



TOWN OF PORT HEDLAND

AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING MINUTES

TUESDAY, 4 JULY 2017 AT 5:30PM

**COUNCIL CHAMBERS, MCGREGOR STREET,
PORT HEDLAND**

**“A nationally significant, friendly city that people are proud to
call home”**

*David Pentz
Chief Executive Officer*

Distribution Date: 11 July 2017

TERMS OF REFERENCE

1. Purpose of the Terms of Reference

The purpose of the terms of reference is to facilitate the operation of the Audit, Risk and Governance Committee.

2. Introduction

The Audit, Risk and Governance Committee has been established in accordance with Part 7 of the Local Government Act 1995.

The Audit, Risk and Governance Committee is an advisory committee formally appointed by the Council and is responsible to the Council. The Audit, Risk and Governance Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any financial responsibility. The Audit, Risk and Governance Committee does not have any management functions and is therefore independent of management.

The ARG committee will primarily focus on relevant matters relating to Audit (internal and external), Risk and Governance.

The Audit, Risk and Governance Committee objective is to assist the Town of Port Hedland Council in liaising with the auditor and overseeing the external audit function and promoting the transparency and accountability of the Town's financial management systems and reporting. The role of the Committee is to report to the Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate decision making by the Council in relation to the discharge of its responsibilities.

3. Objectives

The objectives of the Audit, Risk and Governance Committee are to oversee:

- 3.1 The integrity of external financial reporting, including accounting policies.
- 3.2 The scope of work, objectivity, performance and independence of the external auditor.
- 3.3 The establishment, effectiveness and maintenance of controls and systems to safeguard the Town's financial and physical resources.
- 3.4 The systems or procedures that are designed to ensure that the Town and its subsidiaries comply with relevant statutory and regulatory requirements.
- 3.5 The process for recognising risks arising from the Town's operations and strategies, and consider the adequacy of measures taken to manage those risks.
- 3.6 The process and systems which protect the Council against fraud and irregularities.

The Audit, Risk and Governance Committee must also add to the credibility of Council by promoting ethical standards through its work.

4. Authority

The Audit, Risk and Governance Committee has the authority to:

- 4.1 Review and suggest improvements to the internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken.
- 4.2 Formally meet with the Town's appointed external auditor as necessary.
- 4.3 Seek resolution on any disagreements between management and the external auditors on financial reporting.
- 4.4 Advise Council on any or all of the above as deemed necessary.

5. Composition

- 5.1 The Audit, Risk and Governance Committee will comprise of ten members, eight Elected Members and two independent members.
- 5.2 The Council will appoint Audit, Risk and Governance Committee members.
- 5.3 The Presiding Member and Deputy Presiding Member will be appointed by the Audit, Risk and Governance Committee, biennially by election by all committee members after the Ordinary Local Government Election.
- 5.4 The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Town. At least one member of the committee will have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.
- 5.5 Independent members will be appointed until the next Ordinary Local Government Election.
- 5.6 A quorum will be a minimum of 50% of the membership.
- 5.7 Audit, Risk and Governance Committee members are required by the Local Government Act and Code of Conduct in observing the requirements of declaring any proximity, financial or impartiality interests that relate to any matter to be considered at each meeting.
- 5.8 New members will receive relevant information and briefings on their appointment to assist them to meet their committee responsibilities.

6. Meetings

- 6.1 Meetings may be called by the Presiding Member of the Audit, Risk and Governance Committee, or at the request of the Mayor or Chief Executive Officer.
- 6.2 The Audit, Risk and Governance Committee meetings are generally open to the public unless the Presiding Member or Chief Executive Officer deem it necessary to proceed behind closed doors pursuant to Section 5.23 of the Local Government Act 1995.

- 6.3 All Elected Members are invited to attend each Audit, Risk and Governance Committee meeting.
- 6.4 All Audit, Risk and Governance Committee members are expected to attend each meeting in person.
- 6.5 The Chief Executive Officer will facilitate the meetings of the Audit, Risk and Governance Committee and invite members of management, internal and external auditors or others to attend meetings as observers and to provide pertinent information, as necessary.
- 6.6 The Audit, Risk and Governance Committee will develop a forward meeting schedule that includes the dates, location, and proposed work plan for each meeting for the forthcoming year, that cover all the responsibilities outlined in this terms of reference.
- 6.7 Meeting agendas will be prepared and provided at least one week in advance to members, along with appropriate briefing materials.
- 6.8 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.

7. Responsibilities

The Audit, Risk and Governance Committee will carry out the following responsibilities:

7.1 Risk management

7.1.1 Review and suggest improvements to whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of the Town's business and financial risks, including fraud.

7.1.2 Determine whether a sound and effective approach has been followed in managing the Town's major risks including those associated with individual projects, program implementation, and activities.

7.1.3 Assess the impact of the Town's enterprise risk management framework on its control environment and insurance arrangements.

7.1.4 Review and suggest improvements to the process of developing and implementing the Town's fraud control arrangements and satisfy itself the Town has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.

