

***Minutes***

***Audit & Risk Committee Meeting***

***31 August 2020***

**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.

**Table of Contents**

[Declaration of Opening 3](#_Toc50960467)

[Present and Apologies and Leave of Absence (Previously Approved) 3](#_Toc50960468)

[1. Public Question Time 4](#_Toc50960469)

[2. Addresses By Members of the Public (only for items listed on the agenda) 4](#_Toc50960470)

[3. Disclosures of Financial and/or Proximity Interest 4](#_Toc50960471)

[4. Disclosures of Interests Affecting Impartiality 4](#_Toc50960472)

[5. Declarations by Members That They Have Not Given Due Consideration to Papers 4](#_Toc50960473)

[6. Confirmation of Minutes 5](#_Toc50960474)

[6.1 Audit & Risk Committee Meeting 8 June 2020 5](#_Toc50960475)

[7. Matters for Which the Meeting May Be Closed 5](#_Toc50960476)

[8. Items for Discussion 5](#_Toc50960477)

[8.1 Moore Australia Update 6](#_Toc50960478)

[8.2 Internal Audit Actions Log 7](#_Toc50960479)

[8.3 Business Continuity Planning 9](#_Toc50960480)

[8.4 Risks in the Tendering Process 15](#_Toc50960481)

[8.5 Procurement Procedures Manual 20](#_Toc50960482)

[8.6 Accounting Policies Procedure 25](#_Toc50960483)

[8.7 Preliminary Year End Results 27](#_Toc50960484)

[8.8 Safe Active Street Risk Analysis 29](#_Toc50960485)

[8.9 Montgomery Avenue Wall 33](#_Toc50960486)

[8.10 Fraud and Corruption 38](#_Toc50960487)

[8.11 Insurance 41](#_Toc50960488)

[9. Urgent Business Approved By the Presiding Member or By Decision 42](#_Toc50960489)

[10. Confidential Items 42](#_Toc50960490)

[11. Date of next meeting 42](#_Toc50960491)

[Declaration of Closure 42](#_Toc50960492)

**City of Nedlands**

**Minutes of a meeting of the Audit & Risk Committee held online via livestream on Monday 31 August 2020 at 5.30 pm.**

# Declaration of Opening

The Presiding Member declared the meeting open at 5.30 pm and drew attention to the disclaimer below.

# Present and Apologies and Leave of Absence (Previously Approved)

**Councillors** Councillor L J McManus (Presiding Member)

 Her Worship the Mayor, C M de Lacy

 Councillor A W Mangano Dalkeith Ward

Councillor R Senathirajah Melvista Ward

Councillor P N Poliwka Hollywood Ward

Mr P Setchell Community Member

Mr S Foley Community Member

**Staff** Mr M A Goodlet Chief Executive Officer

Mrs L M Driscoll Director Corporate & Strategy

Mr J Duff Director Technical Services

Mrs N Ceric EA to CEO and Mayor

**Invited Guests** Ms A Cheng Moore Australia

 Ms Michelle Shafizadeh Moore Australia, Director Assurance Advisory

**Public** There were no members of the public present.

**Press** There were no representatives from the press

**Leave of Absence** Nil.

**(Previously Approved)**

**Apologies** Nil

**Disclaimer**

Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, 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.

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

# Public Question Time

Nil.

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

Addresses by members of the public who have completed Public Address Session Forms will be invited to be made at this point.

Nil.

# Disclosures of Financial and/or Proximity 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.

# 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 interest affecting impartiality.

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

Mr Setchell advised that due to the volume of papers and the limited time available, he was unable to read all the papers.

# Confirmation of Minutes

# 6.1 Audit & Risk Committee Meeting 8 June 2020

Moved – Councillor Mangano

Seconded – Councillor Senathirajah

**The minutes of the Audit & Risk Committee held 8 June 2020 be confirmed.**

**CARRIED UNANIMOUSLY 7/-**

# Matters for Which the Meeting May Be Closed

Council, in accordance with Standing Orders and for the convenience of the public, is to identify any matter which is to be discussed behind closed doors at this meeting, and that matter is to be deferred for consideration as the last item of this meeting.

Nil.

# 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.

# Moore Australia Update

|  |  |
| --- | --- |
| **Committee** | 31 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | 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). |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | 1. PowerPoint Presentation
2. Effective Internal Auditing in the Public Sector – A Good Practice Guide (Mark 2020)
3. OAG Report-26 WA Public Sector Audit Committees – Better Practice Gide
 |
| **Confidential Attachments** | Nil. |

Moore Australia provided a verbal update at the meeting.

# Internal Audit Actions Log

|  |  |
| --- | --- |
| **Committee** | 31 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | 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). |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | 1. Internal Audit Actions Log - Archive
2. Internal Audit Actions Log - Main
 |
| **Confidential Attachments** | Nil. |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Councillor Senathirajah

Seconded – Councillor Mangano

**That the Recommendation to Committee be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 7/-**

**Committee Recommendation / Recommendation to Committee**

**The Audit and Risk Committee receives the internal audit Actions Log.**

**Executive Summary**

The attached Internal Audit Actions Log contains details of the matters raised by the Auditors during the City’s Internal Audit program. The list apportions information detailing the Log Reference, Dates – Open, Due and Closed, Business, Audit Status, Name and Action, Owner, Original and Revised Due Dates, Action, Owner and Status Comments.

The recently updated internal audit Actions Log is presented to the Audit and Risk Committee for their information.

**Discussion/Overview**

An audit is a process through which internal control effectiveness is examined and assessed. The objective is to provide an audit for compliance with relevant management policies and procedures. Each internal audit undertaken results in actions being recommended to the City’s Administration. These actions are monitored for completion using the internal audit Actions Log.

The attached list contains details of the Actions raised and outcome.

The recently updated internal audit Actions Log is presented to the Audit and Risk Committee for their information. We have recently updated the log to a more optimise process. All past iteams are under the Archive tab. The log will be managed on one page which is the Main sheet of the register.

**Key Relevant Previous Council Decisions:**

Nil

**Consultation**

Nil.

**Strategic Implications**

There are no implications to our strategy. It improve the identification and management of both audit items and potential risk.

**Who benefits?**

All will benefit from a more streamline method of capture and simpler method of filtering closed and open items. Better alignment of the ID’s as new items is just added to the list.

**Does it involve a tolerable risk?**

Yes. Using filters as appose to cut and paste this will reduce the level of risk for misidentification and doubling up on reference ID.

