



Town of
Port Hedland



Notice of Meeting and Agenda Audit, Risk and Governance Committee

Council Chambers, McGregor St, Port Hedland

5:30pm Tuesday, 14 May 2019

Distribution Date:
10 May 2019

David Pentz
Chief Executive Officer

Our Vision

*To be Australia's leading
Port Town embracing
community, culture
and environment*



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DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

Local Government Act 1995 – Section 5.65, 5.70 and 5.71

Local Government (Administration) Regulation 34C

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C</i>	
Name of person declaring the interest	
Position	
Date of Meeting	
Type of Meeting	Audit, Risk and Governance Committee Meeting
Interest Disclosed	
Item Number and Title	
Nature of Interest	
Type of Interest (please circle one)	Financial Proximity Impartiality
Interest Disclosed	
Item Number and Title	
Nature of Interest	
Type of Interest (please circle one)	Financial Proximity Impartiality

Signature: _____

Date: _____

Important Note: Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). 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.”

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 eleven members, nine 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 1995* 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 these 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 these 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.

Re-Adopted by Council at its Ordinary Meeting held on 1 November 2017.)

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Item 1 Opening of Meeting

The Presiding Member is to declare the meeting open at __ pm.

Item 2 Acknowledgement of Traditional Owners and Dignitaries

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

Mayor Camilo Blanco – Presiding Member
 Deputy Mayor Louise Newbery
 Councillor Julie Arif
 Councillor Richard Whitwell
 Councillor Peter Carter
 Councillor George Daccache
 Councillor Tricia Hebbard
 Councillor Warren McDonogh
 Councillor Telona Pitt – Deputy Presiding Member
 Mr Arnold Carter – Community Member

3.2 Attendance by Telephone / Instantaneous Communications
3.3 Apologies
3.4 Approved Leave of Absence
3.5 Disclosures of Interest

Name	Item no.	Interest	Nature

Item 4 Applications for Leave of Absence

Item 5 Response to Previous Questions

5.1 Response to questions taken on notice from Public at the Audit, Risk and Governance Committee Meeting held on Tuesday 12 February 2019

Nil

5.2 Response to questions taken on notice from Committee Members at the Audit, Risk and Governance Committee Meeting held on Tuesday 12 February 2019**5.2.1 Deputy Mayor Newbery**

I believe that the South Hedland Bowling and Tennis Club is paying full rates, even though a concession was granted when the budget was passed. Could this be investigated?

The Manager Financial Services advises that the South Hedland Bowls Club have not submitted an application for a rates concession for the 2018/19 financial year despite numerous attempts to contact the club. Council did however approve a 100% concession of their rates during the annual budget development process and is shown in note 1(h) in the adopted Annual Budget Book.

The concession was applied to the South Hedland Bowls Club on 12 September 2018. An interim notice was posted on 2 October 2018 showing a total owing of \$70.08 and a final notice issued on 2/11/2018 noting the amount outstanding as \$70.19 for the Emergency Services Levy only. The Town has received a number of BPAY payments from the Bowls Club, all of which have been returned excluding the \$70.19 balance owed. There are no outstanding rates due for this property.

Item 6 Public Time

Important note:

'This meeting is being recorded on audio tape and streamed live online 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 chairperson 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.

6.1 Public Question Time

6.2 Public Statement Time

6.3 Petitions/Deputations/Presentations/Submissions

Item 7 Questions from Members without Notice

Item 8 Announcements by Presiding Member without Discussion

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:

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 12 February 2019

OFFICER RECOMMENDATION

That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 12 February 2019 are a true and correct record.

SIMPLE MAJORITY VOTE REQUIRED

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 11 Reports of Officers

11.1 Corporate and Performance
11.1.1 2018/19 Budget Review for period ending 31 March 2019 (File No. 12/05/0014)

Author	Manager Financial Services
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION

That the Audit Risk and Governance Committee:

1. Endorse the 2018/19 Q3 Budget Review for period ended 31 March 2019 for adoption at Council, resulting in a projected closing municipal surplus of \$1,532,862 as at 30 June 2019; and
2. Endorse the expanded initiatives as per the below table (already included in the above municipal surplus figure):

Project Name	Current Budget	Amended Budget	Funding	Municipal Impact
Bollard Installation	100,000	122,581		22,581
Port Hedland Baseball Association re-establishment of dugouts and scorers box	30,000	70,000		40,000
South Hedland Landfill Transfer Station	50,000	66,000	16,000	0
Depot Works	335,000	350,000	15,000	0
Marapikurrinya drainage and open area development	200,000	150,000		50,000
Lighting and Safety Upgrades at Pretty Pool Car park	50,000	67,000		17,000
Civic Centre and Gratwick Hall refurbishment	1,183,876	1,203,876		20,000
Commercial building renewal program	625,121	695,121		70,000
Housing Renewal program	277,000	283,000	6,000	0
CCTV - Safer Communities - CCTV network expansion	411,656	428,030	16,374	0

ABSOLUTE MAJORITY VOTE REQUIRED

PURPOSE

This report presents the 2018/19 Q3 budget review for period ended 31 March 2019. This review evaluated the current capital and operational projects, expected funding and reserve transfers in line with project progress as well as considered any changes resulting from unforeseen circumstances, resulting in budget variations discussed in the background of this report. The proposed budget changes from the review indicate an overall budget variation of \$1,033,279, resulting in an estimated closing municipal surplus of \$1,532,862 as at 30 June 2019.