7.2 Business continuity

7.2.1 Determine whether a sound and effective approach has been followed in establishing the Town's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

7.3 Internal Control

- 7.3.1 Review and suggest improvements to whether management's approach to maintaining an effective internal control framework is sound and effective.
- 7.3.2 Review and suggest improvements to whether management has in place relevant policies and procedures and that they are periodically reviewed and updated.
- 7.3.3 Determine whether the appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with.
- 7.3.4 Review and suggest improvements to whether appropriate policies and supporting procedures are in place for the management and exercise of delegations.
- 7.3.5 Consider how management identifies any required changes to the design or implementation of key internal controls.

7.4 Financial Report

- 7.4.1 Review and suggest improvements to significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
- 7.4.2 Review with management and the external auditors the results of the audit, including any difficulties encountered, and suggest improvements if required..
- 7.4.3 Review and suggest improvements to the annual financial report and performance report of the Town of Port Hedland and its subsidiaries, and consider whether it is complete, consistent with information known to Audit, Risk and Governance Committee members, and reflects appropriate accounting principles.
- 7.4.4 Review and suggest improvements to the process for the consolidation of financial information of the Town related entities into the financial reports of the Town.
- 7.4.5 Review with management and the external auditors all matters required to be communicated to the Audit, Risk and Governance Committee under the Australian Auditing Standards, and suggest improvements if required..
- 7.4.6 Review and suggest improvements to the draft Annual Financial Statements and recommend the adoption of the Annual Financial Statements to Council.
- 7.4.7 Receive the quarterly budget review.

7.5 Compliance

- 7.5.1 Review and suggest improvements to the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

7.5.2 Keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to these findings.

7.5.3 Obtain regular updates from management about compliance matters.

7.5.4 Review and suggest improvements to the annual Compliance Audit Return and report to the Council the results of the review.

7.6 Internal Audit

7.6.1 Review with management and the internal auditor the terms of reference, activities and resourcing of the internal audit function and suggest improvements if required.

7.6.2 Review, suggest improvements to and recommend the annual internal audit plan for approval by the Council and all major changes to the plan.

7.6.3 Monitor that the internal auditor's annual plan is linked with and covers the material business risks.

7.6.4 Monitor processes and practices to ensure that the independence of the audit function is maintained.

7.6.5 Annually review the performance of the internal audit including the level of satisfaction with internal audit function having consideration of the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and suggest improvements if required..

7.6.6 Review and suggest improvements to all audit reports and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.

7.6.7 Monitor management's implementation of internal audit recommendations.

7.7 External Audit

7.7.1 Review and suggest improvements to the external auditor's proposed audit scope and approach for financial performance audits, including any reliance on internal auditor activity.

7.7.2 Consider the findings and recommendations of relevant Performance Audits undertaken by the external auditor and ensure the Town implements relevant recommendations.

7.7.3 Provide an opportunity for the Audit, Risk and Governance Committee to meet with the external auditors to discuss any matters that the Audit, Risk and Governance Committee or the external auditors believe should be discussed privately.

7.7.4 Annually review and suggest improvements to the performance of external audit including the level of satisfaction with external audit function.

7.7.5 Monitor management's implementation of external audit recommendations.

7.8 Reporting Responsibilities

7.8.1 Report regularly to the Council about Audit, Risk and Governance Committee activities, issues, and related recommendations through circulation of minutes.

7.8.2 Monitor that open communication between the internal auditor, the external auditors, and the Town's management occurs.

7.9 Other Responsibilities

7.9.1 Perform other activities related to this terms of reference as requested by the Council.

7.9.2 Annually review, suggest improvements to and assess the adequacy of the Audit, Risk and Governance Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

*(Adopted by Council at its Ordinary Meeting held 16 November 2011.
Amended by Council at its Ordinary Meeting held 23 October 2013.
Amended by Council at its Ordinary Meeting held on 11 December 2013.
Amended by Council at its Ordinary Meeting held on 27 May 2015.
Amended by Council at its Ordinary Meeting held on 28 October 2015.
Amended by Council at its Ordinary Meeting held on 22 June 2016
Amended by Council at its Ordinary Meeting held on 24 May 2017.)*

Item 1	Opening of Meeting	10
Item 2	Acknowledgement of Traditional Owners	10
Item 3	Recording of Attendance	10
	3.1 Attendance.....	10
	3.2 Apologies.....	10
	3.3 Approved Leave of Absence.....	10
	3.4 Disclosure of Interests.....	10
Item 4	Response to Previous Questions	11
	4.1 Questions taken on notice from Public at Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017.....	11
	4.2 Questions taken on notice from Committee Members at Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017.....	11
Item 5	Applications for Leave of Absence	11
Item 6	Attendance by Telephone/Instantaneous Communications	11
Item 7	Public Time	11
	7.1 Public Question Time.....	11
	7.2 Public Statement Time.....	12
	7.3 Petitions/Deputations/Presentations/Submissions.....	12
Item 8	Questions from Members without Notice	12
	8.1 Councillor Troy Melville.....	12
	8.2 Ms Nina Pangahas.....	12
	8.3 Councillor Louise Newbery.....	13
	8.4 Councillor Richard Whitwell.....	13
Item 9	Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting	14
Item 10	Confirmation of Minutes of Previous Meeting	15
	10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017.....	15
Item 11	Announcements by Presiding Member without Discussion	15
Item 12	Reports of Officers	16
	12.1 Corporate and Performance.....	16
	12.1.1 Bi-monthly Status Reports of the Audit, Risk and Governance Committee.....	16
	12.1.2 Quarterly Better Practice Review Update.....	22
	12.1.3 Funding and Donations for the period of 1 April to 30 June 2017.....	28
Item 13	Motions of Which Previous Notice Has Been Given	32

Item 14	New Business of an Urgent Nature.....	32
Item 15	Matters for Which Meeting May Be Closed (Confidential Matters)	32
Item 16	Closure.....	32
	16.1 Date of Next Meeting	32
	16.2 Closure	32

Item 1 Opening of Meeting

The Presiding Member declared the meeting open at 5:36pm.