**Budget/Financial Implications**

Nil.

Any actions requiring expenditure that is not allocated to an existing budget will be considered by Council during budget deliberations.

# Business Continuity Planning

|  |  |
| --- | --- |
| **Committee** | 24 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | * + - 1. Incident Management and Buinsss Continuity Response Plan V 69.
 |
| **Confidential Attachments** | 1. City of Nedlands Business Continuity Plan Review – Final 16 March 2020 Amended.
 |

**Regulation 11(da) – Not Applicable – Minor change.**

Moved – Mayor de Lacy

Seconded – Councillor Senathirajah

**Committee Recommendation**

**Council:**

1. **approves development of the Business Continuity Plan (BCP), as per below:**
2. **Identification of Critical Business Functions and incorporate into the BCP;**
3. **Testing and compliance of BCP/DRP in 20/21 Financial Year;**
4. **Address other criteria identified in the BCP review report; and**
5. **notes training to be provided by the City’s insurance broker MARSH Pty Ltd through facilitated key staff workshops (3rd and 4th September 2020) to develop a fresh BCP.**

**CARRIED UNANIMOUSLY 7/-**

Recommendation to Committee

Council approves training and development of the Business Continuty Plan, as per the below:

1. MARSH facilitate key staff workshop (3rd and 4th September 2020) to develop a fresh Business Continuty Plan (BCP);
2. Develop a Business Impact Analysis information;
3. Test and comply BCP/DRP in 20/21 Financial Year; and
4. Address other criteria identified in the Business Conintuty Plan (BCP) review report.

**Executive Summary**

The objective of this report is to deliver the Risk and Audit Committee with background information on city’s Business Continuity Plan, and to emphasis any risks.

**Discussion/Overview**

Our Business Continuity Plan (BCP) is out of date. City’s last BCP training and review was completed in 2015. Since then city has gone through major changes including staff roles and positions, systems and technology, processor, and security and faced with natural/man-made disasters. Those changes have affected and challenged the business continuity in various ways.

In mid-2018 Moore Stephens (WA) Pty Ltd was engaged to conduct an independent strategic internal audit plan on the city’s operations. This is to be complete over a three-year period. Audit included of reviewing the BCP/DRP, Business Impact Analysis and IT Policies (completed May 2019). This audit was performed to understand the city’s preparedness for BCP and DRP beyond IT operations.

City agreed audit scope is as below:

* Identification of Critical Business Functions and Risks
* Incident Response protocols
* Data backup & Restoration procedures
* BCP and DRP testing results

Moore & Stephens BCP/DRP review challengers are categorised under:

* Data backup policies, schedules, and execution
* Data restore testing policies, schedules, and results
* Disaster Recovery Plan and execution review and
* Business Continuity Plan review

The above areas were selected and prioritised based on high level risk assessments of the City’s key activities and strategic objective, organisational changes affecting on systems and processors and prior audit results. Audit and Risk Committee has been presented with the final report - issues raised vs proposed recommendations, management comments and city completed actions to date.

Summary of opportunities:

* A comprehensive testing of the BCP and DRP has not been conducted since 2015, incorporating the recovery of data and systems from losing the production systems environment (NextDC). Therefore, a full test needs to be carried out to validate the plan will work in the event of a catastrophic incident involving the loss of data and production environments.
* Our BCP does not contain up to date information nor identification of critical systems for recovery purpose in the event of an incident.
* BCP with missing information such as manual workarounds for Critical Business Functions. The information should be in sufficient detail to enable reperformance within tight timeframes.
* DRP should inform support the BCP regarding anticipated times to recovery under different scenarios.
* Critical Business Functions and dependencies are not aligned between the BCP and DRP to ensure details as to what, where and when systems access is necessary are included.
* Evaluate our Critical Business Functions with the Business/Community Impacts and costs of restoration of services in timeframes which may not be necessary (and manual workarounds – if any).

History related to the BCP/DRP, a review was completed in 2015 by BDO Audit (WA) Pty Ltd (attachment 4).

**Key Relevant Previous Council Decisions:**

Audit and Risk Committee Meeting – 3 September 2015, Item 7.4

BDO Audit (WA) Pty Ltd has conducted a BCP/DRP review (1 Jan 2014 to 31 Dec 2014) and provided a report to Audit and Risk Committee meeting on 3 September 2015. That review’s objective was to understand these processors:

* The BCM and DRP management framework.
* The process for developing the BCP/DRP.
* The process for ongoing BCM/DRP management.
* The process for managing changes to system and processes that may impact to BCP/DRP.
* The process for managing the BCP/DRP testing, plan maintenance and
* Staff training.

**Consultation**

The purpose of the Moore Stephens engagement in 2018 is to conduct a Strategic Internal Audit Plan on the City’s operations over a three-year period. This is an independent review of city’s BCP/DRP documentation.

The Audit Plan for Year 1 approved by the CEO and endorsed by the Audit & Risk Committee (August 2018) was:

1. IT Policies Review (completed May 2019)

• Review policies for effectiveness regarding content, coverage, practicality, clarity, and relevance; and

• Assess the readiness to implement.

1. Business Continuity Review (enclosed)

• Data back-up policies, schedules, and execution;

• Data restore testing policies, schedules, and results;

• Disaster Recovery Plan and execution review; and

• Business Continuity Plan review.

The above areas were selected and prioritised based on high level risk assessment of the City’s key activities and strategic objectives, organisational changes affecting on systems and processes and prior audit results. Moore Stephens have now completed a review of Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) processes as prescribed by Section 7.35 IT Controls (General IT Risks) of the Western Australian Local Government Accounting Manual.

The following documentation have been reviewed and compared them to industry standards and best practice guidance.

* + Incident Management/Business Continuity Response Plan V3 (dated November 2016; called BCP),
	+ IT Disaster Recovery Exercise Plan (dated 28 February 2017),
	+ IT Disaster Recovery Procedure (updated 21 November 2019,
	+ IT Policy Review Matrix (from Audit Focus Area 2 report),
	+ Disaster Recovery Test Plan (updated August 2019; called IT DRP), and
	+ Business Continuity – Backups (updated July 2018).

**Summary of overall results**

The City’s approach and commitment to Business Continuity is good and compares well to industry standards. The City demonstrated its approach and commitment with a limited test of its relocation facilities from the City’s Administration Centre to the Adam Armstrong Pavilion in February 2017.