DETAIL

The purpose of this report is to review the budget against actual expenditure as at 31 March 2019, and evaluate the current capital and operational projects; expected grants, subsidies and contributions; and reserve transfers, forecasting expected actual spend and revenue for the current financial year up to 30 June 2019 in line with project progress and current information. The report presents the proposed revised budget to be received by the Audit, Risk and Governance (ARG) Committee per the terms of reference of the ARG.

Each budget review is an opportunity to evaluate the current budget as a result of numerous factors that affect the operational activities and revenue streams. The reviews are used as a tool for decision making for current and future activities and they are a key component of prudential financial management practices in order to mitigate financial risk exposure to Council.

The recent review conducted was an opportunity to review project progress, revenue and reserve funds, taking into account any changes in the macro or minor economic variables and any other relevant information, and use it as a tool to ensure accurate financial reporting and estimated closing surplus up to the end of the financial year. This process further assists with identifying any projects which will carry forward into the following financial year. These carry forwards will be included as part of the 2019/20 Annual Budget.

Summary of actual financial position as at 31 March 2019:

- Capital expenditure to date is tracking at 40% budget spent, with committed orders bringing the current financial completion to 67%. Projects to the value of \$1.35M have been delivered. A carry forward of projects to the value of \$2.3M has been requested. This is largely due to the removal of support from funding partners for a large project and cyclonic events changing the scope of some projects.
- Operating expenditure is currently 65% of budget. This is slightly under the expected budget YTD, mainly due to lower than expected expenses across all areas.
- Income is higher than budgeted due to rate revenue from previously unrated land, with the additional rate income placed into the Financial Risk Reserve.

For more detailed information, please refer to the Statement of Financial Activity for the period ended 31 March 2019 to be presented at Ordinary Council Meeting on 22 May 2019.

A Statement of Financial Activity by Nature and Type is attached which demonstrates the current annual budget, the proposed annual budget following the variations included as part of this budget review and amendment.

The significant movements are detailed below:

Operating Revenue		
Nature and Type	Variation	Commentary
Rate Revenue	8,909,416	Increase in rates relating to State Agreement land identified and interim rates raised to be transferred to the Financial Risk Reserve in line with Council Policy 2/004 Rating.
Operating Grants, Subsidies & Contributions	169,089	Grant funding incorrectly allocated as Fees and Charges
Fees & charges	(369,089)	Grant funding incorrectly allocated as Fees, and Charges and budget reduced for expected grant income that will not be recognised
Other revenue	Nil	
Interest Earnings	Nil	
Profit on Disposal of assets	Nil	

Operating Expenditure		
Nature and Type	Variation	Commentary
Employee costs	800,000	\$800K reduction in employee expenses due to vacancies across the organisation.
Utilities	Nil	
Depreciation	Nil	
Interest Expenses	(3,520,168)	Costs associated with early payout of loan portfolio as determined by Council at April 2019 OCM.
Materials & Contracts	(191,489)	\$149K increase due to projects originally classed as capital now classified as operating. \$410K decrease in operational projects that are being carried forward to the 19/20 financial year with the budgets placed into the Unfinished Works Reserve.
Other Expenditure	Nil	

Investing Activities		
Nature and Type	Variation	Commentary
Non-Operating Grants, Subsidies and Contributions	Nil	
Proceeds from Disposal of Assets	Nil	
Capital Works	(2,662,924)	Refer to the detailed capital works programme for a breakdown of individual project adjustments. The increase in project requests has been offset by reductions in other projects that have been reduced in scope, cancelled due to the withdrawal of support by funding partners or projects unable to be completed this FY and deferred to the 19/20 financial year with the budgets placed into the unfinished works reserve.

Financing Activities		
Nature and Type	Variation	Commentary
Proceeds from Self Supporting Loans	Nil	
Transfers from Reserves	23,678,777	Significant increase in transfers from reserves to fund the repayments of all current loans as per decision made by Council at the April 2019 OCM
Transfer to Reserves	10,830,300	Increase in transfer to reserve includes \$8.9M additional rates revenue being transferred to the Financial Risk Reserve and an additional \$1.7M transfer to the Unfinished Works Reserve for projects being carried forward to FY19/20.
Repayment of Debentures	20,431,015	Costs associated with early payout of loan portfolio as determined by Council at April 2019 OCM.