Item 2 Acknowledgement of Traditional Owners

The Presiding Member acknowledges the traditional custodians, the Kariyarra people, and recognises the contribution of Kariyarra elders past, present and future, in working together for the future of Port Hedland.

Item 3 Recording of Attendance

3.1 Attendance

Committee Members:

Mayor Camilo Blanco – Presiding Member
Councillor Troy Melville
Councillor Louise Newbery
Councillor Richard Whitwell
Councillor Lincoln Tavo – attended via telephone

Community Members:

Ms Nina Pangahas

David Pentz	Chief Executive Officer
Gerard Sherlock	Director Infrastructure and Town Services
Robert Leeds	Director Development, Sustainability and Lifestyle
Josephine Bianchi	Manager Governance and Policy
Tammy Wombwell	Administration Officer Governance / Minute Taker

Public	0
Media	0
Officers	3

3.2 Apologies

Mr Ron Attwood – Deputy Presiding Member

3.3 Approved Leave of Absence

Councillor Jan Gillingham
Councillor David Hooper
Councillor Julie Arif

3.4 Disclosure of Interests

Nil

Item 4 Response to Previous Questions

4.1 Questions taken on notice from Public at Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017

Nil

4.2 Questions taken on notice from Committee Members at Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017

Nil

Item 5 Applications for Leave of Absence

Nil

Item 6 Attendance by Telephone/Instantaneous Communications

Nil

Item 7 Public Time

Important note:

'This meeting is being recorded on audio tape as an additional record of the meeting and to assist with minute-taking purposes which may be released upon request to third parties. If you do not give permission for recording your participation please indicate this at the meeting. The public is reminded that in accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders nobody shall use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the presiding member to do so. Members of the public are also reminded that in accordance with section 6.17(4) of the Town of Port Hedland Local Law on Standing Orders mobile telephones must be switched off and not used during the meeting.'

In accordance with section 6.7(3) of the Town of Port Hedland Local Law on Standing Orders, members of the public are required to complete a question form and place the completed form in the tray provided.

The Presiding Member opened Public Question Time at 5:40pm

7.1 Public Question Time

Nil

The Presiding Member closed Public Question Time at 5:41pm

The Presiding Member opened Public Statement Time at 5:41pm

7.2 Public Statement Time

Nil

The Presiding Member closed Public Statement Time at 5:41pm

7.3 Petitions/Deputations/Presentations/Submissions

Nil

Item 8 Questions from Members without Notice

8.1 Councillor Troy Melville

In regards to attachment 1 to item 12.1.1 'ARG Committee – Outstanding Decisions', part 2 of the outcome regarding the Wedge Street observation tower refers to having it removed. How much is this removal going to cost, and is there a cost to have the tower repaired?

The Chief Executive Officer advised that the question would be taken on notice.

In regards to attachment 1 to item 12.1.2 'Business Improvement Plan', can I please have clarification on the symbols used in the 'priority' column?

The Chief Executive Officer advised that red exclamation mark is classed as high priority, the yellow dash is classed as medium, and the blue arrow is classed as low and that a legend would be included on attachments that contain this column moving forward.

8.2 Ms Nina Pangahas

In comparison to the recommendations of items 12.1.2 'Quarterly Better Practice Review Update' and 12.1.3 'Funding and Donations for the period of 1 April to 30 June', is there a reason why this Committee should 'accept' instead of 'receive' the quarterly update on the Better Practice Review?

The Chief Executive Officer advised that it is just different terminology.

The Manager Governance and Policy advised that the wording can be amended from 'accept' to 'receive' in the recommendation of item 12.1.2 'Quarterly Better Practice Review Update'.

How can the Committee move an alternative recommendation like the options listed on pages 26 and 27 of the agenda?

The Presiding Member advised that when the item is being considered by the Committee, a Committee Member can request an amendment at any time after the recommendation has been moved and up until it is seconded.

In regards to attachment 3 to item 12.1.1 'Risk Register', to assist with monitoring and performance, can a due date, a completion date and a column to show the residual risk rating be included in this register moving forward?

The Chief Executive Officer advised in the affirmative.

8.3 Councillor Louise Newbery

In regards to attachment 3 to item 12.1.1 'Risk Register', row 3 regarding the South Hedland Bowling and Tennis Club self-supporting loan, in the officers status update, it was noted that in March that future payments will be closely monitored. What loan payments have been received from the Bowling and Tennis Club since that update in March?

