation, policy	
A formal Accounts Receivable policy does not exist and all key processes are not documented. Some procedural documentation exist but is outdated and not formally Governed.	and procedures will be developed	
We recommend the City create and implement formal fit for purpose Accounts Receivable policy and update current procedures, which align with the current business operational requirements for Accounts Receivable processes.		
2 - Segregation of duties for invoice processing process	Agree with recommendation and will	
We identified segregation of duties concerns for the entry and processing of new invoice creation and credit note processing as the Finance officer is solely responsible for these activities.	implement reporting capabilities to address these concerns	
We recommend that the City implement reporting capabilities outlining invoice and credit transactions that are reviewed by management monthly and or a formal review and authorisation process for new invoice creation and credit note processing.		
3 - Excessive number of Users with access to Accounts Receivable Modules	Agree with recommendation to review	
There are 252 users with the same level of access to the Accounts Receivable modules resulting in a lack of segregations of duties and may lead to unauthorised transaction processing and or potential fraudulent activities. User access levels and respective Accounts Receivable functions in the system have not been defined and the levels of access granted to these users are the highest level available.	user access provisioning	
We recommend management to review current user access for the Accounts Receivable modules and only allocate relevant and appropriate level of access to staff members based on their roles and responsibilities as needed.		

Accounts Receivable

4 - Unformal Accounts Receivable Delegation of Authority

A formal Delegation of Authority is not available that outline relevant Accounts Receivable delegations.

We recommend that the City create and implement a formal Delegation of Authority for relvant Accounts Receivable processes.

5 - Accounts Receivable master file governance

No governance process and or audit trail exists for changes made to accounts receivable master file data.

We recommend that changes made to the account receivable master file should be segregated from the finance officer, formally, reviewed and approved by another employee to ensure accuracy and validity of changes.

Management Comments

More than 90% of the City's invoices have a value of less than \$1,000 and with invoices raised only at the request of another Senior Employee, however, whilst the risk is limited in this area we agree to review the process.

We will review the options available to us re audit trial, in the interim period we will implement a procsess for sign off by the Director Corporate and Services



3. KEY ENGAGEMENT DETAILS & TIMING

Engagement Detail	
Date Final Report Issued	02 November 2016
Review Period Covered	CSA performed on 20 October 2016
BDO Engagement Principal	Andrew Hillbeck
Client Sponsor	Greg Trevaskis

CSA Timing	Planned Date	Actual Date	Comments on Variations
Planning Meeting	17 October 2016	17 October 2016	
CSA Commencement	20 October 2016	20 October 2016	
CSA Completion .	20 October 2016	20 October 2016	
Draft report sent	27 October 2016	27 October 2016	
Management Comments Received	3 November 2016	02 November 2016	
Final report issued	10 November 2016	04 November 2016	



4. INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure within which the control procedures that are subject to internal audit operate is not reviewed in its entirety and, therefore, no opinion or view is expressed as to the effectiveness of the greater internal control structure. An internal audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are done on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this internal audit report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, client management and personnel. We have indicated within this internal audit report the sources of the information provided. We have not sought to verify those sources independently unless otherwise noted within the internal audit report. We are under no obligation in any circumstance to update this internal audit report, in either oral or written form, for events occurring after the internal audit report has been issued in final form unless specifically agreed with management.

5. RESTRICTION OF USE

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7.3 BDO Control Self-Assessment – Human Resource Leave

Applicant	City of Nedlands		
Owner	BDO		
Officer	Andrew Melville		
Director	Lorraine Driscoll		
Director Signature	Lanse Del		
Disclosure of Interest No officer involved in the preparation of this report had any interest which required it to be declared in accordance with the provisions of the Local Government Act (1995).			

Moved – Councillor McManus Seconded – Councillor Hodsdon

Committee Recommendation / Recommendation to the Audit and Risk Committee

The Audit and Risk Committee receives the Human Resource Leave Control Self-Assessment and notes the finding and recommendation of the review and the actions proposed by Administration.