Expanded Initiatives

Included in the operating and capital expenditure increases identified through the budget review are a number of expanded initiatives and projects proposed for this financial year as outlined below:

Project	Current Budget	Proposed Budget	Funding	Municipal Impact	Commentary
Bollard Installation	100,000	122,581	0	22,581	Program actual exceeded budget
Port Hedland Baseball Association re-establishment of dugouts and scorers box	30,000	70,000	0	40,000	Unexpected high response to informal quotation request after initial investigative process. \$30k insufficient to be able to deliver the dugouts to required specifications under Town Planning requirements and cyclone ratings.
South Hedland Landfill Transfer Station	50,000	66,000	16,000	0	Included in transfer station/ community recycle centre \$3.7m – to provide additional detail in design, to be funded from Waste Reserve.
Depot Works	335,000	350,000	15,000	0	Budget increase in this FY of \$15K sought to cater for revised scope, to be funded from Asset Management Reserve. Additional \$100K is sought to be carried forward until the 19/20 financial year to cover revised scope, to be transferred to Unfinished Works Reserve
Marapikurrinya drainage and open area development	200,000	150,000	0	50,000	\$150K sought in this FY. Excavation around existing lights revealed that the base of lights were in extremely poor condition thus necessitating replacement of the lights. A further \$50K is requested to carry into 19/20 to complete the work to be transferred to the Unfinished Works Reserve
Lighting and Safety Upgrades at Pretty Pool Car park	50,000	67,000	0	17,000	Additional budget required to complete the project using standardised lamp fittings which are being used elsewhere across the Town's parks and carparks.

Project	Current Budget	Proposed Budget	Funding	Municipal Impact	Commentary
Civic Centre and Gratwick Hall refurbishment	1,183,876	1,203,876	0	20,000	Stage 1 and 2 are completed and works have commenced in Gratwick Hall. Expected completion date to be mid-June. Flooring will require additional \$20K.
Commercial building renewal program	625,121	695,121	0	70,000	Increase to allow for unexpected replacement of items under commercial lease including AC units and hot water systems. Includes Chambers carpet replacement and main power cable running to the Port Hedland Turf Club. Provision of \$30k added for the Baseball upgrades at Marie Marland Reserve.
Housing Renewal program	277,000	283,000	6,000	0	Slight overspend due to last minute fence replacement identified as urgent works during annual inspection.
South Hedland Main street-Throssel Road Verge Upgrade	250,000	20,000	0	(230,000)	A reduction in the budget is required in this financial year of \$230K, however it is requested that these funds are brought forward to the new financial year with an additional \$150K required to complete the project. The original budget was insufficient to adequately complete the project.
CCTV - Safer Communities - CCTV network expansion	411,656	16,374	428,030	0	Project expected to be commissioned by end July 2019. Project fully funded by a grant from Federal Safer Communities Fund. Additional \$74K required to complete project - tender amount was more than the original budget but will be funded fully by grant funding.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, because budget reviews are vital to ensure the Town is forecasting expected expenditure and revenue in line with current conditions and commitments. Budget reviews are used as a tool for decision making for current and future activities and they are a key component of prudential financial management practices in order to mitigate financial risk exposure to Council.

CONSULTATION

Internal

The 2018/19 current budget has been reviewed by all budget managers and the Executive Leadership Team, who collectively have considered the impact of the budget amendments presented to benefit the community as a whole and keep within the budget guidelines of a balanced budget.

External Agencies

Nil

LEGISLATION AND POLICY CONSIDERATIONS

A local government is required to carry out a budget review between the 1 January and 31 March of each financial year in accordance with regulation 33A(1) of the *Local Government (Financial Management) Regulations 1996*. The review must consider the financial performance between 1 July to 31 December, the financial position at the date of the review, and review the outcomes for the end of financial year forecast as stipulated in regulation 33A(2A).

Although there is no statutory requirement to present the review to the ARG, the Committee's terms of reference under 7.4.7 require the ARG to receive quarterly budget reviews. It is the Committee's role to provide comment and feedback on the review in terms of the overall aspects of the review. This review was prepared as at 31 March 2019 to provide the Committee and Council with overview and insight to expenditure against the budget, and amendments identified throughout the financial year.

Any budget review must be submitted to Council within 30 days of completion, with Council to determine whether or not to adopt the review by absolute majority as required by regulation 33A(2) and (3). The budget review will be presented to Council for adoption at Ordinary Council Meeting scheduled for Wednesday 22 May 2019.

FINANCIAL AND RESOURCES IMPLICATIONS

The 2018/19 Q3 budget review for period ended 31 March 2019 has identified increased operating revenue of \$8,709,416 and increased operating expenditure of \$2,528,319, resulting in an increase to the operating surplus.

The overall result of the budget amendments is a proposed increase to the closing municipal surplus, resulting in an estimated closing municipal surplus of \$1,532,862 as at 30 June 2019.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Council's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

- 4.b.1** Sound long-term financial planning is implemented
- 4.b.2** Transparent and regular financial reporting and communication to the community is undertaken
- 4.b.3** Transparent and regular governance reporting and communication to the community is undertaken

Environmental

No material environmental impacts are expected as a result of this budget review.

Economic

There are significant benefits to the local economy including investment in local infrastructure and the utilisation of local trades and businesses where possible, practical and available.

Social

Significant social impacts will be achieved including the investment into community infrastructure and programs and the promotion of the Town as a great place to live and work.

RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be Medium (6).

There is a risk rating of medium (6) assigned to the risk that the review not be submitted to Council within 30 days after the review has been finalised. This risk has an unlikely possibility and a moderate impact in relation to compliance with significant regulatory requirements imposed.