The Chief Executive Officer advised that the question would be taken on notice and that information would be distributed to Councillor Newbery. The Chief Executive Officer also advised that the Town has undertaken internal consultation regarding the repayment of the self-supporting loan.

On row 6 of the same attachment, regarding the Port Haven TWA lease renewal, how is the Town proceeding with the request for a formal lease extension?

The Chief Executive Officer advised that a request for an extension of the lease has not yet been received by the Town from the Port Hedland International Airport who are the lease holders.

The Director Development, Sustainability and Lifestyle advised that BHP have informed the Town that they are addressing concerns that were raised in the agenda item that was presented to Council on 24 May 2017 before they undertake the lease submission process.

8.4 Councillor Richard Whitwell

In regards to the red exclamation mark symbols in attachment 1 to item 12.1.2 'Business Improvement Plan'? Why are the red exclamation marks amongst the completed items?

The Mayor advised that his understanding is that when a high priority item is marked as complete, it is shifted to the completed section, and it shows that the item was a high priority.

Can the high priority rating be removed once an item is marked as complete?

The Mayor advised in the affirmative.

The Chief Executive Officer advised that the requested changes to the report will be made.

On the same attachment, there is an item that is completed regarding a review of the Town's customer service charter, should it be on the next page?

The Chief Executive Officer asked for further clarification on Councillor Whitwell's question.

On the same attachment, there are items that have been completed and been given a completion date, is it appropriate for these items to be shown with the non-completed items?

The Chief Executive Officer advised that the completed items will be moved to the end of the report.

Of the items in the attachment that are categorised as 'Strategic Community Plan' and have been given 5% completion, the due date says that they will be complete at the end of this month, is this correct?

The Mayor advised that he had also sought clarification on these dates, and that the due date should be March 2018.

The Chief Executive Officer advised that the dates in the attachment would be amended.

On row 120 on page 2 of the same attachment, the 'Workforce Plan' shows it is 10% complete. I have marked it as a duplication because on the previous page, it shows 90% complete for the same sub category. Is it delayed at 10% because the other item is not synced with it?

The Chief Executive Officer advised that the item in row 119 on page 1 refers to the policies that sit behind the workforce plan. Row 120 refers to the actual workforce plan and how the plan flows through into the Strategic Community Plan and Corporate Business Plan. The Chief Executive Officer advised that the Town has separated them out as two separate processes.

I refer to row 124 of the same attachment regarding the tourism strategy. Can the outcome be amended from 'assist in supporting' to 'provide appropriate public infrastructure'?

The Mayor asked Councillor Whitwell if he would like the outcome in a different format.

I would like it in a different description to show what action is being done.

The Chief Executive Officer advised that the Town does not currently have a tourism strategy and that when the community is consulted regarding the Strategic Community Plan, the information will be presented to Council.

The Acting Manager Financial Services advised that the wording in the outcome column was derived from the findings of the Department of Local Governments Better Practice Review.

Item 9 Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting

The following Committee Members declared that they had given due consideration to all matters contained in the agenda:

- Mayor Blanco
- Councillor Melville
- Ms Pangahas
- Councillor Newbery
- Councillor Whitwell
- Councillor Tavo

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017

ARG201718/001 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR WHITWELL

SECONDED: CR MELVILLE

That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017 are a true and correct record.

CARRIED 6/0

Item 11 Announcements by Presiding Member without Discussion

Nil

Disclaimer

Members of the public are cautioned against taking any action on Committee decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.

Item 12 Reports of Officers

12.1 Corporate and Performance**12.1.1 Bi-monthly Status Reports of the Audit, Risk and Governance Committee**

File No: 12/14/0002
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 21 June 2017
Author: Tammy Wombwell, Administration Officer Governance
Authorising Officer: Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi-Judicial
 Information Purposes

Attachments:

1. Bi-monthly Status of Audit, Risk and Governance Committee Decisions (Under separate cover)
2. Bi-monthly Audit, Risk and Governance Committee Decision Completion Report (Under separate cover)
3. Bi-monthly Risk Register Report (Under separate cover)

ARG201718/002 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION**MOVED: CR MELVILLE****SECONDED: CR WHITWELL****That the Audit, Risk and Governance Committee accept the following reports:**

1. **Bi-monthly Status of Audit, Risk and Governance Committee Decisions, as at 21 June 2017;**
2. **Bi-monthly Audit, Risk and Governance Committee Decision Completion Report, as at 21 June 2017; and**
3. **Bi-monthly Risk Register Report as at 21 June 2017.**

CARRIED 6/0

EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit, Risk and Governance (ARG) Committee with a bi-monthly status of all outstanding ARG Committee decisions, all completed ARG Committee decisions, and the current risk register showing active risks with a rating of ten (10) or over within the stated period.

DETAIL

At the ARG Committee meeting held on 7 June 2016, it was requested by a Community Member that the ARG Committee receive a 'Status Report' of items that have been endorsed by the ARG Committee to Council.

The Chief Executive Officer at the time confirmed that status reports would be presented to the Committee in each subsequent agenda as an information only item. The Town has further expanded on this requested report, and provides the Risk Register to the Committee in addition to the initial request.