The principal findings, however, recommend a comprehensive testing of the Business Continuity Plan (BCP) and Disaster Recovery Test Plan (IT DRP), incorporating the recovery of data and systems from losing the production systems environment. A full test of the IT DRP can validate that the Plan will work in the event of a catastrophic incident involving the loss of data and production environments.

Review of our BCP does not contain up to date information nor identification of critical systems for recovery in the event of an actual incident.

**Summary of Key Recommendations**

12 findings and recommendations have been made with details found in Section 5.0 - Review Findings and Recommendations. The recommendations are categorised under these four technical areas:

1. Testing: Both the BCP and IT DRP need to be tested as soon as practicable (points 1,2). These recommendations represent issues which require prompt management action.
2. Document Completeness: The BCP should be improved by ensuring essential information such as internal links (following testing) and all referenced internal documentation are working and available. This is essential if it is to be relied upon as a key tool if an emergency occurs (points 3 – 6). Alignment of the BCP and IT DRP in terms of documentation structure, terminology and common time dependent decisions is also required to avoid confusion (points 7 – 8).
3. Critical Business Functions: A real-world evaluation of critical business functions is recommended to help ensure the BCP is appropriate and does not include non-essential services/areas which could consume recovery resources. The agreed critical functions and dependencies should be detailed and aligned between the BCP and IT DRP (points 9,10).
4. System Architecture: Consideration for additional drive storage at the storage site to ensure an IT restore; a comprehensive test will identify any deficiencies in storage capacity. A potential solution could include the evaluation of cloud-based storage and a possible re-architecture of the existing system (points 11,12).

**Strategic Implications**

**How well does it fit with our strategic direction?**

BCP and DRP review fits with city’s Key Focus Area (KFA) A4.11 of the Strategic Community Plan identifies “Risk Management & Disaster Recovery Planning”.

**Who benefits?**

City’s main purpose is to administer community services promptly. Having a new Business Continuity Plan provides a greater confidence, flexibility, and integrity to the community and to the city operation teams. Efficient and secure non-disruptive service continuation to the residence is another target. If a disaster strikes having a viable BCP/DRP will add vale and speedy recovery of services, also removes that extra pressure and impact to individuals.

**Does it involve a tolerable risk?**

Two independent reviews from two audit firms have recommended in (1) 2015 and in (2) 2018 to train, develop, and test BCP/DRP. Therefore, not this situation has the potential to cause reputational and possible legal damage with the Community while rescheduling of this work is delayed.

**Do we have the information we need?**

BDO (WA) Pty Ltd review in 2015 was the initiation to the BCP review. Further in 2018 Moore Stephens report has highlighted the need for BCP refresher and testing.

**Budget/Financial Implications**

The BCP workshop will cost the city $4,730 exGST.

**Can we afford it?**

The city can afford a new BCP development. It is vital this workshop is executed to keep the city BCP/DRP up to dated, tested, and have the documents handy to be used in an unforeseen risks/disaster.

**How does the option impact upon rates?**

There will be no impact on rates in the 20/21 FY.

# Risks in the Tendering Process

|  |  |
| --- | --- |
| **Committee** | 31 August 2020 |
| **Owner** | City of Nedlands |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | Nil. |
| **Confidential Attachments** | Nil. |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Mr Setchell

Seconded – Councillor Senathirajah

**That the Recommendation to Committee be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 7/-**

**Committee Recommendation / Recommendation to Committee**

**Audit & Risk Committee endorse the Risk Assessment & Controls Strategy in the Tendering Process for inclusion in the City’s Procurement Procedures.**

**Executive Summary**

The objective of this report is provide the Audit & Risk Committee with Procurement’s proposed strategy for Risk Assessment and Controls in the Tendering Process.

It is proposed to incorporate the controls detailed in this report into the City’s Procurement Procedures which will be provided to all staff for their guidance and use on procurement activity.

**Discussion/Overview**

**Introduction**

The City of Nedlands tender process is required to be performed with high standards of **Probity** and **Accountability**.

Failure to adhere to these standards at all times exposes the City to a number of risks such as:

* Reputational damage;
* Complaints by suppliers and residents
* Breach of the LG Act and its Regulations;
* Corrupt / Unethical / Misconduct behaviour by its officers;
* Failure to achieve best value for money in its procurements;
* Inappropriate use of public monies;
* Legal action against the City or individual officers;
* Involvement by the CCC and/or audit;
* Criminal convictions; and
* Possible impact on Council continuance in office.

**A table of potential risk issues can be found at the end of this document**

**Probity**

Probity requires that the City conduct its tender process ethically, openly, honestly and fairly. To consistently achieve these standards the City will implement a rigorous suite of procurement procedure(s) that will ensure:

* Expected behaviours are articulated and enforced
* Officers involved are skilled, knowledgeable and experienced.
* Appropriate checks and balances (Control Points) are in place at various stages of the process
* The concept of Conflict of Interest is well understood, and strategies are in place to identify and manage potential issues.
* Communication with suppliers during the process is consistent and does not advantage one supplier over others.
* Officers are not compromised in their ability to act, or to be seen to act, impartially.
* Confidentiality of supplier information and evaluation processes is secure.

**Accountability**

Accountability requires that the City be able to publicly account for its decisions and take responsibility for the achievement of procurement outcomes. The elements of a procurement culture that will promote and demonstrate a high level of accountability include:

* Responsibility for decisions is easily identifiable.
* Adequate records are maintained to enable external scrutiny of decisions made.
* Compliance with the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996 is consistent.
* Contract award details are made public as required, and within the appropriate timeframe
* Processes are in place to provide feedback / debrief to unsuccessful suppliers and to manage supplier complaints

**Strategy**

To ensure compliance with requirements of Probity and Accountability in the tender process, the City will implement a rigorous set of procedures and work instructions which include escalating **control points/stages** whereby authorisations and/or reviews are mandatory and provided by responsible officers under delegated authority.