There is a risk rating of medium (9) assigned to the risk that Council do not adopt the 2018/19 Budget Review for period ended 31 March 2019, resulting in the delay or inability to perform specific capital works which are essential but do not currently have an approved budget item line. This risk is calculated by a likelihood of possible (3) and a consequence of moderate (3) in relation to compliance with significant regulatory requirements imposed.

OPTIONS

Option 1 - Adopt Officer's Recommendation

ARG Committee endorse the 2018/19 Q3 Budget Review for period ended 31 March 2019 for adoption at Council, resulting in a projected closing municipal surplus of \$1,532,862 as at 30 June 2019 including new and extended initiatives and projects.

Option 2 – Do not adopt Officer's Recommendation

That ARG Committee do not endorse the proposed amendments presented in the 2018/19 Q3 Budget Review for period ended 31 March 2019.

CONCLUSION

This report presents a summary of the 2018/19 Q3 Budget Review for period ended 31 March 2019. A number of variations are proposed as part of this review to meet community and organisational requirements. This process further assists with identifying any projects which will carry forward into the following financial year and presented as part of the 2019/20 Annual Budget.

The outcome of the review presents an estimated municipal surplus of \$1,532,682 as at 30 June 2019. A further review and feedback from the Audit, Risk and Governance Committee may see a change to this final position. The Audit, Risk and Governance Committee is only required to receive the budget review in accordance with the terms of reference.

ATTACHMENTS

1. 2018/19 Budget Review Financial Statements and Supplementary Documents for period ended 31 March 2019 (Under separate cover)

11.1.2 Interim Audit and Financial Management Review (File No: 12/01/0002)

Author	Manager Financial Services
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION

That the Audit, Risk and Governance Committee receive and endorse to Council the management letter of the interim audit findings for the financial year ending 30 June 2019, and the management letter of the financial management review for the period ended 31 March 2019.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The Audit, Risk and Governance (ARG) Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to the Committee's terms of reference. One of the Committee's principal duties is to make recommendations to Council regarding external audit reporting.

This report presents to the ARG Committee the management letter of the interim audit findings for the financial year ended 30 June 2019, and the management letter of the financial management review for the period ended 31 March 2019. Both letters have been prepared by the Town's auditors RSM Australia Pty Ltd (RSM).

RSM presented one matter for consideration during this year's interim audit as identified in Annexure A to the Interim Audit Management Letter, and seven matters for consideration as improvements in Annexure B Financial Management Review for the period ended 31 March 2019.

DETAIL

On 24 April 2015 the Town of Port Hedland engaged RSM Australia (previously known as RSM Bird Cameron) to provide external audit services for a period of five years. The final year of audit engagement is the year ended 30 June 2019.

Representatives from RSM Australia conducted their fieldwork in Port Hedland from 8 – 10 April 2019 in relation to the interim audit for the year ended 30 June 2019.

Interim Audit

The interim audit is predominantly concerned with sample testing of financial transactions and a review of the internal controls, procedures and processes of the

Town of Port Hedland. The auditors have prepared a management letter in accordance with *Auditing Standard ASA 260 Communication with Those Charged with Governance*. The report includes audit observations, recommendations and management's formal responses.

A summarised table of the findings and management response/action plan is provided below, with further detail available in Annexure A of the Closing Report.

Audit findings	Rating	Management Action
Review of credit card purchases	Moderate	<p>We have actioned sufficient changes on the template to ensure the supervisor has now a set place to sign to avoid this issue going forward.</p> <p>Our current informal procedure for Credit Cards is the Director of Corporate and Performance or the Manager of Finance reviews all credit cards reconciliations each month in addition to the supervisor, and formally signs the coversheet to confirm the review has been completed. This process is minimising our risk of fraud and misuse.</p>
The July 2018 and November 2018 Statements of Financial Activity were not presented at an ordinary meeting of Council within 2 months after the end of the month to which the statement relates as required by Local Government (Financial Management) Regulations 1996 regulation 34(4)(a).	Moderate	<p>The November 2018 statements were prepared within the 2 months after the end of month, however due to ordinary council meeting scheduling the report was not able to be presented until the February 2019 ordinary council meeting.</p> <p>Management will endeavour to improve compliance with <i>Local Government (Financial Management) Regulations 1996</i> regulation 34(4)(a). However, ordinary council meetings for 2019 are scheduled in a similar manner, resulting in it being difficult to be complaint for November 2019 Statements of Financial Activity.</p>

As a result of audit procedures, the auditors have not identified any matters of fraud and there were no divergences with management about significant accounting matters.

Financial Management Review

The purpose of the financial management review is to determine the appropriateness and effectiveness of the financial management systems and procedures in accordance with Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

This review is to occur no less than once in every 3 financial years and we are required to report the results of those reviews. The last review occurred for period ending 31 March 2016.

Based on the factual findings, the Town considers the financial management systems and procedures to be appropriate and effective.

The exceptions noted by RSM Bird Cameron have been presented to management as recommendations for strengthening internal controls. Management have welcomed these recommendations, discussed these with the auditors and will be taking immediate action to ensure these findings are addressed and incorporated into practice. The progress of the audit findings will also reported to the ARG Committee in the Audit Recommendations Reconciliation Report prepared on a regular basis.