As the ARG Committee meeting schedule was recently changed to bi-monthly, these reports have been amended to reflect this change and now show results over the past two months.

Status of ARG Committee Decisions Report

The remaining outstanding decisions of the ARG Committee are noted in attachment 1. Currently, there are two (2) outstanding ARG Committee decisions that cannot be marked as complete, as they are both reliant on the adoption of the 2017/18 budget. Once the 2017/18 budget has been adopted (whether the proposal was approved or not), the items can be updated accordingly.

Completed Decisions Report

This report outlines all ARG Committee decisions that have been marked as 'complete' by officers in the last ninety (90) days. Currently, there have been five (5) ARG Committee decisions marked complete in this period, these include:

Original Meeting Date	Item Title	Comment
07/03/2017	12.1.2 Compliance Audit Return	The 2015 Compliance Audit Return was adopted at the March 2017 Ordinary Council Meeting. The Compliance Audit Return was lodged on 31 March 2017 and sent to the Department on 1 April 2016 with an extract of the minutes.
22/04/2015	11.1.3 Port Hedland Visitors Centre: Financial Quarterly Review of the Third Quarter being January to March 2015	Part 4 of the decision regarding the removal of the observation tower remained outstanding for some time. A separate report was tabled at the 7 March 2017 ARG meeting regarding the observation tower fence, therefore this decision was marked as complete and the outstanding decision is noted as a separate item, and identified in row 2 of attachment 1.
02/05/2017	12.1.1 Update Best Practice Review	This item was received and noted by the committee, therefore no further action was required and the item was marked as complete.
02/05/2017	12.1.3 Monthly Audit, Risk and Governance Committee Reports	This item was received and noted by the committee, and passed on the presiding member's casting vote. No further action was required and the item was marked as complete.
02/05/2017	12.1.2 Audit Findings report	The ARG Committee endorsed the external audit findings, and the report was considered at the May 2017 Ordinary Council Meeting. Council endorsed the

		report, and it was sent to the Minister of Local Government on 9 June 2017. No further action was required and the item was marked as complete.
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Risk Register Report

The Risk Register is being used to manage all risks identified with a risk rating of 10 and above. Currently any items of an ongoing nature are also listed on the register and are being monitored by Town officers.

The Risk Register currently has six (6) active items listed with a risk rating over 10. The responsible officer for each of these risks has provided an update on these risks and these updates are noted in attachment 3.

Previous Decisions

These monthly status reports were first presented to the ARG Committee on 9 August 2016 and have been a recurring item at every meeting since. Below is a schedule of the decisions that were made by the ARG Committee regarding these monthly reports:

Date of Meeting	Recommendation	Note
09/08/2016	That the Audit, Risk and Governance Committee receive the following status reports: 1. Quarterly Better Practice Review Status Update, as at 5 August 2016; 2. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 5 August 2016; and 3. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 5 August 2016.	Moved by Ms Pangahas, seconded by Councillor Blanco (his position at the time) and carried unanimously 5/0.
06/09/2016	That the Audit, Risk and Governance Committee receive the following reports: 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 31 August 2016; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 31 August 2016; and 3. Monthly Risk Register Report as at 31 August 2016.	Moved by Cr Whitwell, seconded by Councillor Melville and carried 5/1.
08/11/2016	That the Audit, Risk and Governance Committee receive the following reports: 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 31 October 2016; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 31 October 2016; and 3. Monthly Risk Register Report as at 31 October 2016.	Moved by Councillor Whitwell, seconded by Mayor Blanco and carried 3/2.
06/12/2016	That the Audit, Risk and Governance Committee receive the following reports: 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 28 November 2016;	Motion lost 2/4 to receive the reports.

	<ol style="list-style-type: none"> 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 28 November 2016; and 3. Monthly Risk Register Report as at 29 November 2016. 	
07/02/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <ol style="list-style-type: none"> 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 27 January 2017; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 27 January 2017; and 3. Monthly Risk Register Report as at 27 January 2017. 	Moved Councillor Arif, seconded Councillor Whitwell and carried unanimously 6/0.
07/03/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <ol style="list-style-type: none"> 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 24 February 2017; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 24 February 2017; and 3. Monthly Risk Register Report as at 24 February 2017. 	Moved Councillor Tavo, seconded Councillor Whitwell and carried 5/1.
02/05/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <ol style="list-style-type: none"> 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 24 April 2017; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 24 April 2017; and 3. Monthly Risk Register Report as at 24 April 2017. 	Moved Councillor Newbery, seconded Mayor Blanco and carried 3/2 by the Mayors casting vote.

Engagement and Communications

All consultation has been conducted internally with relevant officers to ensure the timely completion of outstanding status items on the registers.

LEGISLATION AND POLICY IMPLICATIONS

There are no legislative requirements in relation to the ARG Committee receiving these reports.

Policy 1/022 'Risk Management Policy' outlines the Towns responsibility to manage and monitor risks. The policy does not require the status of any risks that are identified to be presented to the ARG Committee, however, by presenting them to the ARG Committee, the Town is promoting accountability and transparency.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the ARG Committee receiving or accepting the bi-monthly status reports, as they are for information purposes only.

