



TOWN OF PORT HEDLAND

AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING MINUTES

TUESDAY 7 MARCH 2017 AT 5:30PM

COUNCIL CHAMBERS, MCGREGOR STREET,
PORT HEDLAND

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

*David Pentz
Chief Executive Officer*

Distribution Date: 14 March 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 six members, four 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.)

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Item 1 Opening of Meeting

The Presiding Member declared the meeting open at 5:30pm.

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 Louise Newbery
Councillor Richard Whitwell
Councillor Lincoln Tavo

Community Members:

Ms Nina Pangahas
Mr Ron Attwood – Deputy Presiding Member

David Pentz	Chief Executive Officer
Kathryn Crothers	Director Corporate Services
Ray Davy	Acting Director Corporate Services
Tammy Wombwell	Administration Officer Governance/ Minute Taker

Public	0
Media	0
Officers	2

3.2 Apologies

Nil

3.3 Approved Leave of Absence

Nil

3.4 Disclosures of Interest

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 7 February 2017

Nil

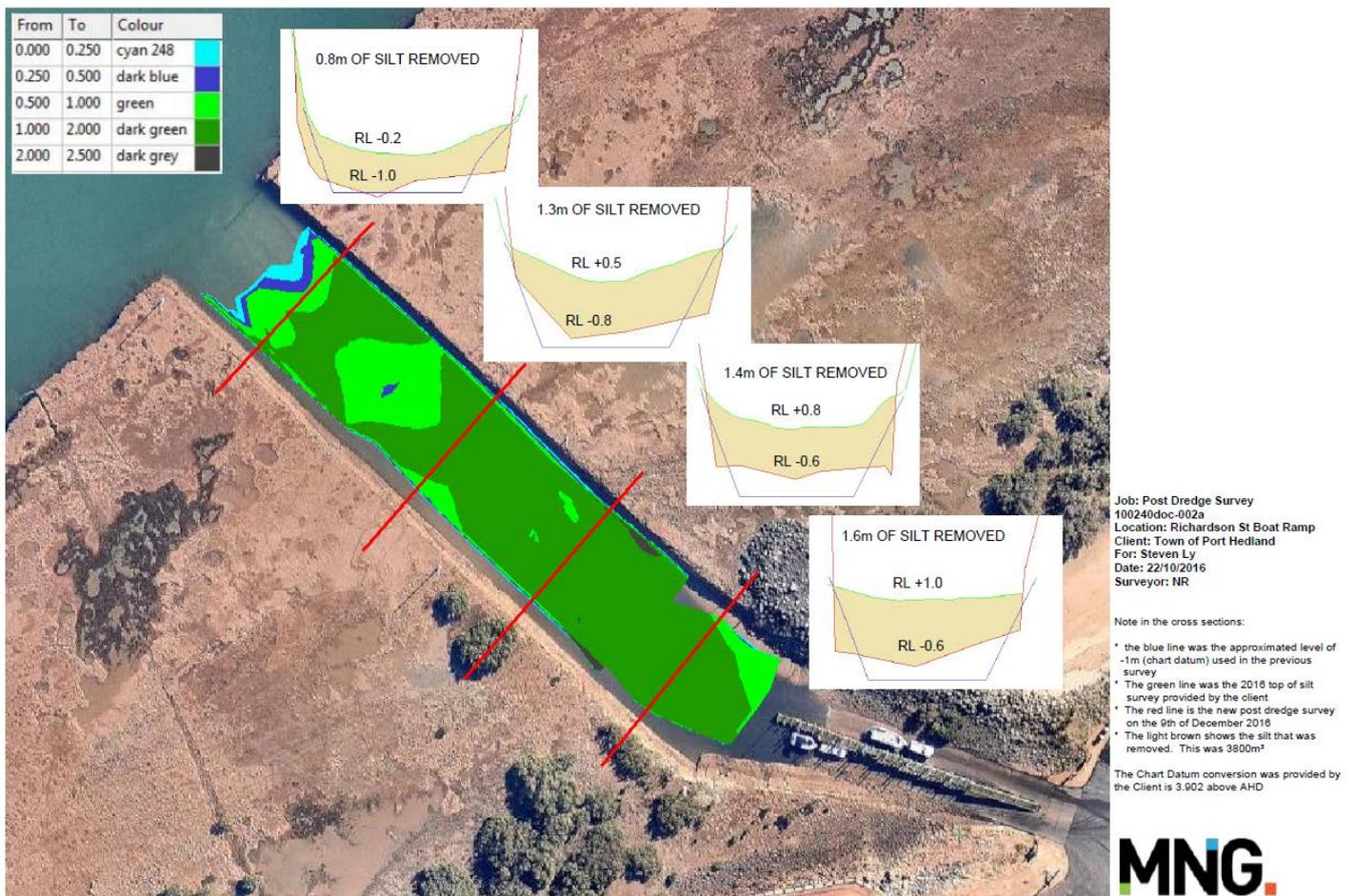
4.2 Questions taken on notice from Committee Members at Audit, Risk and Governance Committee Meeting held on Tuesday 7 February 2017