A summarised table of the findings and management response/action plan is provided below, with further detail available in Annexure A of the Closing Report.

Financial Management Review Recommendation	Rating	Management Action
Management should ensure that bank reconciliations are updated and reviewed to reflect any changes to the bank after it has been reconciled. Management should review outstanding cheques on period-end bank reconciliations and adequately explain or resolve any long outstanding items.	Moderate	Management will check bank reconciliations to prior month's opening balances going forward to ensure any changes made are updated and reflected in reconciliations. We are currently working through the reconciliations, with an intention to resolve long outstanding items.
Management should ensure that reviews of payroll deduction table data and salary sacrifice calculations are reviewed periodically and documented.	Moderate	Management's intention is to include this recommendation in the HR Operational plan which is currently being drafted.
Management should ensure that the reconciliation of the accounts payable sub ledger to the general ledger is reviewed and approved by management on a timely basis.	Moderate	Management has previously reviewed the reconciliations electronically. Following feedback from 30 June 2018 audit received 4 February 2019, the documents were printed and signed. Going forward, management will continue to physically review and sign reconciliations on a monthly basis.

Financial Management Review Recommendation	Rating	Management Action
Management should ensure that the payroll register is reconciled to the general ledger on a regular basis.	Minor	The Town has reconciled the payroll register on a fortnightly basis since the 20 August 2018 and will continue this process. The Town is of the opinion that it is good practice to reconcile accounts on a minimum monthly basis which has occurred for this account.
Management should ensure that there are no unreconciled differences between the Rates Ledger and the General Ledger.	Moderate	<p>Following the audit for period ending 30 June 2018 we have been working to improve on our monthly rates reconciliations and minimise the imbalance present.</p> <p>We will continue to work on this area to minimise discrepancies going forward with improved reconciliations and further training.</p> <p>We have experienced ongoing issues with Synergy and are working with IT Vision to implement a solution.</p>
Management should ensure that spoiled cheques are retained, clearly marked "VOID" and cancelled.	Moderate	<p>Each area has a different process for the management of cheques (between Municipal and Trust). Following audit finding, management will initiate a working group and create a uniform process for cancelled cheques to be rolled out across the organisation.</p> <p>The Town is also looking at ways to minimise usage of cheques.</p>

Financial Management Review Recommendation	Rating	Management Action
All credit notes are independently reviewed and authorised by management.	Moderate	<p>Requests to create a credit note were prepared by staff and signed off within allocated purchasing delegations. The request forms are then handed to our Accounts Officer for processing. Large credit notes are reviewed and authorised by senior management following creation by our Accounts Officer.</p> <p>Management have addressed this issue by including a new delegation to the current delegation register to specify who has authority to sign off on Credit Notes. This will be presented to Council at the May Ordinary Council Meeting to consider and endorse the new delegation.</p>

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance. The attached management letter is provided for information only with no decision required by the ARG Committee or Council.

CONSULTATION

Internal

This report was completed with the input and assistance of the Executive Leadership Team, the Financial Services team, the Governance team and the HR team.

External Agencies

- The Town's Auditors, RSM Australia

LEGISLATION AND POLICY CONSIDERATIONS

Part 7 of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* details the requirements for audit.

The Department of Local Government and Communities has also prepared Operational Guideline Number 9 to provide guidelines for the ARG Committee relating to Audit in Local Government.

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* details the CEO's duties in regards to financial management.

FINANCIAL AND RESOURCES IMPLICATIONS

The costs associated with conducting the interim audit, financial management review and end of financial year audit are included in the 2018/19 budget and financial statements.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Council's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

- 4.b.1* Sound long-term financial planning is implemented
- 4.b.2* Transparent and regular financial reporting and communication to the community is undertaken
- 4.b.3* Transparent and regular governance reporting and communication to the community is undertaken

There are no significant identifiable environmental, social or economic impacts relating to this item.

RISK MANAGEMENT CONSIDERATIONS

Per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be Medium (9), with risk managed by adequate controls, managed by specific procedures and subject to regular monitoring.

RSM has identified seven matters in total for consideration to be addressed by management. A summarised table of the findings and management response/action plan is provided above, with further detail available in Annexure A and Annexure B of the Management Letters.

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Do not adopt Officer's Recommendation

CONCLUSION

The attached interim audit management letter for the year ended 30 June 2019 and financial management review is provided for information purposes only. The ARG Committee is not required to endorse or action the attached reports.

The Town is continuously working towards improvements in the financial management area and there will be a focus on creating stronger internal controls within financial management and processes in accordance with the Town's values and long-term sustainability.

ATTACHMENTS

1. Management Letter of the Interim Audit Findings for the financial year ending 30 June 2019.
2. Management Letter of the Financial Management Review for the period ended 31 March 2019 (Under Separate Cover).

ATTACHMENT 1 TO ITEM 11.1.2



RSM Australia Pty Ltd

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7 May 2019

PRIVATE AND CONFIDENTIALMr Camilo Blanco
Mayor
Town of Port Hedland
Civic Centre
McGregor Street
PORT HEDLAND WA 6721Mr David Pentz
Chief Executive Officer
Town of Port Hedland
Civic Centre
McGregor Street
PORT HEDLAND WA 6721

Dear Sirs

Management letter following the interim phase of our audit for the year ending 30 June 2019

We have now completed our interim audit work, subject to normal completion procedures.