CARRIED UNANIMOUSLY 5/-

Background

BDO Audit (WA) Pty Ltd are the City's appointed Internal Auditors and in accordance with the 2016/17 Internal Audit Annual Plan have facilitated a Control Self-Assessment of the City's human resource leave processes.

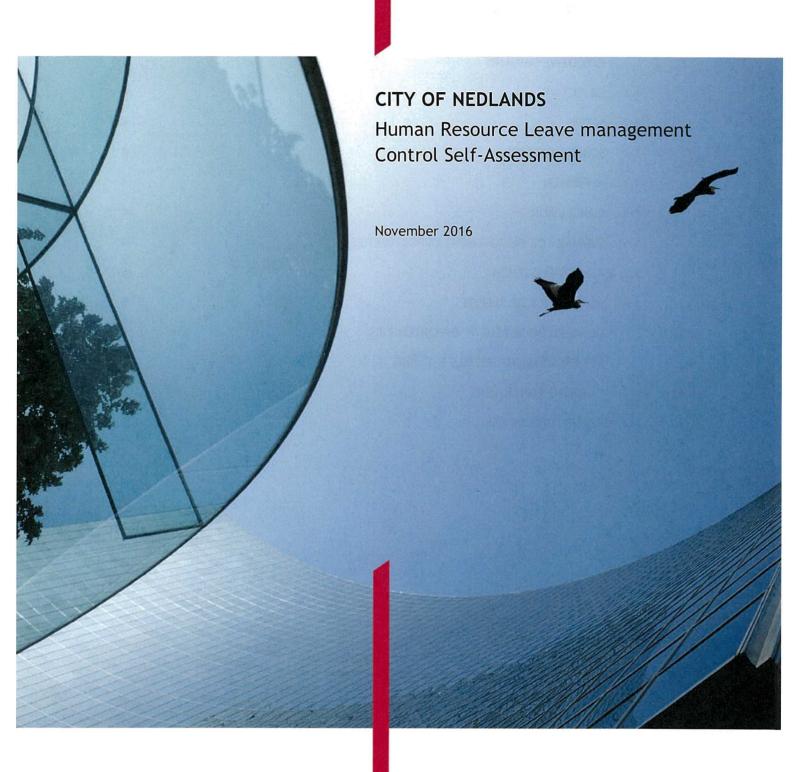
A Control Self-Assessment is a process through which internal control effectiveness is examined and assessed. The objective is to provide a facilitated self-assessment for compliance with relevant management policies and procedures. The assessment is conducted with input from city personnel and is facilitated by the BDO Audit Team.

The attached report contains details of the issues raised and management's comments.

The Human Resources Leave Control Self-Assessment is presented to the Audit and Risk Committee for their information.

Attachment

 BDO Audit (WA) Pty Ltd – Human Resource Leave Control Self-Assessment







1. EXECUTIVE SUMMARY

1.1 Objective

In accordance with the 2016/17 Internal Audit Annual Plan, we have facilitated a Control Self-Assessment (CSA) of Human Resourse (HR) Leave management processes for the City of Nedlands (the City) with selected City personnel. A CSA is a process through which internal control effectiveness is examined and assessed. The objective is to provide a facilitated self assessment for compliance with relevant management polcies and procedures. The "self" refers to the involvement and input provided by City personnel to perform the assessment that was facilitated by the BDO internal audit team.

1.2 Scope

On 28 September 2016, we facilitated a CSA at the City's offices with personnel identified by the City to review the risk management and control processes with respect to the City's HR Leave management process.

The following City personnel participated in the CSA:

Defined Role per Procedure	Title of Particpant	Name of Participant
Manager	Manager Human Resources and Organisational Development	Shelley Mettam
Payroll Officer	Payroll Officer	Dimple Kaur

1.3 Scope Limitation

The City did not have a specific documented policy and procedure in place for Leave management.

