



City of Nedlands

Agenda

Audit and Risk Committee Meeting

3 March 2015

ATTENTION

This Agenda has yet to be dealt with by the Committee.

The Administration Recommendations, shown at the beginning of each item, have yet to be considered by the Committee and are not to be interpreted as being the position of either the Committee or Council.

The Minutes of the meeting held to discuss this Agenda should be read to ascertain the decision of the Committee.

Before acting on any recommendation of the Committee a check must also be made in the Ordinary Council Minutes following the Committee Meeting to ensure that Council did not make a decision at variance to the Committee Recommendation.

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City of Nedlands

Notice of a meeting of the Audit and Risk Committee to be held in the Council Meeting Room at 71 Stirling Hwy, Nedlands on Tuesday 3rd March 2015 at 5.30 pm.

Dear Committee member

The next meeting of the Audit and Risk Committee will be held on Tuesday 3rd March 2015 in the Council Meeting Room at 71 Stirling Highway, Nedlands commencing at 5.30 pm.



Greg Trevaskis
Chief Executive Officer
24th February 2015

Council Committee Agenda

Declaration of Opening

The Presiding Member will declare the meeting open at 5.30 pm and will draw attention to the disclaimer below.

Present and Apologies and Leave Of Absence (Previously Approved)

Leave of Absence None.
(Previously Approved)

Apologies None as at distribution of this agenda.

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.

1. Public Question Time

A member of the public wishing to ask a question should register that interest by notification in writing to the CEO in advance, setting out the text or substance of the question. Questions tabled at the meeting may be unable to be answered due to the requirement for technical research and will therefore be answered direct afterwards.

Questions must relate to a matter contained within the agenda of this meeting.

2. 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.

3. Disclosures of Financial Interest

The Presiding Member to remind 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.

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration.

However, other members may allow participation of the declarant if the member further discloses the extent of the interest. Any such declarant who wishes to participate in the meeting on the matter, shall leave the meeting, after making their declaration and request to participate, while other members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

4. Disclosures of Interests Affecting Impartiality

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

Councillors and staff are required, in addition to declaring any financial interests to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making procedure.

The following pro forma declaration is provided to assist in making the disclosure.

“With regard to the matter in item x..... I disclose that I have an association with the applicant (or person seeking a decision). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”

The member or employee is encouraged to disclose the nature of the association.

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

Members who have not read the business papers to make declarations at this point.

6. Confirmation of Minutes

6.1 Audit and Risk Committee Meeting 7 October 2014

The minutes of the Audit and Risk Committee held 7 October 2014 are to be confirmed.

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.

7.1 2014 COMPLIANCE AUDIT RETURN

Executive Summary

The 2014 Compliance Audit Return is an annual return that is required to be adopted by Council and submitted to the Department of Local Government by 31 March 2015. The City's Audit and Risk Committee is required to review the return and submit the results of that review to Council.

Recommendation to Committee

Council adopts the 2014 Compliance Audit Return.

Strategic Plan

KFA: Governance and Civic Leadership

The completion of the 2013 Compliance Audit Return provides a measure of compliance with certain statutory requirements under the *Local Government Act 1995* and related regulations.

Background

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 2014 to 31 December 2014. It is required to be considered and adopted by Council, and submitted to the Department of Local Government by 31 March 2015. The Audit and Risk Committee is required to review the return and is to submit the results of that review to Council.

Key Relevant Previous Council Decisions:

Not applicable.

Consultation

Required by legislation:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Required by City of Nedlands policy:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

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

Legislation / Policy

In accordance with Regulation 14 and 15 of the *Local Government (Audit) Regulations 1996* the Compliance Audit Return 2014 must be:

1. Presented to the Audit and Risk Committee for review and then presented to Council;
2. Adopted by Council;
3. 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 2015.

Budget/Financial Implications

Within current approved budget: Yes No
Requires further budget consideration: Yes No

The Compliance Audit Return 2014 is conducted using internal resources and there are no other financial impacts.

Risk Management

The completion of the 2014 Compliance Audit Return provides a measure of compliance with a number of statutory requirements under the *Local Government Act 1995* and related regulations. Completion of the return minimises the risk of legislative non-compliance.