This report is part of a continuing dialogue between the Town of Port Hedland (**Town**) and ourselves. This report outlines matters of governance interest that have come to our attention during the current audit. We have prepared this report in accordance with Auditing Standard ASA 260 *Communication With Those Charged With Governance*.

An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters. For this reason, the report is intended for the sole use of the Town and we consider it inappropriate for this report to be made available to third parties, or quoted or referred to, without our written consent. We do not accept responsibility to any other persons or for any reliance that third parties may place on it.

We set out below details of matters concerning the Town's internal control, accounting practices and other observations, which should be considered by management. However, an audit is not designed to identify all matters relevant to governance.

We have kept management informed of the issues included in this letter as they have arisen. A draft of the matters in this letter was previously provided to management for their review and comment. This letter includes management's formal responses and the person responsible for addressing the matter.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation



1 MANAGEMENT LETTER POINTS AND CONTROL WEAKNESSES PREVIOUSLY REPORTED

Part of our interim audit testing requires us to follow up on prior year management letter points to ensure that appropriate measures have been taken to address the issues reported. The following table illustrates the status of previous years' management letter points and control weaknesses that have not been resolved at the time of our previous audit and whether management has taken appropriate action to subsequently resolve the matters:

1.1 RSM management letter points brought forward from the 2018 final audit

Findings	Rating	Status
1. Submission of annual financial report to auditors	Significant	Open*
2. Readiness for the 30 June 2018 final audit	Significant	Open*
3. Bank reconciliations	Moderate	Resolved
4. Long outstanding rates receivable	Moderate	Open*
5. Non-compliance with Investment Policy	Moderate	Open*
6. Unidentified variance in rates revenue recognised	Moderate	Open*

*Due to the nature of these findings, their status will be assessed during the year ended 30 June 2019 final audit visit.

2 MANAGEMENT LETTER POINTS AND CONTROL WEAKNESSES IDENTIFIED DURING THE 2019 INTERIM AUDIT

During our current interim audit we examined the design and implementation of the internal controls relevant to the accounting and financial control systems. The findings from this work are disclosed in ANNEXURE A.

RSM was also engaged by the Town to conduct a separate financial management review to assist the Chief Executive Officer in reporting to the Town on the appropriateness and effectiveness of the financial management systems and procedures in accordance with regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*. The findings from that engagement are discussed in our separate Report of Factual Findings dated 7 May 2019.

3 OTHER MATTERS

Our procedures did not identify any matters of fraud to report to you and we had no disagreements with management about significant accounting matters.

Finally, we would like to take this opportunity to thank your staff for the co-operation we have received throughout our audit. If there are any further matters which you wish to discuss concerning our audit, please contact me.

Yours faithfully

D J WALL
Director

ANNEXURE A

TOWN OF PORT HEDLAND

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019

FINDINGS IDENTIFIED DURING THE *INTERIM* AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1 Review of credit card purchases		✓	
2 Submission of Statement of Financial Activity to Council		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

ANNEXURE A**TOWN OF PORT HEDLAND****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019****FINDINGS IDENTIFIED DURING THE *INTERIM* AUDIT****1. Review of credit card purchases****Finding:**

The Town's credit card policy states that Managers, Directors and the CEO are responsible for:

Ensuring that on at least a monthly basis a credit card reconciliation statement for each credit card is signed by the cardholder and countersigned by the officer's supervisor which, in the case of the CEO, is the Mayor or Acting Mayor.

During our controls testing, it was found that for one credit card holder there were three instances when there was no evidence of the credit card reconciliation statements being reviewed by an authorised officer on a monthly basis.

Rating: Moderate**Implication:**

Failure to review monthly credit card statements on a monthly basis increases the Town's risk of fraud or misuse of the credit card.

Management Comment:

We acknowledge the Credit Card in question was not formally reviewed for August 2018, September 2018 and February 2019. For the months in question the credit card had not been used or had minimal transactions. Through our review it has come to our attention this may have occurred due to the reconciliation template used for that credit card. We have actioned sufficient changes on the template to ensure the supervisor has now a set place to sign.

Our current informal procedure for Credit Cards is the Director of Corporate and Performance or the Manager of Finance reviews the credit cards in addition to the supervisor and has formally signed to confirm their review. This process is minimising our risk of fraud and misuse.

Responsible Person: Manager of Finance**Completion Date: May 2019**

ANNEXURE A**TOWN OF PORT HEDLAND****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2019****FINDINGS IDENTIFIED DURING THE *INTERIM* AUDIT****2 Submission of Statement of Financial Activity to Council****Findings:**

The July 2018 and November 2018 Statements of Financial Activity were not presented at an ordinary meeting of Council within 2 months after the end of the month to which the statement relates as required by regulation 34(4)(a) of the *Local Government (Financial Management) Regulations 1996*.

Rating: Moderate**Implication:**

Failure to submit the above mentioned Statements of Financial Activity represents a breach of regulation 34(4)(a) of the *Local Government (Financial Management) Regulations 1996*.