1.4 Approach

In performing this CSA, we:

- Obtained and reviewed relevant and available policy and procedures documentation to understand them and understand the roles and responsibilities of personnel performing them
- Agreed a date for the CSA with City personnel and requested City personnel arrange for personnel attendance and participation
- Facilitated the CSA with nominated City personnel
- Summarised recommendations for improvement in a draft report and provided it to City personnel for management comments
- Upon receipt of management comments, finalised the report and issued to the CEO.

1.5 Conclusion

As this review was a facilitated CSA, we have not provided a rating. A summary of improvement opportunities identified during the CSA is provided at 1.6 below.

1.6 Summary of Improvement Opportunities

During the facilitated CSA, five improvement opportunities were identified. A summary is provided in Table 1 below and are further detailed in Section 3 of this report.

2. DETAILED IMPROVEMENT OPPORTUNITIES

Management Comments Leave management

1 - Leave management policy and procedures

Although the City subscribes to relevant Fair Work and Eneterprise agreements that outline legislative compliance, there is no specific documented policies and or procedures outling the responsibility, accountability and processes to be followed by staff, HR and payroll.

We recommend the City create and implement formal fit for purpose leave management policy and procedures, which align with the current business operational requirements for leave management.

2 - Segregation of duties for leave processing process

We identified that inadequate segregation of duties exists for the entry and processing of new employees and leave requests. The payroll officer is solely responsible for entering leave transactions into the payroll system without any other staff member checking the accuracy and validity of transactions. We recommend that the City implement an independent review and approval process for the input and processing of transactions into the Authority system.

3 - Leave liability reporting process

Although the leave liability report is circulated to line managers and directors, there is no evidence obtained to ensure that reports have been reviewed and checked by management. Our review highlighted that currently their are 13 employees that have more than eight weeks of Annual leave available that are in breach of the current City of Nedlands Enterprise Agreement 2013.

We recommend that the relevant line managers or directors should sign and document reasons for exceptions on the leave liability reports to evidence checking and review of reports.

Agreed - If approved by CEO & parameters agreed - eg leave accrual, leave clearance - can be easily built into a policy/procedure March 2017

Implementation date: Mar 2017

This will be addressed by the introduction of the on line leave request form which is being implemented later this month

Implementation date: 30 Nov 2016

Leave liability reports are forwarded to the Executive Management Team and discussed on a quarterly basis and Minutes of these meetings are

recorded.



3. KEY ENGAGEMENT DETAILS & TIMING

Engagement Detail	
Date Draft Report Issued	27 September 2010
Review Period Covered	CSA performed on 28 September 2016
BDO Engagement Principal	Andrew Hillbeck
Client Sponsor	Greg Trevaskis

CSA Timing	Planned Date	Actual Date	Comments on Variations
Planning Meeting	A. Jahling Statement	16 September 2016	
CSA Commencement		28 September 2016	
CSA Completion	28 September 2016	28 September 2016	
Draft report sent	5 October 2016	29 September 2016	
Management Comments Received	12 October 2016	02 November 2016	
Final report issued	19 October 2016	04 November 2016	

7.4 BDO Control Self-Assessment – Investment Management

Applicant	City of Nedlands	
Owner	BDO	
Officer	Andrew Melville	
Director	Lorraine Driscoll	
Director Signature	Lanse Del	
Interest No officer involved in the preparation of this report had any interest which required it to be declared accordance with the provisions of the Local Government Act (1995).		

Moved – Mr Eastwood Seconded – Councillor Hodsdon

Committee Recommendation / Recommendation to the Audit and Risk Committee

The Audit and Risk Committee receives the Investment Management Control Self-Assessment and notes the finding and recommendation of the review and the actions proposed by Administration.

CARRIED UNANIMOUSLY 5/-

It was voted that the Director of Corporate and Strategy and the Manager Finance will always be in the investment rollover process. Council policy to be accordingly updated.