Discussion

The City's 2014 Compliance Audit Return was completed in January by the Director Corporate and Strategy in consultation with the Policy and Projects Officer after reviewing and assessing:

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

The review identified one area of non-compliance. Items 6 and 7 refer to the requirement for elected members and designated employees to submit annual returns by 31 August of that year. Due to Administrative oversight, these returns were not distributed to employees and elected members prior to the deadline for submission. This omission has already been reported to the Department of Local Government, and all returns have since been completed and submitted.

Conclusion

In accordance with Regulation 14 and 15 of the *Local Government (Audit) Regulations 1996* the Compliance Audit Return 2014 must be:

1. Presented to Council;
2. Adopted by Council;
3. 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 2015.

The report is attached for the Committee's review.

Attachments

1. Compliance Audit Return 2014



Nedlands - Compliance Audit Return 2014

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.

Commercial Enterprises by Local Governments					
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 2014.	N/A		Phoebe Huigens
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 2014.	N/A		Phoebe Huigens
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 2014.	N/A		Phoebe Huigens
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 2014.	N/A		Phoebe Huigens
5	s3.59(5)	Did the Council, during 2014, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Phoebe Huigens



Delegation of Power / Duty						
No	Reference	Question	Response	Comments	Respondent	
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Phoebe Huigens	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes	Register of Delegations of Authority	Phoebe Huigens	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Phoebe Huigens	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Phoebe Huigens	
5	s5.18	Has Council reviewed delegations to its committees in the 2013/2014 financial year.	Yes		Phoebe Huigens	
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		Phoebe Huigens	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Phoebe Huigens	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes	Register of Delegations of Authority	Phoebe Huigens	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes	Register of Delegations of Authority	Phoebe Huigens	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Phoebe Huigens	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes	Register of Delegations of Authority	Phoebe Huigens	
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 2013/2014 financial year.	Yes		Phoebe Huigens	
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		Phoebe Huigens	

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		Phoebe Huigens	
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		Phoebe Huigens	



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		Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2014.	No	This omission has already been reported to the Department	Phoebe Huigens
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2014.	No	This omission has already been reported to the Department	Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens



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		Phoebe Huigens
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Phoebe Huigens

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		Phoebe Huigens
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		Phoebe Huigens

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		Phoebe Huigens

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		Phoebe Huigens
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.	N/A		Phoebe Huigens
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Phoebe Huigens
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Phoebe Huigens
5	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		Phoebe Huigens



No	Reference	Question	Response	Comments	Respondent
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2014 received by the local government within 30 days of completion of the audit.	Yes		Phoebe Huigens
7	s7.9(1)	Was the Auditor's report for 2013/2014 received by the local government by 31 December 2014.	Yes		Phoebe Huigens
8	S7.12A(3), (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 that action undertaken.	N/A	No matter raised by auditor	Phoebe Huigens
9	S7.12A(3), (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		Phoebe Huigens
10	S7.12A(3), (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		Phoebe Huigens
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Phoebe Huigens
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Phoebe Huigens
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Phoebe Huigens
14	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		Phoebe Huigens
15	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		Phoebe Huigens



Local Government Employees					
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	No CEO appointment in 2014	Phoebe Huigens
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	No CEO or senior appointment in 2014	Phoebe Huigens
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	No CEO appointment in 2014	Phoebe Huigens
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	No CEO appointment in 2014	Phoebe Huigens
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A	No CEO or senior appointment in 2014	Phoebe Huigens

Official 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 is the complaints officer	Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens
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		Phoebe Huigens
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 occurred.	Yes		Phoebe Huigens
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) (c).	Yes		Phoebe Huigens



Tenders for Providing Goods and Services					
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		Phoebe Huigens
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.	N/A		Phoebe Huigens
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Phoebe Huigens
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Phoebe Huigens
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		Phoebe Huigens
6	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		Phoebe Huigens
7	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		Phoebe Huigens
8	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		Phoebe Huigens
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Phoebe Huigens
10	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		Phoebe Huigens
11	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		Phoebe Huigens



No	Reference	Question	Response	Comments	Respondent
12	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		Phoebe Huigens
13	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		Phoebe Huigens
14	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		Phoebe Huigens
15	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, \$100,000 or less.	Yes		Phoebe Huigens

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

 Signed Mayor / President, Nedlands

 Signed CEO, Nedlands

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 will declare the meeting closed.

A handwritten signature in black ink, appearing to read 'Greg Trevaskis', with a long horizontal flourish extending to the left.

Greg Trevaskis
Chief Executive Officer