Recommendation:

The monthly Statements of Financial Activity should be presented at an ordinary meeting of Council within two months after the end of the month to which the statement relates in accordance with regulation 34(4)(a) of the *Local Government (Financial Management) Regulations 1996*.

Management Comment:

Management acknowledge that the statements were presented late.

The November 2018 statements were prepared within the 2 months after the end of month, however due to ordinary council meeting scheduling the report was not able to be presented until the February 2019 ordinary council meeting.

Management will endeavour to improve compliance with Local Government (Financial Management) Regulations 1996 regulation 34(4)(a). However, ordinary council meetings for 2019 are scheduled in a similar manner, resulting in it being difficult to be complaint for November 2019 Statements of Financial Activity.

It should be noted that processes have been improved such that monthly statements are now completed within four weeks of the month close.

Responsible Person: Senior Financial Accountant**Completion Date: February 2020**

11.1.3 Funding and Donations for the quarter 1 January 2019 to 31 March 2019 (*File No. 02/05/0001*)

Author	Community Engagement Team
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION

That the Audit, Risk and Governance Committee receive the list of funding and donations made by the Town of Port Hedland for the quarter 1 January 2019 to 31 March 2019 in accordance with the 2018/19 adopted budget.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The guidelines of 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 by the Town of Port Hedland. Attachment 1 lists \$816.05 of funding and donations paid throughout the quarter (1 January 2019 to 31 March 2019) in the 2018/19 financial year.

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 on 24 October, 2018 (CM201819/068). The objective of the policy is to ensure Council allocates financial support to the community in the most effective manner within the guidelines and within the budget allocation for the year.

As per the guidelines of Policy 6/003 Funding and Donations, attachment 1 lists \$816.05 of funding and donations paid from 1 January 2019 to 31 March 2019.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance.

CONSULTATION

Internal

Director Corporate & Performance
Manager Financial Services

External Agencies

Applicants of funding and donations as stated in attachment 1.

LEGISLATION AND POLICY CONSIDERATIONS

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

Policy 6/003 Funding and Donations guidelines state that the Chief Executive Officer of the Town of Port Hedland is to submit quarterly reports to the Audit, Risk and Governance Committee detailing all matched funding grants and community donations that have been made.

Providing attachment 1 ensures compliance with this policy.

FINANCIAL AND RESOURCES IMPLICATIONS

\$158,661.36 was included in the 2018/19 adopted budget for community grants.

\$816.05 was paid to two successful and eligible community grant applicants from 1 January 2019 to 31 March 2019. There were limited resources in internal staffing at this time.

This leaves \$132,520.31 uncommitted in the 2018/19 budget as at 31 March 2019.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Council's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 1.a.1** Stakeholders are engaged to develop a whole of town approach to increase accessibility to quality health and wellbeing services
- 1.a.2** Community needs and gaps in health provision are identified and delivered
- 1.a.4** Partnerships with stakeholders to deliver sport and recreation are enhanced
- 1.a.5** Agencies and the community are fully engaged to reduce anti-social behaviours and improve community safety
- 1.a.6** Town-wide health, safety, recreation and sporting activities and services
- 1.b.5** Opportunities to get involved and results of engagement are regularly promoted
- 1.c.1** The community, industry, arts and cultural organisations are engaged to identify, plan and coordinate events and activities
- 1.c.2** Events and activities to celebrate the Town's cultural heritage, arts and Pilbara lifestyle are consistently programmed and delivered
- 4.b.2** Transparent and regular financial reporting and communication to the community is undertaken

There are no significant identifiable environmental, social or economic impacts relating to this item.

RISK MANAGEMENT CONSIDERATIONS

There is a financial risk associated with this item because as the Town of Port Hedland may exceed the budget and/or approve applications that are deemed ineligible as per Policy 6/003. The risk rating is considered to be Low (2) which is determined by a likelihood of rare (1) and a consequence of minor (2).

OPTIONS

Option 1 – Adopt officer's recommendation

Option 2 – Amend officer's recommendation

Option 3 – Do not adopt officer's 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 quarter - 1 January to 31 March 2019. Recommendation is to accept attachment 1 as it complies with the guidelines included in Policy 6/003 Funding and Donations.

ATTACHMENTS

1. List of funding and donations made for the quarter 1 January 2019 to 31 March 2019

SUMMARY OF COMMUNITY FUNDING & DONATIONS PAID FOR THE QUARTER 1 JANUARY 2019 TO 31 MARCH 2019



18/19 Budget for Community Grants	\$158,661.36
Less Payments:	
• Quarter 1 (Q1 - 1 Jul – 30 Sep)	\$20,125.00
• Quarter 2 (Q2 - 1 Oct – 31 Dec)	\$5,200.00
• Quarter 3 (Q3 - 1 Jan – 31 Mar)	\$816.05
Total payments	\$26,141.05
Balance uncommitted as 31 March 2019	\$132,520.31

Quarter 3						
Applicant	Amount Requested	Amount Granted	Funding Category	Project	Reason for Variation	Previously received funding? If so how much?
Mr Wyatt Wilson	\$750.00	\$750.00	Individual Sport Donation	Think Again – Under 13/14 Regional Development Carnival	N/A	No