Background

BDO Audit (WA) Pty Ltd are the City's appointed Internal Auditors and in accordance with the 2016/17 Internal Audit Annual Plan have facilitated a Control Self-Assessment of the City's investment management processes.

A Control Self-Assessment is a process through which internal control effectiveness is examined and assessed. The objective is to provide a facilitated self-assessment for compliance with relevant management policies and procedures. The assessment is conducted with input from city personnel and is facilitated by the BDO Audit Team.

The attached report contains details of the issues raised and management's comments.

The Investment Management Control Self-Assessment is presented to the Audit and Risk Committee for their information.

Attachment

 BDO Audit (WA) Pty Ltd – Investment Management Control Self-Assessment

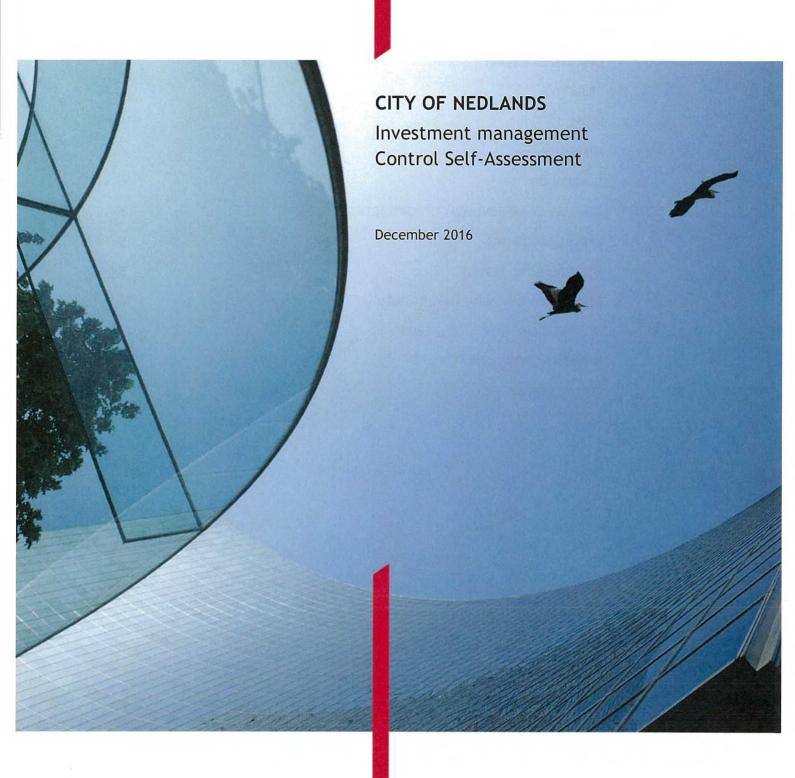






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1. EXECUTIVE SUMMARY

1.1 Objective

In accordance with the 2016/17 Internal Audit Annual Plan, we have facilitated a Control Self-Assessment (CSA) of Investment management processes for the City of Nedlands (the City) with selected City personnel. A CSA is a process through which internal control effectiveness is examined and assessed. The objective is to provide a facilitated self assessment for compliance with relevant management polcies and procedures. The "self" refers to the involvement and input provided by City personnel to perform the assessment that was facilitated by the BDO internal audit team.

1.2 Scope

On 30 November 2016, we facilitated a CSA at the City's offices with personnel identified by the City to review the risk management and control processes with respect to the City's Investment management process.

The following City personnel participated in the CSA:

Title of Particpant	Name of Participant	
Director Corporate and Strategy	Lorraine Driscoll	
Manager of Finance	Kim Chua	
Finance Officer	Hassan Shiblee	

1.3 Approach

In performing this CSA, we:

- Obtained and reviewed relevant and available policy and procedures documentation to understand them and understand the roles and responsibilities of personnel performing them
- Agreed a date for the CSA with City personnel and requested City personnel arrange for personnel attendance and participation
- Facilitated the CSA with nominated City personnel
- Summarised recommendations for improvement in a draft report and provided it to City personnel for management comments
- Upon receipt of management comments, finalised the report and issued to the CEO.