STRATEGIC AND RISK IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

Social

There are no significant identifiable social impacts arising from adoption of the officer's recommendation.

Financial

There are no identifiable financial risks arising from the adoption of the officer's recommendation.

Strategic

Section 4.1 'Strategic and best practice local government administration' of the Town's Strategic Community Plan 2014-2024 applies, as monitoring previous committee decisions and providing an update to the ARG Committee assists with delivering high quality corporate governance accountability.

Risk

The risk rating for this item has been removed, as it is for information purposes only. Each item that is listed on the attached reports would have been given a risk rating when they were presented to the ARG Committee for adoption or endorsement, and placed on the Town's Risk Register if the rating was over 10.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 – Do not adopt Officers Recommendation

Should the ARG Committee not wish to adopt the officer's recommendation to accept the attached reports, this would be achieved simply by the vote being lost.

CONCLUSION

The bi-monthly reports to the ARG Committee showing the status of the ARG Committee's outstanding decisions, the completed ARG Committee decisions over the last 90 days, and the Town's Risk Register showing risk ratings over ten (10).

The ARG Committee are not required to endorse or action the attached reports, the reports are for information purposes only. These reports are being presented at each meeting at the request of the Committee.

12.1.2 Quarterly Better Practice Review Update

File No: 12/14/0002
 Applicant/ Proponent: N/A
 Subject Land/ Locality: N/A
 Date: 23 June 2017
 Author: Linda Zietsman, Acting Manager Financial Services
 Authorising Officer: Kathryn Crothers, Director Corporate and Performance
 Disclosure of Interest from Author: Nil
 Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi- Judicial
 Information Purposes

Attachments:

1. Better Practice Review extract from the Business Improvement Plan Register (Under separate cover)

OFFICER RECOMMENDATION

That with respect to the Better Practice Review conducted by the Department of Local Government during 2016, Council:

1. **Accept the Better Practice Review extract from the Town's Business Improvement Plan Register.**
2. **Note the implementation progress of the identified Better Practice items.**

ARG201718/003 AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR MELVILLE

SECONDED: CR WHITWELL

That with respect to the Better Practice Review conducted by the Department of Local Government during 2016, Council:

1. **Receive the Better Practice Review extract from the Town's Business Improvement Plan Register.**
2. **Note the implementation progress of the identified Better Practice items.**

CARRIED 6/0

EXECUTIVE SUMMARY

The Department of Local Government conducted a Better Practice Review of the Town of Port Hedland on 22 June 2016. A report was issued outlining better practice improvements for the Town. Implementation of these suggested better practice items will reduce the risk related to legislative non-compliance.

DETAIL

During the Better Practice Review, the Department identified thirty one (31) items for improvement. To date, seventeen (17) items have been marked as complete. Of the remaining outstanding items, nine (9) have been identified as high priority and five (5) as medium priority. Six (6) of these items relate to the Strategic Community Plan, which is currently under review.

An outline of the remaining high priority items are noted below:

Item	Officers Status Update	Category	Priority
Implement an internal audit functionality	Internal audit function endorsed by the Audit, Risk and Governance Committee at its March 2016 meeting. Position descriptions are being developed and should be advertised by the end of November 2016. Risk and Internal Audit Officer appointed in February 2017.	Risk Management Framework	High
Continue to improve the town's processes, procedures and documentation in respect to the DA process, to provide members of the public with high quality information and a high level of customer service.	Reviewed, documented, dedicated resource appointed to implement process improvement of public planning and building submissions for approval. (Development Assessment Process)	Sundry	High
Review the community safety and development information on the Town's website, ensuring that current initiatives are promoted through this and other online platforms.	Significant website review underway with initial content to be updated by September 2016. Initial content updated, and re-design currently being negotiated.	Sundry	High
Update and review the heritage inventory in line with requirements of the Heritage of WA Act 1990.	Draft provided to Historical Society for review. Amendments requested. Ongoing meetings continue with Historical Society to work through the document. Review completed May 16, Engagement and Consultation regarding inventory ended Dec 16, Submission report for New heritage Inventory 2017 in process of draft, Submission date to Council estimated as 22/3/17, adoption of inventory expected at the July 2017 Ordinary Council Meeting.	Sundry	High
Continue working towards the full review of the Strategic Community plan in line with	Project plan for SCP review being prepared. Expected review from Oct 2017 – March 2018	Strategic Community Plan	High

legislative requirements and best practice recommendations as outlined in the Act, associated regulations, IPR Guidelines and IPR Advisory Standard.			
Establish a system/s to measure, and report on, the Town's performance, and progress, in respect to achieving its strategic objectives (and by extension, the community's priorities) as outlined by the Strategic Community Plan's success indicators.	Community survey to be undertaken based on SCP indicators	Strategic Community Plan	High
Continue working towards the full review of the plan in line with legislative requirements and best practice recommendations as outlined in the Act, associated regulations, IPR Guidelines and IPR Advisory Standard.	Council endorsed updated CBP at March OCM. Full review to be conducted in line with SCP review	Strategic Community Plan	High
When undertaking the next annual review of the plan, ensure the review results in the development of an evolving and rolling four-year plan, with the current financial year as the base year and one which is clearly linked to the current year's annual budget.	Council endorsed updated CBP at March OCM. Full review to be conducted in line with SCP review	Strategic Community Plan	High
Continue working towards developing an economic development plan to support the local economy.	Plan being drafted to capture existing Town of Port Hedland projects plus PDC initiatives identified in Regional Blueprint	Strategic Community Plan	High
Continue working towards developing a Tourism Strategy/Plan to assist in supporting the local tourism industry.	Structure of tourism action group being reviewed with outcomes to influence tourism plan	Strategic Community Plan	High