SUMMARY OF COMMUNITY FUNDING &
DONATIONS PAID FOR THE QUARTER
1 JANUARY 2019 TO 31 MARCH 2019



Quarter 3						
Applicant	Amount Requested	Amount Granted	Funding Category	Project	Reason for Variation	Previously received funding? If so how much?
Miss Jamie Gilbert	\$236.10	66.05	Youth Development Donation	TAFE Course 2019	Although approved, awaiting sufficient evidence and acquittal to allocate remaining costs.	No
Total	\$986.10	\$816.05				

SUMMARY OF COMMUNITY FUNDING & DONATIONS PAID FOR THE QUARTER 1 JANUARY 2019 TO 31 MARCH 2019



Quarter 2						
Applicant	Amount Requested	Amount Granted	Funding Category	Project	Reason for Variation	Previously received funding? If so how much?
Hedland Taekwondo Club	\$2,000	\$2,000	Community Donation	Australian National Taekwondo Championships in Bendigo, Victoria.	NA	No
Baler Primary School P&C Association	\$100	\$100	Community Donation	End of Year Book Awards	NA	26/11/15 \$1,000 3/12/09 \$50
South Hedland Primary School P&C Association	\$100	\$100	Community Donation	End of Year Book Awards	NA	13/09/2018 \$3,000
C3 Church	\$3,000	\$3,000	Community Support Grant	Hedland Community Carols Event	NA	20/02/2017 \$3,000 03/12/2015 \$1,000 08/12/2014 \$2,000
Total	\$5,200	\$5,200				

**SUMMARY OF COMMUNITY FUNDING &
DONATIONS PAID FOR THE QUARTER
1 JANUARY 2019 TO 31 MARCH 2019**



Quarter 1						
Applicant	Amount Requested	Amount Granted	Funding Category	Project	Reason for Variation	Previously received funding? If so how much?
Tura New Music Ltd	\$3,000	\$3,000	Community Support Grant	Support for free community concert on Saturday 1 September.	N/A	No
Hedland Touch Association	\$3,000	\$2,000	Community Support Grant	Support for Hedland's Touch Football Association Women's Team to attend competition in Kimberley in September.	\$2,000 is the maximum permitted for a team attending the same competition under the 6/003 Funding and Donations Policy.	2017/18 \$3,000 2014/15 \$500 2012/13 \$3,000

SUMMARY OF COMMUNITY FUNDING & DONATIONS PAID FOR THE QUARTER 1 JANUARY 2019 TO 31 MARCH 2019



Quarter 1						
Applicant	Amount Requested	Amount Granted	Funding Category	Project	Reason for Variation	Previously received funding? If so how much?
Pilbara for Purpose	\$3,000	\$3,000	Community Support Grant	Support for hosting the Pilbara Community Services Excellence Awards in Karratha and attended by at least ten community organisations based in Port Hedland.	N/A	No
South Hedland Primary School P&C	\$3,000	\$3,000	Community Support Grant	Support for Years 5 and 6 students to attend school camp.	N/A	No
Treloar Child Care Centre Inc	\$710	\$710	Community Support Grant	Support to cover venue hire for their annual Christmas party for families, children and staff.	N/A	2017/18 \$1,000 2016/17 \$1,000 2015/16 \$300 2014/15 \$780 2013/14 \$1,075 2012/13 \$2,000

SUMMARY OF COMMUNITY FUNDING & DONATIONS PAID FOR THE QUARTER 1 JANUARY 2019 TO 31 MARCH 2019



Quarter 1						
Applicant	Amount Requested	Amount Granted	Funding Category	Project	Reason for Variation	Previously received funding? If so how much?
Sarah Croft	\$500	\$500	Individual Youth Donation	Support for travel, accommodation and entry fees for Piper Croft (13) to attend dance exams in Perth in September.	N/A	2017/18 \$500
Imprint Solutions	\$3,000	\$3,000	Community Support Grant	Support for Hedland Neon Fun Run community event.	N/A	No
Gumala Aboriginal Corporation	\$3,000	\$3,000	Community Support Grant	Support for education and parenting skills program at South Hedland Aquatic Centre.	N/A	No
Port Hedland's Men's Shed	\$1,915	\$1,915	Community Support Grant	Support for information evening and membership drive in October, 2018.	N/A	No

**SUMMARY OF COMMUNITY FUNDING &
DONATIONS PAID FOR THE QUARTER
1 JANUARY 2019 TO 31 MARCH 2019**



Quarter 1						
Applicant	Amount Requested	Amount Granted	Funding Category	Project	Reason for Variation	Previously received funding? If so how much?
Total	\$21,125	\$20,125				

11.2 Development, Sustainability and Lifestyle

Nil

11.3 Infrastructure and Town Services

Nil

Item 12 Motions of Which Previous Notice Has Been Given

Nil

Item 13 New Business of an Urgent Nature

Nil

Item 14 Matters for Which Meeting May Be Closed (Confidential Matters)

Nil

Item 15 Closure

15.1 Date of Next Meeting

The next Audit, Risk and Governance Committee Meeting will be held on Tuesday 13 August 2019, commencing at 5:30pm.

15.2 Closure

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