1.4 Conclusion

As this review was a facilitated CSA, we have not provided a rating. A summary of improvement opportunities identified during the CSA is provided at 1.6 below.



1.5 Summary of Improvement Opportunities

During the facilitated CSA, three improvement opportunities were identified. A summary is provided in Table 1 below and are further detailed in Section 3 of this report.

Reference	Improvement Opportunity
1	Investment management policy and procedures
	The Investment management policy and related procedures should be revised and updated to meet current operational requirements.
2	Investment management training and awareness
	A formal investment management awareness and training is to be implemented that is fit for purpose for all relevant officers.
3	Assign Relevant Delegation of Authority for Investment purposes
	Update Investment management procedure to include and document the Delegation of Authority in all investment related processes.

1.6 Acknowledgement

We thank the staff at the City of Nedlands for their support and assistance to us in performing this CSA.

1.7 Acceptance of Report

On behalf of City of Nedlands				
Signature:	su Derli			
Name:	Greg Trevaskis			
Title:	Chief Executive Officer			
Date:	20 Dec 2016			

2. DETAILED IMPROVEMENT OPPORTUNITIES

Leave management	Management Comments
1 - Investment management policy and procedures We identified that the current Investment management policy and procedures are outdated and does not reflect the current processes followed.	Noted, the policy and procedures will be reviewed and updated accordingly. Target date - 30.06.17
We recommend that the City review the current investment management policy and procedures and update it to align with the current business and operational requirements for Investment management.	
2 - Investment management training and awareness	We do not agree that additional
We identified that staff currently involved in the Investment management process do not undertake formal and or refresher investment training.	training in investment management is required. The investment approach at the City is fairly conservative, as
We recommend that the City consider providing staff investment management training as required to ensure adequate knowledge and skills for their specific role.	determined by the policy and the officers responsible for decisions around investment are all CPA qualified, have experience in managing an investment portolio such as this and regularly keep abreast of economic factors and movements in bank rates
3 - Assign Relevant Delegation of Authority for Investment purposes	
The current investment management process involves the transacting of material amounts ranging from approximately \$300,000 to \$1,000,000 and there is no clear Delegation of Authority assigned to the processing of investment transactions. We understand that the Manager of Finance approves all transactions.	The Director Corporate & Strategy has delegated authority to approve investments. The Manager and Director are always involved in the roll over process,
We recommend that the Delegation of Authority be updated to include investment management transactions and that these delegations should be included in the relevant policies and procedures.	additionally deposit and disbursal require two signatories.



3. KEY ENGAGEMENT DETAILS & TIMING

Engagement Detail	
Review Period Covered	CSA performed on 30 November 2016
BDO Engagement Principal	Andrew Hillbeck
Client Sponsor	Greg Trevaskis

CSA Timing	Planned Date	Actual Date	Comments on Variations
Planning Meeting	18 November 2016	18 November 2016	
CSA Commencement	30 November 2016	30 November 2016	
CSA Completion	30 November 2016	30 November 2016	
Draft report sent	7 December 2016	7 December 2016	
Management Comments Received	14 December 2016	19 December 2016	
Final report issued	21 December 2016	20 December 2016	



4. INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure within which the control procedures that are subject to internal audit operate is not reviewed in its entirety and, therefore, no opinion or view is expressed as to the effectiveness of the greater internal control structure. An internal audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are done on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this internal audit report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, client management and personnel. We have indicated within this internal audit report the sources of the information provided. We have not sought to verify those sources independently unless otherwise noted within the internal audit report. We are under no obligation in any circumstance to update this internal audit report, in either oral or written form, for events occurring after the internal audit report has been issued in final form unless specifically agreed with management.

5. RESTRICTION OF USE

This report is intended solely for the use of management, the City of Nedlands Council, the external auditors, regulatory agencies or the City's legal counsel and cannot be used by, circulated, quoted, disclosed, or distributed to third parties without BDO's prior written consent.