**These control points (CP) and stages are identified below;**

**Pre-Tender phase**

* Needs assessment and market analysis
* Planning and budgeting (availability of funds) **CP1**
* Development of clear Specifications/Requirements
* Choice of Procurement process (Procurement Plan)
* All above fully documented and retained on SharePoint

Authorisation to proceed by Business Unit Manager / Director / CEO / Council

**CP2**

**Tendering Phase**

* Develop the Request document and put it to the market - Procurement
* Manage the open Tender period - Procurement
* Receive tender offers – Procurement **CP3**
* Nominate Evaluation Panel and identify and manage Conflict of Interest - Procurement
* Evaluate bids and recommendation for award Business Unit Evaluation Panel with Procurement oversight **CP4**
* All above fully documented and retained on SharePoint

*Authorisation of Recommendation – Business unit Manager / Director / CEO.*

**CP5**

*Contract Authorisation to Award – Council* **CP6**

**Post Award Phase**

* Responsible Person nominated as Contract Manager
* Contract Management Plan developed (at pretender planning stage)
* Kick Start Meeting with contractor to ensure full understanding of requirements Contract Manager and Procurement **CP7**
* Contract management implemented by Contract Manager operated through the City’s Contract Management process with Procurement oversight.

**Table of potential risks for each stage of the procurement process**

**Stage Risk**

|  |  |
| --- | --- |
| **Needs Assessment and Market Analysis** | • Lack of adequate needs assessment• Influence of external factors on officers’ decisions• Informal agreement on contract with contractor |
| **Planning and Budgeting** | • Poor procurement planning / lack of experience in PP• Procurement not aligned with overall strategic decision-making process• Failure to budget realistically or deficiency in the allocated budget |
| **Development of Specifications / Requirements** | • Technical specifications are tailored for a specific company / product• Selection criteria is not objectively defined and not established in advance• Requesting unnecessary samples of goods and services• Buying information on the project specifications. |
| **Choice of Procurement Procedure** | • Lack of proper justification for the use of non-competitive procedures• Abuse of non-competitive procedures on the basis of legal exceptions: contract splitting, abuse of extreme urgency, non-supported modifications |
| **Request for Tender**  | • Absence of public notice for the invitation to bid (Selective Tender)• Evaluation and award criteria are not included in request documentation• Procurement information not disclosed and is not made public |
| **Bid Submissions** | Lack of competition or cases of collusive bidding (cover bidding, bid suppression, bid rotation, market allocation) |
| **Bid Evaluation** | Conflict of interest and corruption in the evaluation process through:• familiarity with bidders over time• Personal interests such as gifts or future/additional employment• No effective implementation of the “four eyes-principle” |
| **Contract Award** | • Vendors fail to disclose accurate cost or pricing data in their price proposals, resulting in an increased contract price (i.e. invoice mark-ups, channel stuffing)• Conflict of interest and corruption in the approval process (i.e. no effective separation of financial, contractual and operational authorities)• Lack of access to records on the procedure |
| **Contract Management** | • Abuses of the supplier in performing the contract, in particular in relation to its quality, price and timing• Substantial change in contract conditions to allow more time and/or higher prices for the bidder• Product substitution or sub-standard work or service not meeting contract specifications• Theft of new assets before delivery to end-user or before being recorded• Deficient supervision from City officers and/or collusion between contractors and supervising officers• Subcontractors and partners chosen in a non-transparent way or not kept accountable |

**Strategic Implications**

**How well does it fit with our strategic direction?**

The provision of high levels of Probity and Accountability in the Tendering Process through a strategy of clear process with appropriate control points supports the goals of the Strategic Community Plan/Corporate Business Plan, Section 4 Strategic Direction/ Our Values / Great Governance and Civic Leadership and Decision Making.

**Who benefits?**

City Officers, Council and our Residents through the delivery of high levels of Transparency and Probity in the City’s Tendering activities.

**Does it involve a tolerable risk?**

This Strategy is designed to reduce risk to the City and is based on good practice methodologies.

**Do we have the information we need?**

City of Nedlands Procurement has extensive experience in the delivery of best practice procurement processes and has the knowledge and experience to provide the necessary training and guidance to City officers.

**Budget/Financial Implications**

The financial implication on the City will be the use of staff time to deliver the training and guidance. However, this is already part of the Procurement Coordinator’s role.

**Can we afford it?**

There will be nil cost to the City other than the use of internal resources to provide training to City Officers

**How does the option impact upon rates?**

There will be no impact on rates in the 20/21 FY.

# Procurement Procedures Manual

|  |  |
| --- | --- |
| **Committee** | 24 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | 1. City of Nedlands (Draft) Procurement Procedures Manual; and
2. Procurement Procedures Quick Reference Chart
 |
| **Confidential Attachments** | Nil. |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Mayor de Lacy

Seconded – Councillor Mangano

**That the Recommendation to Committee be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 7/-**

**Committee Recommendation / Recommendation to Committee**

**Audit and Risk Committee recommends the following to Council:**

1. **approval of the draft procurement procedures manual;**
2. **instruction to the Chief Executive Officer to publish the manual for use throughout the City; and**
3. **instruction to the CEO to provide workshop training to all staff to ensure a full understanding of their obligations when engaging in procurement on behalf of the City.**

**Executive Summary**

The purpose of this report is to recommend Audit & Risk Committee approval of a suite of procurement procedures designed to ensure City officers undertake their procurement activities in an efficient, compliant and uniform manner which directly complies with the Council Procurement Policy for Procurement of Goods and Services and the Regulations

**Discussion/Overview**

**Background**

The City operates under a Council Policy for Procurement of Goods and Provision of Services which was approved by Council on 14 April 2020. This Policy is a requirement of the LG Act (Functions & General) Regulations 1996

The Procurement Policy is a high level document which provides specific guidance to meet compliance requirements but does not provide detailed step by step instructions for staff for each procurement category.

The procurement procedures are designed to provide this detailed guidance in a manner that ensures a consistent, compliant and best practice methodology is applied by all staff to all procurement activity that will assure probity, transparency and value for money is achieved.

**The Procurement Procedures Manual**

The Procurement Procedures Manual which is attached to this report is, in essence,

a suite of procedures designed to address all of the different categories of procurement activity conducted by staff on behalf of the City.

Divided into sections, it mirrors the spend thresholds in the Council Policy and also provides methodologies for different categories of spend. These are set out in step by step “work instructions” to provide a clear direction to staff, not only on what steps are required, but who is responsible for undertaking those steps.

**How will it work?**

It is proposed to maintain the manual as a suite of “locked” documents on SharePoint, accessible by hyperlink from a menu provided on the City Intranet page. Individual sections of the procedures can be directly accessed from this point. Each procedure will contain hyperlinks to templates, forms, relevant City Policies (OHS, Code of Conduct etc) where they are mentioned or required in the procedure.

**Audit & Risk Committee acceptance of procedures**.

The draft procedures are summarized in a snapshot on the attached “Quick Reference” chart which has been issued to some staff for comment and has received positive feedback (specifically from planning).