Since the last Better Practice Review update to the Audit, Risk and Governance Committee on 2 May 2017, there have been four (4) items on the Business Improvement Plan register that have been marked as 100% complete. These include:

Item	Officers Status Update	Category	Priority
Develop legislative compliance checklist/calendar	21/06/2017 - Legislative Compliance Calendar has been developed by the Administration Officer Governance. Yet to be presented to the Director for endorsement	Risk Management Framework	Medium
Review and update the Town's customer service charter and complaints handling processes	Customer service charter endorsed by ELT. Complaints handling process has been undertaken by the Governance Officer and has been rolled out across the organisation.	Sundry	High
Continue to regularly review policies and at the next review, ensure consistency in the format of all the Town's policies.	Policies reviewed on monthly basis. A Policy template has been developed to ensure future policies are consistent. The restructure has identified a policy officer which will take over this responsibility. Policies currently managed by Governance. Uniformity obtained. Will be an ongoing process	Policies	Medium
Finalise development of a procedures manual to differentiate Council policies from administrative policies or procedures.	Significant review to consider strategic vs operational policies. Draft IOP Manual has been created containing organisation wide IOPs. The restructure has identified a policy officer which will take over this responsibility. IOP and Policies for council separated.	Policies	Medium

Previous Decisions

The Audit, Risk and Governance (ARG) Committee receive an update on the Town's Better Practice Review and the progress that the Town has made in regards to achieving these goals.

The ARG Committee has been provided an update of the Better Practice review at the following Committee meetings:

- August 2016
- May 2017

Engagement and Communications

All communication has been conducted internally, with all relevant officers being consulted on the status of each outstanding item.

LEGISLATION AND POLICY IMPLICATIONS

The Local Government Act 1995 sets out the Audit committee objectives in Guideline 09; Audit in Local Government. One of the objectives is to, in liaison with the Chief Executive Officer, ensure the effective and efficient management of the Town's financial systems and compliance with legislation. This includes the use of better practice guidelines relative to audit, risk management, internal control and legislative compliance.

The Risk Management Policy no. 1/022, outlines the Town's commitment to consider risk management as an essential management function in the Towns' functioning and operations. Implementing best practice in the Town is part of the ongoing risk management of the Town. By implementing better practices, this reduces risk levels and contributes towards effective and efficient management of the Town's financial systems and compliance with legislation.

FINANCIAL IMPLICATIONS

There are no financial implications related to receiving the better practice extract.

STRATEGIC AND RISK IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

Social

There are no significant identifiable social impacts arising from adoption of the officer's recommendation.

Financial

There are no significant identifiable financial impacts arising from adoption of the officer's recommendation.

Risk

There is a risk rating of Low (3) assigned to the risk that Best Practice not implemented, and can result in a legislative breach.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 - Amended Officers Recommendation

That Council note the implementation progress regarding Best Practice improvements identified by the Department of Local Government and request further clarification or discussion.

Option 3 – Do not adopt Officers Recommendation

This would simply be achieved by the vote being lost.

CONCLUSION

During the Better Practice Review, the Department of Local Government identified a list of Better Practice improvements for the Town. This list was accepted by the Town and officers have been steadily working towards implementation of these best practices.

These improvements will reduce the risk of legislative non-compliance and provide the assurance to the CEO that risk has been mitigated in the areas identified during the review.

12.1.3 Funding and Donations for the period of 1 April to 30 June 2017

File No: 02/05/0001
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 23 June 2017
Author: Fiona Brough, Finance Officer
Authorising Officer: Kathryn Crothers, Director Corporate & Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi- Judicial
 Information Purposes

Attachments:

1. List of funding and donations made for the period 1 April 2017 to 30 June 2017

ARG201718/004 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR MELVILLE

SECONDED: MS PANGAHAS

That with respect to Town of Port Hedland Policy 6/003 Funding and Donations, the Audit, Risk and Governance Committee receive the list of funding and donations made for the period 1 April 2017 to 30 June 2017 in accordance with the 2016/17 adopted budget.

CARRIED 6/0

EXECUTIVE SUMMARY

The guidelines to the Town of Port Hedland Funding and Donations Policy 6/003 state the Chief Executive Officer is to submit quarterly reports to the Audit, Risk and Governance Committee detailing all funding and donations that have been made since the previous quarter. Attachment 1 lists \$12,360 of funding and donations paid for the period 1 April 2017 to 30 June 2017.

DETAIL

Town of Port Hedland Policy 6/003 Funding and Donations was adopted at Ordinary Council Meeting held 27 January 2011. The policy was last amended 22 June 2016 (201516/265). The objective of the policy is to ensure Council allocates financial support to the community in the most effective manner within the guidelines and in within the budget allocation for the year.