7.5 Insurance Review Update

Applicant	City of Nedlands
Director	Lorraine Driscoll
Director Signature	Lanse Del
Disclosure of Interest	No officer involved in the preparation of this report had any interest which required it to be declared in accordance with the provisions of the Local Government Act (1995).

Moved – Councillor McManus Seconded – Mr Eastwood

Committee Recommendation / Recommendation to the Audit and Risk Committee

The Audit and Risk Committee receives the Insurance Review Update report and notes the contents and actions proposed by Administration.

CARRIED UNANIMOULSY 5/-

Background

Marsh Pty were appointed in September 2016 as the City's Insurance Brokers. At that time, given the timeframe available to renew the City's insurance cover all premiums were renewed on a 'like for like' basis. However, as part of the partnership model between Marsh Pty and the City a number of added value activities were agreed to and undertaken with a view to ensuring that the best possible coverage was accessed and areas of risk identified. The three areas of focus were

- Strategic Workplace Risk Profiling
- Property Survey
- Professional Indemnity Review

Strategic Workplace Risk Profiling

This workshop took place in December 2016 and reviewed the City's approach to:

- Safety Management
- Injury Management
- Claims Management and
- Insurer Management

The City is in receipt of a comprehensive report which covers the areas above and identifies improvement activities which will assist in the reduction of worker's compensation exposures whilst also achieving cost reductions. The report has yet to be worked through but early indications are that under the gap analysis diagnostic findings the City has been rated as "Good" across the area of workplace injury risk.

Next Steps

A follow up meeting has been scheduled to take place in mid February between Marsh Pty consultants and key City staff, at which findings and recommendations of the report will be considered and actioned as appropriate.

Property Survey

Insurers; CGU undertook a survey of the following key City locations;

- 71 Stirling Highway Nedlands -Council Chamber/Office/Surrounding Ground
- 97 Waratah Ave, Dalkeith Dalkeith Hall/NCC Office/NCC Respite Centre/Surrounding Grounds
- Carrington Street Nedlands Works Depot

The purpose of the survey was to review processes and procedures in place and to conduct a review of:

- Emergency response and training/pre-fire planning with local fire brigade,
- Hot work permit systems,
- In-house fire safety (and housekeeping) inspection programs,
- Maintenance and supervision of fire protection/detection systems,
- Smoking policies,
- Electrical equipment maintenance (switchboards, transformers, battery chargers) etc.,
- Mechanical & kitchen equipment maintenance,
- Site security,
- Data back-up procedures/practices.
- Contractor management,
- Fire impairment management,
- Incident reporting process,

Next Steps

A report is currently being prepared by the insurers, once received recommendations of the report will be considered and actioned as appropriate.

Professional Indemnity Review

This workshop took place in January 2017, the purpose of which was to review the breakdown of services included in the current Professional Indemnity Cover. An overview of professional services captured under this insurance coverage identified areas that were not relevant to the City's current activities. This has occurred due to historical mutual insurance arrangements and the opportunity has now arisen to review and adjust accordingly.

Next Steps

Marsh Pty are reviewing feedback from the City's Executive Team and will update the declared professional services and present to insurers for a revised level of coverage and subsequent reduction in premium. It is expected that there will be significant savings in premiums.

Attachment

Nil

7.6 2016 Compliance Audit Report

Owner	City of Nedlands	
Officer	Pollyanne Fisher – Policy and Projects Officer	
Director Lorraine Driscoll		
Director	Konse Del	
Signature	Winds -	
Disclosure of No officer involved in the preparation of this rep		
Interest	had any interest which required it to be declared in	
	accordance with the provisions of the Local	
	Government Act (1995).	

Moved – Councillor Hodsdon Seconded – Councillor Argyle

Council adopts the 2016 Compliance Audit Return, with an amendment to the response to no.2 'Local Government Employees' being amended to a 'Yes'.