The Executive Management Team and the Manager for Finance has been consulted and have expressed approval for the procedures to be published following approval by Audit & Risk Committee.

**Methodology for roll out to City staff**

Once approved by Audit & Risk Committee, the procedures will be rolled out to staff by a combination of targeted email / staff notices and a series of small presentations in the key areas. These presentations will be delivered by the Procurement Coordinator.

**Flexibiity**

To ensure the procedures meet all stakeholder expectations, written feedback will be solicited via an online survey and any valid issues raised will be addressed as necessary.

**Key Relevant Previous Council Decisions:**

The Council Policy for the Procurement of Goods and Services was approved by Council on 14 April 2020.

**Consultation**

In order for the City to have confidence that all its procurement activity is compliant with legislation and good practice it must be confident that all officers engaged in procurement activity have access to clearly defined procedures that will deliver:

* Probity, transparency and best practice
* Legal compliance
* Value for money
* Uniformity and consistency
* Clear instruction
* Appropriate records management
* Separation of duties

Many recent incidences of inappropriate practices around procurement in the local government sector have led to investigations by the CCC and more recently, at Perth City Council, by a Commissioner.

These have identified a number of poor or inadequate practices, creating an environment conducive to misconduct and indeed corruption.

It is the responsibility of every local government to encourage good procurement practice amongst its staff and elected members. Conflicts of Interest must be identified through good process and dealt with in a manner which benefits the public at all times.

The procedures which have been developed by City of Nedlands Procurement have taken all of the above factors into consideration and have been drafted to allow for not only guidance to staff but also to provide controls at each stage of the process.

The issue of the procedures will also support Procurement in providing a “Centre Led” procurement model across the whole City.

**Strategic Implications**

**How well does it fit with our strategic direction?**

The “Our Vision 2030” community plan and themes have been brought together to form the following goals and strategic objectives for the City outlined in the **Strategic Community Plan / Corporate Business Plan**

Procurement relates to **Section 4 – Strategic Direction - Our Values,** in the City of Nedlands Strategic objectives **Great Governance and Civic Leadership** and **Decision-making Criteria**

Council will look for the best possible value (including but not confined to price) for the whole lifecycle of the goods, works or services.

However, this does not necessitate the selection of the lowest price. In addition, the City’s procurement processes will encourage and maintain a competitive, sustainable and diverse market place.

Procurement supports the operations of City by making sure the requirements for goods, services and works are procured in the most effective and efficient way to maximise and deliver best value

**Who benefits?**

The availability and use of a comprehensive suite of Procurement procedures will provide clear direction to all City staff. It will also provide assurance to the City that the requirements for Probity, Transparency and Best Practice are being met at all times.

**Does it involve a tolerable risk?**

The risk to the City of poor or inadequate procurement practices and misconduct will be substantially reduced by the application of clear, concise and compliant procurement procedures.

**Do we have the information we need?**

The procedures have been developed by an experienced procurement section, using acknowledged best procurement practice methodologies and with supporting reference to issues identified in the following reports:

1. Local Government Procurement - Western Australian Auditor General’s Report – Report 5: October 2018-19;
2. Report of the Inquiry into the City of Perth 30 June 2020 (Procurement issues); and
3. City of Nedlands Audit - Open Audit Items 21 and 27 (January 2019).

**Budget/Financial Implications**

**Can we afford it?**

There is no cost to the City in implementing the Procurement Procedures.

**How does the option impact upon rates?**

Nil.

# Accounting Policies Procedure

|  |  |
| --- | --- |
| **Committee** | 31 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | 1. Accounting Policy Procedure
 |
| **Confidential Attachments** | Nil. |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved –Councillor Senthirajah

Seconded – Mr Setchell

**That the Recommendation to Committee be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 7/-**

**Committee Recommendation / Recommendation to Committee**

**Council notes the changes to the Accounting Policy Procedures in accordance with the Local Government Act 1995 and other relevant legislations and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.**

**Executive Summary**

The purpose of this report is to recommend the Audit & Risk Committee approve the Accounting Policy Procedures in accordance with the Local Government Act 1995 and other relevant legislations and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

**Discussion/Overview**

The Financial Statements of the City are prepared in accordance with the Local Government Act 1995 (the Act) and other relevant legislations and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

From time to time, there are changes either in the Act, legislations or Australian Accounting Standards which require the City to adopt these changes in the preparation of all of the financial reports.

The Accounting Policy Procedure is now updated to include all changes made since the last review in 2018. With effect from 1 July 2019, the following standards issued by the Australian Accounting Standards Board (AASB):

AABS 15 – Revenue from Contracts with Customers

AASB 1058 – Income of Not-for-profit-entities

AASB 16 – Leases

All financial transactions of the City are recorded in accordance of the approved accounting policy procedures to ensure that that operations and financial position of the City.

**Consultation**

Not applicable.

**Strategic Implications**

**How well does it fit with our strategic direction?**

The accounting policy procedures is in line with the City’s strategic direction which is measured in a consistent and fair financial method.

**Who benefits?**

The community benefits as the financials of the City are prepared in accordance with the legislations and accounting standards ensuring a true and fair representation of the City’s financial undertakings.

**Does it involve a tolerable risk?**

There is no risk in implementing the accounting policy procedure

**Do we have the information we need?**

The accounting policy procedures have been prepared based on required information of the legislations and accounting standards.

**Budget/Financial Implications**

**Can we afford it?**

There is no cost in implementing the updated Accounting Policy Procedure

**How does the option impact upon rates?**

There is no impact upon rates.

# Preliminary Year End Results

|  |  |
| --- | --- |
| **Committee** | 24 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | 1. Preliminary 2020 Year End Results
 |
| **Confidential Attachments** | Nil. |

**Regulation 11(da) – Not Applicable – Recommendation Adoped**

Moved – Mr Setchell

Seconded – Councillor Senathirajah

**That the Recommendation to Committee be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 7/-**

**Committee Recommendation / Recommendation to Committee**

**Council notes the preliminary year end results for financial year 2019/20 based on transactions recorded as of 24 August 2020.**

**Executive Summary**

The purpose of this report is to update the Audit & Risk Committee of the preliminary year end results for financial year 2019/20 based on transactions recorded as of 24 August 2020.

**Discussion/Overview**

The draft financial statements for 2019/20 are in the process of being finalised. The deadline to submit the draft financial statements to the auditors is 30 September 2020 in accordance with the Local Government Act 1995 – Sect 6.4. The audit of the draft financial statement by the auditors is planned for October 2020.