4.2.1 Mr Ron Attwood

Has the boat ramp on Richardson Street been physically echo sounded?

The boat ramp was not echo sounded, a survey of the boat ramp was completed manually before and after the dredging was completed. The results of this survey are attached.

The green line was the depth of the boat ramp prior to the dredging, the red line is the depth of the boat ramp after the dredging and the blue line is the bottom of the boat ramp bed.



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 5:34pm.

7.1 Public Question Time

Nil

The Presiding Member closed Public Question Time at 5:34pm.

The Presiding Member opened Public Statement Time at 5:35pm.

7.2 Public Statement Time

Nil

The Presiding Member closed Public Statement Time at 5:35pm.

7.3 Petitions/Deputations/Presentations/Submissions

Nil

Item 8 Questions from Members without Notice

8.1 Mr Ron Attwood

In regards to attachment 1 for item 12.1.1 'Monthly Audit, Risk and Governance Committee Reports', can row 5 regarding the Risk Management Framework be marked as 100% complete?

The Chief Executive Officer advised in the affirmative, and that the changes will be reflected in the attachment to these minutes.

In regards to attachment 3 for item 12.1.1 'Monthly Audit, Risk and Governance Committee Reports', can rows 6 and 7 be updated to reflect that they are ongoing issues?

The Chief Executive Officer advised in the affirmative, and that the changes will be reflected in the attachment to these minutes.

In regards to item 12.1.3 'Funding and Donations for the period of 1 October to 31 December 2016', can we add a matching figure for future reports stating how much each applicant has received previously?

The Chief Executive Officer advised in the affirmative, and that all future reports will show how much each applicant has received previously.

In regards to item 12.2.1 'Observation Tower, Wedge Street, Port Hedland', will the Audit Risk and Governance Committee receive a detailed fence and perimeter plan?

The Chief Executive Officer advised in the affirmative.

Can I also have confirmation that the Audit, Risk and Governance Committee will receive notification on upcoming workshops?

The Chief Executive Officer advised in the affirmative.

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 Camilo Blanco
- Councillor Louise Newbery
- Councillor Richard Whitwell
- Councillor Lincoln Tavo
- Ms Nina Pangahas
- Mr Ron Attwood

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 7 February 2017

ARG201617/025 OFFICER RECOMMENDATION/ COMMITTEE DECISION

MOVED: CR WHITWELL

SECONDED: MS PANGAHAS

That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 7 February 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 Services**12.1.1 Monthly Audit, Risk and Governance Committee Reports**

File No: 12/14/0002
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 20/02/2017
Author: Grace Waugh, Coordinator Governance
Authorising Officer: Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author: Nil
Authority/Discretion: Information Purposes - includes items provided to the Committee for information purposes only, that do not require a decision of the Committee (i.e. - for 'noting').

Attachments:

1. Monthly Status of Audit, Risk and Governance Committee Decisions (under separate cover, as amended at the meeting held on 7 March 2017)
2. Monthly Audit, Risk and Governance Committee Decision Completion Report (under separate cover)
3. Monthly Risk Register Report (under separate cover, as amended at the meeting held on 7 March 2017)

ARG201617/026 OFFICER RECOMMENDATION/ COMMITTEE DECISION**MOVED: CR TAVO****SECONDED: CR WHITWELL****That the Audit, Risk and Governance Committee receive the following reports:**

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.**

CARRIED 5/1

For: Mayor Blanco, Cr Tavo, Ms Pangahas, Cr Newbery, Cr Whitwell
Against: Mr Attwood

EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit Risk and Governance (ARG) Committee with the monthly status of all outstanding ARG Committee decisions, all completed ARG Committee decisions and the current Risk Register within the stated period.