CARRIED UNANIMOUSLY 5/-

Committee Recommendation

Council adopts the 2016 Compliance Audit Return, with an amendment to the response to no.2 'Local Government Employees' being amended to a 'Yes'.

Recommendation to Audit & Risk Committee

Council adopts the 2016 Compliance Audit Return.

Administration Comment

The vacancies for the positions of designated senior employees during 2016 were all advertised in compliance with s.5.36(4), 5.37(3) of the Act and Admin Reg 18A. The response to no.2 'Local Government Employees' should be amended to state a 'Yes'.

Executive Summary

The 2016 Compliance Audit Return is an annual return that is required to be reviewed and adopted by Council prior to submission to the Department of Local Government by 31 March 2017. The Audit and Risk Committee is required to review the return and is to submit the results of that review to Council.

Discussion/Overview

Local governments are required to complete the annual Compliance Audit Return. The attached return for the City of Nedlands is for the period 1 January 2016 to 31 December 2016. It is required to be considered and adopted by Council, and submitted to the Department of Local Government by 31 March 2017. The Audit and Risk Committee is required to review the return and is to submit the results of that review to Council.

Regulations 14 and 15 of the Local Government (Audit) Regulations 1996 as follows:

In accordance with Regulation 14 and 15 of the Local Government (Audit) Regulations 1996 the Compliance Audit Return 2016 must be:

- Presented to the Audit and Risk Committee for review and then presented to Council;
- 2. Adopted by Council;
- Recorded in the minutes of the meeting at which it was adopted; and
- 4. A certified copy of the return, along with a copy of the minutes recording its adoption, to be submitted to the Department of Local Government by 31 March 2017.

The City's 2016 Compliance Audit Return was completed in February by the Policy and Projects Officer after reviewing and assessing:

- Council meeting agendas and minutes;
- Performance plans, media advertisements, procedures and policies, registers, delegation records, local laws; and
- Interviews with responsible officers.

Key Relevant Previous Council Decisions:

Not applicable.

Consultation

The Audit and Risk Committee is required to review the return and is to submit the results of that review to Council.

Budget/Financial Implications

The 2016 Compliance Audit Return has been conducted using internal resources and there are no other financial impacts.

Attachment

Compliance Audit Return 2016



Nedlands - Compliance Audit Return 2016

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government and Communities together with a copy of section of relevant minutes.

No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2016.	N/A	No major trading undertaken in 2016	Pollyanne Fisher
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2016.	N/A	No major land transactions in 2016	Pollyanne Fisher
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2016.	N/A		Pollyanne Fisher
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2016.	N/A		Pollyanne Fisher
5	s3.59(5)	Did the Council, during 2016, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Pollyanne Fisher



No	gation of Power / D Reference		Posnonse	Comments	Dospondont
NO	кетегенсе	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Pollyanne Fisher
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Pollyanne Fisher
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Pollyanne Fisher
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Pollyanne Fisher
5	s5.18	Has Council reviewed delegations to its committees in the 2015/2016 financial year.	Yes		Pollyanne Fisher
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Pollyanne Fisher
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Pollyanne Fisher
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Pollyanne Fisher
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Pollyanne Fisher
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Pollyanne Fisher
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Pollyanne Fisher
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2015/2016 financial year.	Yes		Pollyanne Fisher
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Pollyanne Fisher

Discl	Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent	
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Pollyanne Fisher	
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Pollyanne Fisher	



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Pollyanne Fisher
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	N/A	No newly elected members	Pollyanne Fisher
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Pollyanne Fisher
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2016.	Yes		Pollyanne Fisher
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2016.	Yes		Pollyanne Fisher
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Pollyanne Fisher
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Pollyanne Fisher
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Pollyanne Fisher
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Pollyanne Fisher
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Pollyanne Fisher
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Pollyanne Fisher
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	N/A	Non disclosed by an employee	Pollyanne Fisher



No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	N/A		Pollyanne Fisher
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Pollyanne Fisher