All invoices received for the financial year 2019/20 subsequent to 30 June 2020 have entered in the accounting system. There are further transactions that have to be computed manually to enter in the accounting system for eg the computation of liability for long service leave and annual leave which are in the process of being computed. Due the change in the accounting standards with effect from 1 July 2019, further checks and balances are being carried out to ensure that all affected transactions are accounted for correctly.

A comparison between the mid-year budget, the forecast and the actual year to-date (as at 24 August 2020) and are provided in the attachment. As stated above, there are further adjustments that are being made to the financial statements which will affect the statements.

**Consultation**

Not applicable.

**Strategic Implications**

**How well does it fit with our strategic direction?**

The preparation of the draft financial statements for 2019/20 is in line with the City’s strategic direction which are prepared in accordance with the legislations and accounting standards ensuring a true and fair representation of the City’s financial undertakings.

**Who benefits?**

The community benefits as the financials of the City are prepared in accordance with the legislations and accounting standards ensuring a true and fair representation of the City’s financial undertakings.

**Does it involve a tolerable risk?**

There is no risk involved.

**Do we have the information we need?**

The draft financial statements for 2019/20 are prepared in accordance with all relevant legislations and accounting standards.

**Budget/Financial Implications**

**Can we afford it?**

The cost of completing the draft financial statement for 2019/20 is part of the City’s approved budget.

**How does the option impact upon rates?**

There is no impact upon rates.

# Safe Active Street Risk Analysis

|  |  |
| --- | --- |
| **Committee** | 31 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Jim Duff – Director Technical Services |
| **Attachments** | Nil. |
| **Confidential Attachments** | Nil. |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Mr Foley

Seconded – Councillor Poliwka

**That the Recommendation to Committee be adopted.**

(Printed below for ease of reference)

**CARRIED 6/1**

**(Against: Cr. Mangano)**

**Committee Recommendation / Recommendation to Committee**

**Risk and Audit Committee notes the report and receives quarterly updates on project progress and any change to the risk profile.**

**Executive Summary**

The purpose of this report is to provide the Risk and Audit Committee with background information on the Safe Active Streets Project, and to highlight any risks associated with the project.

**Discussion/Overview**

The City entered into an agreement with the Department of Transport (DoT) on 4 July 2018. The agreement was for $1.2M of funding assistance to design and construct the Nedlands Safe Active Street Project. Construction costings received during the Tender process revealed a significant shortfall in the budget to complete the works. The City has worked collaboratively with DoT to identify potential design and construction savings. Following several design iterations, DoT agreed to increase their grant amount to $1.9M in a letter dated 11 June 2019.

The City entered into a contract with West Coast Profiling Civil Pty Ltd in September 2019 to construct the Safe Active Streets Project in two stages.

Stage 1 of the project was completed in January 2020. During construction, several unforeseen site issues were encountered requiring additional work to be undertaken by the contractor, with the costs of the works shared between the City, DoT and the Contractor.

Prior to the commencement of Stage 2 works, Administration initiated a review of the design to minimise the risk of similar issues being encountered. The revised design now reduces the potential impacts on verge reinstatements, driveway crossovers, street trees, footpath levels and utility infrastructure, while retaining the original SAS traffic calming features.

Main Roads Western Australia (MRWA) and DoT have approved, in principle, the revised design for Stage 2 on 31 July 2020. Administration has had several meetings with the Contractor to expedite an acceptable solution and is continuing to work with DOT and the Contractor. The Contractor will remobilise on the 10 August 2020, subject to a price agreement being reached.

Council should be aware that the SAS project has been inactive for several months while the design review and negotiations with the Contractor and DOT have been ongoing. The City is under increasing pressure from the community to complete the project, with sections of the works unfinished and under temporary traffic management.

In July, Council approved an additional $200,000 of municipal funds for the Safe Active Street project. The funds are required to enable the completion of Stage 2 works from Dalkeith Road to the agreed termination point at the City boundary near Bay Road.

**Key Relevant Previous Council Decisions:**

Ordinary Meeting of Council 28 November 2017, Item 12.3 Report No. TS11.17

“Council endorses the Community Engagement Plan for the Safe Active Streets Program in Elizabeth Street and Jenkins Avenue.”

Ordinary Meeting of Council 26 June 2018, Item 12.3 Report No. TS11.18

“Council recognises the level of community support for the Safe Active Streets programme in Elizabeth Street and Jenkins Avenue, and authorises the Chief Executive Officer to enter into a contractual arrangement with the Department of Transport for the delivery of the project fully funded by the Department.”

Ordinary Meeting of Council 25 June 2019, Item No. 13.7

“Council agrees to award Tender No. RFT2018-19.10 to WCP Civil Pty Ltd for the Safe Active Streets Road Rehabilitation and improvement project as per the lump sum price (confidential Attachment 1) submitted”; and

“Authorises the Chief Executive Officer (CEO) to enter into a contract with WCP Civil Pty Ltd and sign an acceptance of offer for this tender, subject to CEO negotiation on minor variations”

Ordinary Meeting of Council 28 July 2020, Item 12.3 Report No. TS14.20

“Council approve an increase to the budget for the Safe Active Street project by $200,000 of municipal funds.”

**Consultation**

Consultation has already been undertaken for this project with all properties bounded by Bay Road, Princess Road, Broadway and Stirling Highway (except for properties fronting the highway). This area includes the intersecting streets with Jenkins and Elizabeth, approximately 1,400 properties. The consultation included:

* 2,092 postcards to project area
* 25 letters to specific stakeholders
* 2 x information sessions
* Reports on Your Voice and community media

The community have provided significant support for the safe active streets proposal with 73 percent of the overall consultation area in support of the project, including 56 percent of residents that are immediately impacted by the project.

**Strategic Implications**

**How well does it fit with our strategic direction?**

Section 05 of the Strategic Community Plan identifies “Renewal of community infrastructure such as roads, footpaths, community and sports facilities” and “Providing for sport and recreation” as priorities.

**Who benefits?**

Completing the project will benefit the community by providing a safe road environment for all road users making cycling safer, particularly children on their routes to school.

**Does it involve a tolerable risk?**

Administration has received a significant number of enquiries from the public questioning the reasons why the project has been inactive for several months. Administration issued letters to the residents adjoining the Stage 2 works advising works would recommence on site on the 22 June 2020, however, the works remobilisation was again delayed. Given the prolonged inactivity on site this situation has the potential to cause reputational damage with the Community and DOT while recommencement of the works is delayed.