BACKGROUND

To ensure accountability and transparency, an update of all previous ARG decisions are to be provided to the ARG Committee for review. Committee Members have requested that these be provided monthly.

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

CONSULTATION

Internal

- Director Corporate Services
- Coordinator Governance

LEGISLATIVE IMPLICATIONS

As this report is for information purposes only, there are no legislative implications associated with receiving the attached reports.

POLICY IMPLICATIONS

As this report is for information purposes only, there are no policy implications associated with receiving the attached reports.

FINANCIAL IMPLICATIONS

As this report is for information purposes only, there are no financial implications associated with receiving the attached reports.

STRATEGIC IMPLICATIONS

Section 4.1 'Strategic and best practice local government administration' of the Strategic Community Plan applies as monitoring previous committee decisions assists with delivering high quality corporate governance accountability.

SUSTAINABILITY 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.

Risk

As the attached reports are for information purposes only, the risk assessment table has been removed.

A risk assessment for each item contained in the monthly status update, would have been completed as part of the original agenda item, and can be found in the minutes of the relevant meeting of which it was first tabled.

CONCLUSION

It is recommended that the Audit, Risk and Governance Committee receive the attached reports which provide a status on the outstanding ARG Committee Decisions, completed ARG Committee Decisions and the Risk Register.

12.1.2 Compliance Audit Return 2016

File No: 14/06/0001
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 13 January 2017
Author: Grace Waugh, Coordinator Governance
Authorising Officer: Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author: Nil
Authority/Discretion: Legislative – includes adopting local laws, town planning schemes and policies. Review when Council reviews decision made by Officers.

Attachments:

1. 2016 Compliance Audit Return

ARG201617/027 OFFICER RECOMMENDATION/ COMMITTEE DECISION**MOVED: CR TAVO****SECONDED: CR WHITWELL**

That the Audit, Risk and Governance Committee recommend that Council adopt the Compliance Audit Return 2016.

CARRIED 6/0

EXECUTIVE SUMMARY

The statutory Compliance Audit Return (CAR) for the 2016 calendar year is presented to the Audit, Risk & Governance (ARG) Committee for review and to recommend that it be adopted by Council.

BACKGROUND

Each year all Western Australian Local Government Authorities are required to undertake a compliance audit and forward the results to the Department of Local Government and Communities (the Department) by 30 March. The CAR is a self-assessment of a local government referring to its levels of compliance with the Local Government Act and associated regulations.

A local government's Audit Committee is required to review the CAR and report the results of that review to the Council prior to adoption by Council and the March submission to the Department.

The Compliance Audit is one of the tools utilised by the Department to monitor how the local government functioned throughout the previous calendar year from a compliance perspective. It identifies areas of non-compliance that provide guidance to officers as to where processes may be reviewed to ensure improved compliance.

The Town engaged an external auditing firm, Butler Settineri (Butlers), to undertake the 2016 CAR to provide an independent review and to assist the Town is setting a benchmark for future CARs.

A total of 87 items were audited by Butlers in the 2016 CAR process with seven areas of non-compliance being identified.

These being:

Number	Legislation	Question	Response	Improvement
1	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	No. A contract variation for the tyre tender was approved by officers who did not have authorisation. The first Faye Gladstone tender was not initially rejected in writing or authorised by the CEO.	The tender process is being reviewed to streamline the process through a central team. This will ensure that all legislative requirements are met and delegations are adhered to.
2	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	No. At the 14 December 2016 Ordinary Council Meeting an Elected Member declared a proximity interest but did not leave the room.	Town officers cannot control the actions of Elected Members. If they remain in the room after declaring a financial or proximity interest the Town can only report the behavior to the Department of Local Government and Communities through a serious breach.
3	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	No. One designated employee failed to lodge a primary return within three months.	The Town has a register that monitors when primary returns are due. The designated employee notification also advises the employee when their return is due.
4	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated	No. Two designated employees failed to lodge an	The Town sends correspondence to relevant officers of the upcoming deadline two months in