Disposal of Property					
No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A	Disposals all excluded in accordance with 3.58(5)	Pollyanne Fisher
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Pollyanne Fisher

Elect	Elections					
No	Reference	Question	Response	Comments	Respondent	
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	Yes		Pollyanne Fisher	

Finar	Finance					
No	Reference	Question	Response	Comments	Respondent	
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Pollyanne Fisher	
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	Yes		Pollyanne Fisher	
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Pollyanne Fisher	
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Pollyanne Fisher	



No	Reference	Question	Response	Comments	Respondent
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government within 30 days of completion of the audit.	Yes		Pollyanne Fisher
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government by 31 December 2016.	Yes		Pollyanne Fisher
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	Yes		Pollyanne Fisher
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Pollyanne Fisher
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Pollyanne Fisher
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Pollyanne Fisher
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Pollyanne Fisher
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Pollyanne Fisher
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Pollyanne Fisher
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Pollyanne Fisher



Local	Government Emp	oloyees			
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A	There were no new CEO appointments in 2016	Shelley Mettam
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A		Shelley Mettam
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Shelley Mettam
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Shelley Mettam
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Shelley Mettam

Offici	al Conduct				
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A	CEO or Acting CEO is the Complaints Officer	Pollyanne Fisher
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Pollyanne Fisher
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Pollyanne Fisher
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Pollyanne Fisher
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occured.	Yes		Pollyanne Fisher
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		Pollyanne Fisher



No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11 (1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11 (2)).	Yes		Pollyanne Fisher
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes		Pollyanne Fisher
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Pollyanne Fisher
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Pollyanne Fisher
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Pollyanne Fisher
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Pollyanne Fisher
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Pollyanne Fisher
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Pollyanne Fisher
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Pollyanne Fisher
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Pollyanne Fisher
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	Yes		Pollyanne Fisher
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	Yes		Pollyanne Fisher



No	Reference	Question	Response	Comments	Respondent
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	Yes		Pollyanne Fisher
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	Yes		Pollyanne Fisher
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A	No panels of pre- qualified suppliers sought in 2016	Pollyanne Fisher
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		Pollyanne Fisher
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		Pollyanne Fisher
18	F&G Reg 24AD(6)	If the local government to sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		Pollyanne Fisher
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		Pollyanne Fisher
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application (s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		Pollyanne Fisher
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		Pollyanne Fisher
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		Pollyanne Fisher



No	Reference	Question	Response	Comments	Respondent
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A	No regional price preference	Pollyanne Fisher
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		Pollyanne Fisher
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes		Pollyanne Fisher

I certify this Compliance Audit return has been adopted by C	Souncil at its meeting on
Signed Mayor / President, Nedlands	Signed CFO. Nedlands

8. Confidential Item – Appointment of Auditor

Any Confidential items to be considered at this point.

BDO representatives departed the meeting at 6.20 pm.

Closure of Meeting to the Public Moved – Councillor Hodsdon Seconded – Mayor Hipkins

That the meeting be closed to the public in accordance with Section 5.23 9d) of the *Local Government Act* 1995 to allow confidential discussion on the following item.

CARRIED UNANIMOUSLY 5/-

The meeting was closed to the public at 6.25 pm.

Moved – Councillor McManus Seconded – Councillor Mayor

That the meeting be reopened to members of the public and the press.

CARRIED UNANIMOUSLY 5/-

The meeting was reopened to members of the public and the press at 6.29 pm.

8.1 Appointment of Auditor

The following recommendation carried in confidential session was read.

Moved – Councillor McManus Seconded – Councillor Hodsdon

Committee Recommendation / Recommendation to Committee

Council in accordance with the provisions of Section 7.3 of the Local Government Act 1995, appoints the Auditors as per the report provided to the Committee, as the City's auditor for the years 2016/17 to 2017/18 with the option of annual extensions.

CARRIED UNANIMOUSLY 5/-

9. Date of next meeting

The date of the next meeting of this Committee is to be advised.

Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 6.30 pm.