**Do we have the information we need?**

A new design has been produced based on the lessons learned from Stage 1.

**Budget/Financial Implications**

**Can we afford it?**

Administration recommended deferral of the Brockway Road rehabilitation project while DOT and the City conduct a detailed feasibility study for the proposed Stage 1 & Stage 2 of the Brockway Road shared path from Underwood Avenue to Quintilian Road. Deferral of the Brockway Road rehabilitation project to the second quarter of the 2020/21 financial year allows the City to allocate the $275,000 of municipal funds towards the SAS project. This approach avoids any potential rework should DOT decide to move the proposed shared path from the verge to the on-road cycle lanes on Brockway Road. Any relocation of the shared path will have a significant impact on the road rehabilitation project.

**How does the option impact upon rates?**

There will be no impact on the 2020/21 rates, other than as already approved in the budget by Council.

# Montgomery Avenue Wall

|  |  |
| --- | --- |
| **Committee** | 24 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Jim Duff – Director Technical Services |
| **Attachments** | Nil. |
| **Confidential Attachments** | 1. Copy of Letter and Pritchard Francis Report
 |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Councillor Poliwka

Seconded –Councillor McManus

**That the Recommendation to Commitee be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 7/-**

**Committee Recommendation / Recommendation to Committee**

**Audit and Risk Committee notes the report and receives quarterly progress updates on rectification of the failing wall.**

**Executive Summary**

The purpose of this report is to provide the Risk and Audit Committee with a progress report on the reconstruction of the failing section of boundary wall on the east side of Montgomery Avenue, between St Johns Wood Avenue South and Regents Boulevard, Mt Claremont.

**Discussion/Overview**

**Background**

On 31 October 2017 it came to the City’s attention that a section of boundary wall on the east side of Montgomery Avenue between St Johns Wood Avenue South and Regents Boulevard was leaning and potentially presenting a hazard to the public. To address this concern the City engaged Wood and Grieve Engineers (WGE) to investigate the condition of the wall along its entire length on the road reserve side, and one typical property on the private property side.

The WGE report provided a condition assessment of the wall and recommendations on repair. The recommendations included undertaking a more detailed survey of the wall to determine the extent of the out of plumb sections. Piers out of plumb by more than 70mm and walls out of plumb by more than 20mm were recommended to be taken down and rebuilt. The survey revealed that all 15 properties are in breach of the maximum wall lean criteria.

Letters were sent to all 15 property owners on 19 November 2018 advising of the WGE recommendations and the requirement for them to repair their walls at their expense. The Manager Infrastructure Services met with several residents at the City of Nedlands office on 29 November 2018 to present the structural engineer’s recommendations and to facilitate an agreement between the residents to reconstruct the wall. Due to the potential safety issues the Montgomery Avenue footpath from St Johns Wood Boulevard (south) to Regents Boulevard was closed to the public with signs and bunting on 10 December 2018.

The residents were issued with a Notice under Section 3.25 of the Local Government Act on 15 May 2019 requiring them to repair the limestone and masonry wall within 60 days. The Notice was subsequently extended until 30 June 2019 to allow the owners more time to arrange quotes from building contractors. The residents engaged WGE to complete a more detailed inspection of the wall and provide a design and specification to reconstruct the wall. The residents were provided with design drawings and a specification to reconstruct the boundary wall prepared by Wood and Grieve Engineers. The residents received three quotes Building contractors to reconstruct the wall and are seeking financial assistance from Landcorp/DevelopmentWA who undertook the development of the land. Given the complexity associated with rectifying the wall, the City has been liaising with residents for approximately 20 months to arrange the necessary repairs.

**Boundary Wall Reconstruction**

WGE have provided engineering design drawings for the reconstruction of the screen wall. WGE identified in their investigation that the underlying limestone retaining wall was not constructed in accordance with Landcorp’s 1993 subdivision drawings. Reconstruction of the wall will require grout injection into the soil behind the retaining wall.

The residents sought quotes from three building contractors ranging from $532,430 to $833,292, including GST. Copies of the quotes have been provided to the City. The residents have requested the City contribute towards the reconstruction of the wall and were advised during the public meeting this remains a matter for the owner, their insurer and the developer to resolve. It is not the responsibility of the ratepayers to fund private owners’ repairs and any agreement fund the work could set an undesirable precedent for similar claims where boundary walls abut the road reserve. It could also expose the City to future liability for any quality issues associated with the proposed design and/or construction.

**Landcorp**

The City understands the limestone retaining component of the wall was constructed as part of the original subdivision works in approximately 1993, based on the subdivision drawings. It also understood that Landcorp constructed the decorative brick fence on top of the limestone wall as part of subsequent estate development works, with the date of these works unknown as the works did not require an approval from the City.

The City sent a letter to Landcorp on 12 December 2018 requesting a funding contribution to reconstruct the wall. A letter was received from Landcorp on 31 January 2019 advising that Landcorp does not accept any responsibility for the condition of the wall and is not willing to contribute funding. A letter was subsequently sent to the residents on 14 February 2019 advising them of Landcorp’s response.

**Meeting with Residents, Councillors and Landcorp on 7 November 2019**

The City met with the residents, ward Councillors, the Mayor and Development WA on 7 November 2019 to facilitate a resolution. Development WA is a recent merger of Landcorp and the Metropolitan Redevelopment Authority. Mr Ardron from Development WA advised the residents to prepare details of their claim against Development WA for the cost of the works. The insurance claim could be made either individually or as a group. Mr Ardron also advised that upon receiving the claim, Development WA will expedite the insurance claim process but did not provide any guarantee that the claim will be accepted.

During the meeting several residents questioned the City’s involvement in approving the subdivision plans and responsibility for repairing the wall. The residents were advised that as walls are contained within the lot and retain their land, it is the landowner’s responsibility to make good any repairs and they will need to provide the necessary evidence to support a successful claim against Landcorp / Development WA.

**Legal Advice**

The City sought legal advice on the process followed to date and it was recommended that Administration should issue residents with a second notice requiring the works to be carried out within 28 days.

**Temporary Footpath**

The City had received several complaints from residents regarding the length of time the footpath had been closed and the risk to pedestrians and primary school children riding their bikes on the road pavement of Montgomery Avenue.

Council resolved to install a temporary footpath at the Ordinary Council Meeting of 17 December 2019.