		employees by 31 August 2016.	annual return by 31 August.	advance to give appropriate notice.
5	s7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	No. A report was not prepared on the actions taken.	A report on the actions taken on the auditor's report is currently being prepared for the 2014/15 and 2015/16 financial years and will be report to Council. This will ensure we will be compliant with this section of the Act for future years.
6	s7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	No. A report was not prepared on the actions taken.	A report on the actions taken on the auditor's report is currently being prepared for the 2014/15 and 2015/16 financial years and will be report to Council. This will ensure we will be compliant with this section of the Act for future years.
7	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration	No. One instance found of a consultancy that exceeded the statutory threshold.	The Town is introducing a new training process in relation to all delegations to ensure officers are aware of their requirements. The training will include reference to tendering and the relevant threshold and process. The tender process is currently being reviewed and will change to ensure there are compliance

		stated in Regulation 11 (1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11 (2)).		checks throughout the process.
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The Town will be undergoing an extensive external legislative audit which will also include investigating the above non-compliance issues. The audit will highlight the key areas within the organisation that require review and will assist with the review of internal service levels.

Any non-compliance issues identified will be incorporated into a 'legacy' register which will be reported to the Audit, Risk and Governance Committee on a quarterly basis.

CONSULTATION

Butler Settineri completed an external audit for the 2016 CAR and consulted the required business units when needed.

The Executive Leadership Team and Managers are aware of the Town's requirement to complete the CAR on an annual basis and provide the necessary documentation.

LEGISLATIVE IMPLICATIONS

Section 7.13(1)(i) of the *Local Government Act 1995* require local governments to carry out an audit of compliance with such statutory requirements. Section 14 of the *Local Government (Audit) Regulations 1996* outlines the period of time, the form and the process on the compliance audit. The compliance audit is required to be reviewed by the Audit Committee and report to Council.

POLICY IMPLICATIONS

There are no policy implications in relation to this agenda item.

FINANCIAL IMPLICATIONS

The engagement of Butler Settineri is incorporated in the current 2016/17 Budget. The provision for the extensive external legislative audit was approved as part of the half yearly budget review adopted at the Ordinary Council Meeting on Wednesday 22 February 2017.

STRATEGIC IMPLICATIONS

Sections 4.1 'Strategic and best practice local government administration' of the Town's Strategic Plan applies as completing the CAR ensures the Town is regularly assessing our compliance with legislation.

SUSTAINABILITY 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.

Risk

Risk	That the Compliance Audit Return is not adopted by Council or submitted to the Department by 31 March.	That there are repeat non-compliance issues that are not being addressed.
Risk Likelihood (based on history and with existing controls)	Possible (3)	Unlikely (2)
Risk Impact / Consequence	Moderate (3)	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)	Medium (5-9)
Principal Risk Theme	Compliance - 3 Moderate - Non-compliance with significant regulatory requirements imposed	Compliance - 3 Moderate - Non-compliance with significant regulatory requirements imposed
Risk Action Plan (Controls or Treatment proposed)	Accept Officer Recommendation	Add suggested process improvements to Business Improvement Plan. Continue to provide training and education programs.

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 6 and 9 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

CONCLUSION

It is recommended that the ARG Committee recommend that Council adopt the 2016 CAR.

ATTACHMENT 1 TO ITEM 12.1.2

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

Port Hedland - Compliance Audit Return 2016

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2016.	Yes		David Pentz
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2016.	Yes		David Pentz
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2016.	Yes		David Pentz
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2016.	Yes		David Pentz
5	s3.59(5)	Did the Council, during 2016, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	Yes	The Business Plan for the Spoilbank Marina was adopted at the Ordinary Council Meeting on Wednesday 14 December 2016.	David Pentz

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		David Pentz
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		David Pentz
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		David Pentz
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		David Pentz
5	s5.18	Has Council reviewed delegations to its committees in the 2015/2016 financial year.	Yes		David Pentz
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		David Pentz
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		David Pentz
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		David Pentz
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		David Pentz
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		David Pentz
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		David Pentz
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2015/2016 financial year.	Yes	The Delegation Register was reviewed as a whole and adopted at the 25 May 2016 Ordinary Council Meeting.	David Pentz
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	No	A contract variation for the tyre tender was approved by officers who did not have authorisation. The first Faye Gladstone tender was not initially rejected in writing or authorised by the CEO.	David Pentz

Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
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Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	No	At the 14 December 2016 Ordinary Council Meeting an Elected Member declared a proximity interest but did not leave the room.	David Pentz
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	N/A	No decisions were made under section 5.68(1).	David Pentz
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		David Pentz
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		David Pentz
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	No	One designated employee failed to lodge a primary return within three months.	David Pentz
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2016.	Yes		David Pentz
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2016.	No	Two designated employees failed to lodge an annual return by 31 August.	David Pentz
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		David Pentz
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		David Pentz
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		David Pentz
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		David Pentz
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		David Pentz

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Department of Local Government and Communities - Compliance Audit Return

Government of Western Australia
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		David Pentz
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		David Pentz
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		David Pentz
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		David Pentz

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A	There were no disposals during 2016.	David Pentz
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A	There were no disposals during 2016.	David Pentz

Elections

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

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		David Pentz

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Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	Yes		David Pentz
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		David Pentz
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		David Pentz
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government within 30 days of completion of the audit.	Yes		David Pentz
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government by 31 December 2016.	Yes	At the 23 November 2016 Ordinary Council Meeting.	David Pentz
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	Yes		David Pentz
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	No	A report was not prepared on the actions taken.	David Pentz
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	No	A report was not prepared on the actions taken.	David Pentz
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		David Pentz
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		David Pentz
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		David Pentz
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		David Pentz

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
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No	Reference	Question	Response	Comments	Respondent
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		David Pentz

Local Government Employees

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	Yes	At the Special Council Meeting on 11 July 2016.	David Pentz
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	Yes	The CEO, Director Corporate Services and Director Works and Services vacancies were advertised and included the required information.	David Pentz
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	Yes		David Pentz
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	Yes		David Pentz
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A	There were no senior employees appointed or dismissed in 2016.	David Pentz

Department of Local Government and Communities - Compliance Audit Return

Government of Western Australia
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Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	Yes	As per delegation 1.21 in the Delegation Register.	David Pentz
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		David Pentz
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		David Pentz
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		David Pentz
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		David Pentz
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	N/A	No complaints deemed a breach by the Department of Local Government and Communities.	David Pentz
Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11 (1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11 (2)).	No	One instance found of a consultancy that exceeded the statutory threshold.	David Pentz
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A	No multiple contracts were entered into in 2016.	David Pentz
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		David Pentz
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		David Pentz

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Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		David Pentz
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		David Pentz
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		David Pentz
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		David Pentz
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		David Pentz
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		David Pentz
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A	No expression of interests were advertised.	David Pentz
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		David Pentz
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		David Pentz
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		David Pentz
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		David Pentz
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		David Pentz
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		David Pentz

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Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
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No	Reference	Question	Response	Comments	Respondent
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		David Pentz
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		David Pentz
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		David Pentz
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		David Pentz
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		David Pentz
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A	The Town of Port Hedland has a Regional Price Preference Policy.	David Pentz
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	Yes	Reviewed Regional Price Preference Policy was adopted by Council at the Ordinary Meeting on 27 July 2016.	David Pentz
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes	Purchasing policy was reviewed and adopted by Council at the Ordinary Meeting on 27 July 2016.	David Pentz

12.1.3 Funding and Donations for the period of 1 October to 31 December 2016

File No: 02/05/0001
Applicant/ Proponent: N/A
Subject Land/ Locality: Town of Port Hedland
Date: 24/02/2017
Author: Fiona Brough, Finance Officer
Authorising Officer: Kathryn Crothers, Director Corporate Services
Disclosure of Interest from Author: Impartiality/ Financial/ Proximity as xx
Authority/Discretion: Information Purposes - includes items provided to Council for information purposes only, that do not require a decision of Council (i.e. - for 'noting').

Attachments:

1. List of funding and donations made for the period 1 October 2016 to 31 December 2016 (under separate cover)

ARG201617/028 OFFICERS RECOMMENDATION/ COMMITTEE DECISION**MOVED: CR TAVO****SECONDED: MS PANGAHAS**

That with respect to Town of Port Hedland Policy 6/003 Funding and Donations, Council receive the list of funding and donations made for the period 1 October 2016 to 31 December 2016 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 \$32,217 of funding and donations paid for the period 1 October 2016 to 31 December 2016.

BACKGROUND

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 \$32,217 of funding and donations paid during 1 October 2016 to 31 December 2016.

CONSULTATION

Internal Consultation included:

- Acting Manager Financial Services, Jodi Marchant
- Director Corporate Services, Kathryn Crothers (previously Acting)
- Former Acting Chief Executive Officer, Chris Linnell

External Consultation included:

- Applicants of funding and donations as stated in attachment 1

LEGISLATIVE IMPLICATIONS

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

POLICY IMPLICATIONS

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.