As per the guidelines of Policy 6/003 Funding and Donations, attachment 1 lists \$12,360 of funding and donations paid during 1 April 2017 to 30 June 2017.

Please note that there are currently Requests for Payments in the amount of \$42,000 pending for Community Partnerships due to pending Confirmation of Ordinary Council Meeting Minutes. These will likely be processed for payment by 30 June 2017 but could not be included in the Summary due to timing.

There is also an Application for \$3,000 Community Support Funding that is currently in the approvals process.

Engagement and Communications

Internal consultation included:

- Director Corporate & Performance
- Finance Officer

External Consultation included:

- Applicants of funding and donations as stated in attachment 1

LEGISLATION AND POLICY IMPLICATIONS

There are no legislative Acts, Regulations and/or Local Laws applicable to this item.

Policy 6/003 Funding and Donations guidelines state Town of Port Hedland Chief Executive Officer is to submit quarterly reports to the Audit, Risk and Governance Committee detailing all Matched Funding Grants and Community Donations that have been made since the previous quarter.

By providing attachment 1 ensures compliance with this policy.

FINANCIAL IMPLICATIONS

\$170,025 was included in the 2016/17 adopted budget for community grants.

\$12,360 has been paid to successful and eligible community grant applicants from 1 April 2017 to 30 June 2017.

\$42,000 for Community Partnerships is pending payment due to confirmation of Ordinary Council Meeting Minutes.

\$6,000 of Community Support Funding is currently in the approvals process.

This leaves \$56,217.89 remaining uncommitted in the 2016/17 budget as at 30 June 2017.

STRATEGIC AND RISK IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

Social

Community grants increase community access, inclusion and participation to events, programs and services.

Financial

There are no significant identifiable financial impacts arising from adoption of the officer's recommendation.

Strategic

Providing financial support to community groups and individuals under Policy 6/003 Funding and Donations contributes towards achieving the following outcomes identified in the Town of Port Hedland Strategic Community Plan 2014-2024:

- 1.1 A unified community across our townships
- 1.2 A vibrant community rich in diverse cultures
- 4.2 Engage our community and stakeholders

Risk

There is a risk rating of Low (3) assigned to the financial impact risk that Town of Port Hedland may exceed the budget and / or approve applications that are deemed ineligible as per Policy 6/003.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 - Amended Officers Recommendation

Option 3 – Do not adopt Officers Recommendation

CONCLUSION

The guidelines to the Town of Port Hedland Funding and Donations Policy 6/003 state the Chief Executive Officer is to submit quarterly reports to the Audit, Risk and Governance Committee detailing all funding and donations that have been made for the period 1 July 2016 to 30 June 2017. Recommendation is to accept attachment 1 as compliance with guidelines included in Policy 6/003 Funding and Donations.

ATTACHMENT 1 TO ITEM 12.1.3



SUMMARY OF COMMUNITY FUNDING AND DONATIONS PAID FOR THE PERIOD 1 APRIL 2017 TO 30 JUNE 2017



2016/17 Budget for Community Grants	\$170,025.00
Less Payments made from 1 July 2016 to 31 September 2016 (previously presented to ARG Committee)	E0810800 \$17,730.11
Less Payments made from 1 October 2016 to 31 December 2016 (previously presented to ARG Committee)	\$32,217.00
Less Payments made from 1 January 2017 to 31 March 2017 (as per table below)	\$3,500.00
Less Payments made from 1 April 2017 to 30 June 2017 (as per table below)	\$12,360.00
Balance in Budget as at 30 June 2017	\$104,217.89

Applicant	Amount Requested	Amount Paid	Funding Category	Project	Reason for Variation	Previously received funding? If so how much?
Sang Rok Hedland Judo Club	\$3,000	\$3,000	Community Support Grant	Cash support to attend State Judo Titles in Perth 2017	N/A	2014/15 \$806 2015/16 \$2,624.18
Michelle Kilmartin	\$500	\$500	Individual Youth Grant	Cash support for daughter Chelsea Kilmartin to attend 2017 Australian BMX Championships	N/A	No.
Filipino Australian Friendship Association	\$3,000	\$3,000	Community Support Grant	Cash support towards the costs of Filipino Australian Friendship Association Independence Day Dinner	N/A	No.
Hedland Baptist Church Community Support Grant	\$3,000	\$2,860	Community Support Grant	Hedland Baptist Church - Tough Love Seminar	As per policy and guidelines we provided maximum funding to match the total amount contributed to the project by Hedland Baptist Church.	No.
All Hedland Basketball Association Inc	\$3,500	\$3,000	Community Support Grant	All Hedland Basketball Association – Aussie Hoops Program	Maximum funding under this category is \$3,000.	No.
TOTAL	\$13,000	\$12,360				

Item 13 Motions of Which Previous Notice Has Been Given

Nil

Item 14 New Business of an Urgent Nature

Nil

Item 15 Matters for Which Meeting May Be Closed (Confidential Matters)

Nil

Item 16 Closure

16.1 Date of Next Meeting

The next Audit, Risk and Governance Committee Meeting will be held on Tuesday 5 September 2017, commencing at 5:30pm.

16.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 6.03pm.