The costs associated with the construction and removal of the temporary path are potentially recoverable under the Local Government Act 1995 Section 3.26 where appropriate notice has been provided by the City to make safe the wall.

**Key Relevant Previous Council Decisions:**

Ordinary Meeting of Council 17 December 2019, Item 12.3 Report No. TS24.19

“Council:

1. approves construction of a temporary alternative footpath to address safety issues for pedestrians and school children on bikes;

2. approves funding of the $10,000 cost for the temporary footpath construction from Technical Services Operational budget;

3. requests the CEO to seek appropriate recovery of costs excluding by the landowners for the temporary footpath required due to the ongoing unsafe boundary wall at Montgomery Avenue, Mt Claremont; and

4. approves Administration waiving the city component of the Development Application and Building Application fees associated with the demolition and reconstruction of the section of boundary wall.”

**Consultation**

Following confirmation from Development WA of their assessment of the resident’s claim and the City’s legal advice to issue a second notice for the repairs, Administration issued a second Notice pursuant to Section 3.25(1) of the Local Government Act 1995 on the 25 June 2020.

Administration has continued to liaise with the affected residents since October 2017. The City’s consultation included organising meetings with residents to brief them on the initial finding of the Wood and Grieve safety review and arranging a public meeting attended by the Mayor and Ward Councillors to discuss the residents’ concerns and facilitating ongoing communications with Development WA. Administration also followed up with Development WA on several occasions to reiterate residents’ concerns and a report was presented to Council on the 17 December 2019 allowing residents a further opportunity to address Council directly on the matter.

**Strategic Implications**

**How well does it fit with our strategic direction?**

Section 05 of the Strategic Community Plan identifies “Renewal of community infrastructure such as roads, footpaths, community and sports facilities” and “Providing for sport and recreation” as priorities.

**Who benefits?**

On completion of the works the City will be able to reinstate the permanent pedestrian and cycle path on east side of Montgomery Avenue, between St Johns Wood Avenue South and Regents Boulevard, Mt Claremont.

**Does it involve a tolerable risk?**

Administration has received a response from the owners of number 1 Finsbury Grove and 11 Lambeth Mews Mt Claremont, advising that they commissioned Pritchard Francis Civil and Structural Engineering Consultants to undertake a review of the structural engineering report prepared by Wood & Grieve Engineers on behalf of the majority owners of the retaining & masonry boundary wall abutting Montgomery Avenue, Mt Claremont. A Copy of the response letter and Structural Engineering Report prepared by Pritchard Francis Civil and Structural Engineering Consultants is enclosed (refer to Confidential Attachment 1).

The Pritchard Francis report asserts the wall is not in danger of immediate collapse noting the existing wall can be preserved. The report also recommends the introduction of a 6-monthly monitoring regime to identify any further movement.

Notably, the report does not mention monitoring responsibility and potential ongoing liabilities risks during the suggested monitoring period. Administration would need to seek further legal advice through the City’s Solicitor in respect to any potential risk exposure and duty of care obligations pursuant to Section 3.25(1) of the *Local Government Act 1995.*

Administration has received a Building Licence Application from Rivett Construction representing the residents of 1 St Johns Wood Boulevard, 1-9 Lambeth Mews & 3-15 Finsbury Grove, Mt Claremont to undertake the remediation works in accordance with the original Structural Engineering Report prepared by Wood and Grieve Engineers representing the majority of residents.

**Do we have the information we need?**

The work is on private land and the City is responsible for the issue of a Building Licence and Verge Permit to allow the works to proceed.

**Budget/Financial Implications**

**Can we afford it?**

No additional fund is sought as a result of this report.

**How does the option impact upon rates?**

It will not impact on the 2020/21 rates.

# Fraud and Corruption

|  |  |
| --- | --- |
| **Committee** | 24 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | Nil. |
| **Confidential Attachments** | Nil. |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Mr Setchell

Seconded – Councillor Senathirajah

**That the Recommendation to Committee be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 7/-**

**Committee Recommendation / Recommendation to Committee**

**The Audit and Risk Committee acknowledge that the below documents regarding the fraud and corruption policies and procedures are being finalised and will be presented to the Executives at the next available Executive Management Team meeting:**

1. **Fraud and Corruption Control Framework,**
2. **Fraud and Corruption Policy,**
3. **Fraud Reporting and Investigation Procedures,**
4. **Conflict of Interest Policy, and**
5. **Conflict of Interest Procedure.**

**Executive Summary**

The purpose of this report is to update Audit & Risk Committee on the state of the Fraud and Corruption Framework, Policies and Procedures designed to ensure City officers undertake the appropriate actions around Fraud and Corruption.

**Discussion/Overview**

There are two further documents being worked on with new templates recently supplied by the State Government. These are:

* Staff Conflict of Interest, and
* Elected Members Conflict of Interest.

These two documents are expected within the next four-six weeks. At which point they well be presented to the following EMT meeting for endorsement.

**Key Relevant Previous Council Decisions:**

Nil.

**Consultation**

Consultation was held with other councils and advice taken on board with the preparation of these documents.

**Strategic Implications**

**How well does it fit with our strategic direction?**

This would come under Strategic Risk Management.

**Who benefits?**

Staff and council through better governance around Fraud and Corruption.

**Does it involve a tolerable risk?**

There is no negative risk to the city

**Do we have the information we need?**

Yes. While developing these frameworks, policies and procedures we carried out an extensive investigation across the web. Looking at what has been done by the Federal Government, State and Local Government. We obtained copies of their documents and reviewed what had be raised by the AOG. There were communications with several council over their practices and with this insight our documentation has been developed producing a Framework, Policies and Procedures.

The framework defines the intent and structure. The policies hold our position while the procedures are used to support those position. The final documents involving conflict of interest or staff and elected officials. These documents are being developed in consultation with HR and the office of the CEO. The goal is to have them completed within the next six to eight weeks for presentation to the Executive Management Team meeting for endorsement.

**Budget/Financial Implications**

Nil.

# Insurance

|  |  |
| --- | --- |
| **Committee** | 24 August 2020 |
| **Applicant** | City of Nedlands  |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **Attachments** | Nil. |
| **Confidential Attachments** | Nil. |

Lorraine Driscoll provided a verbal update at the meeting.

# Urgent Business Approved By the Presiding Member or By Decision

Nil.

# Confidential Items

Nil.

# Date of next meeting

The next meeting of the Audit & Risk Committee will be held on 5 October 2020 at 5.30 pm.

# Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 8.05 pm.