Providing attachment 1 ensures compliance with this policy.

FINANCIAL IMPLICATIONS

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

\$32,217 has been paid to successful and eligible community grant applicants from 1 October 2016 to 31 December 2016.

\$120,077.89 is the balance remaining in the budget as at 31 December 2016, with a total of \$49,947.11 paid up to this date.

STRATEGIC IMPLICATIONS

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

SUSTAINABILITY 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.

Risk

Risk	That Town of Port Hedland may exceed the budget and/or approve applications that are deemed ineligible as per Policy 6/003
Risk Likelihood (based on history and with existing controls)	Rare (1)
Risk Impact / Consequence	Minor (2)
Risk Rating (Prior to Treatment or Control)	Low (1-4)
Principal Risk Theme	Financial Impact - 2 Minor - \$3,000 - \$30,000
Risk Action Plan (Controls or Treatment proposed)	Manage by monitoring budget allocation for the year and assess applications in accordance with Policy 6/003

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 2 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

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. This report details all funding and donations that have been made for the period 1 October 2016 to 31 December 2016. Recommendation is to receive attachment 1 as compliance with guidelines included in Policy 6/003 Funding and Donations.

12.2 Works and Services

12.2.1 Observation Tower, Wedge Street, Port Hedland

File No:	05/09/0017
Applicant/ Proponent:	N/A
Subject Land/ Locality:	Observation Tower, 13 Wedge Street, Port Hedland, WA 6721
Date:	7 March 2017
Author:	Nasir Shah, Manager Infrastructure & Projects
Authorising Officer:	Peter Keane, Director Works & Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:

1. Structural Review of Observation Tower, Wedge Street, Port Hedland (under separate cover)

OFFICER RECOMMENDATION

That the Audit, Risk and Governance Committee:

1. Agree that the Town of Port Hedland will investigate the option of installing a fence around the base of the Observation Tower on Wedge Street, Port Hedland, to further ensure public safety.
2. Agree that the above option will be in place until such time that the Town of Port Hedland can prioritise the expenditure of funds to remove the Observation Tower.

ARG201617/029 COMMITTEE DECISION

MOVED: CR TAVO

SECONDED: MAYOR BLANCO

That the Audit, Risk and Governance Committee:

1. **Recommend that the Town of Port Hedland investigate the option of installing a fence around the base of the Observation Tower on Wedge Street, Port Hedland, to further ensure public safety.**
2. **Recommend that the above option be in place until such time that the Town of Port Hedland can prioritise the expenditure of funds to remove the Observation Tower**

CARRIED 6/0

EXECUTIVE SUMMARY

The purpose of this report is to provide information to the ARG committee with regard to the current status of the Port Hedland Observation Tower.

BACKGROUND

The Port Hedland Observation Tower is over 50 years old and has been installed at its current location since 1992.

Several years ago, the Town removed the first rung of stairs to remove access by the public to the Tower.

In 2015, the Town engaged a Structural Engineering firm (RSA Engineering) to assess the Structural condition of the Observation Tower and make recommendations for future Safety and Public Use. The Structural Assessment report did not provide any commentary on the Structural soundness of the Structure in its current condition, however it made recommendations for further structural testing and refurbishment. The report estimated the approximate cost of refurbishment to be \$180,000. The report also pointed out that Level 6 (top level) cannot be accessed by public as the level is accessible via a ladder only.

Currently, the top of Observation Tower is being utilized by the Environmental Department as a platform (along with specific scaffolding) for Dust monitoring equipment. It is intended that the equipment will be located at the peak of the tower for a minimum of 3 months, as a component of the West-end Dust Monitoring process.

In reviewing the physical condition of the Tower and taking into consideration the structural assessment undertaken by RSA, the Tower does not pose a public safety risk. To ensure ongoing public safety within the Tower area, the Town shall investigate the option of fencing the base of the tower to reduce the risk of "falling objects", until such time that we can prioritise the expenditure of funds to either remediate or dismantle the Tower.

CONSULTATION

As mentioned earlier in this report consultations have been undertaken with specialist Structural Engineering and Risk Management firms i.e. RSA Engineering and LGIS respectively.

LEGISLATIVE IMPLICATIONS

There are no identifiable Legislative implications arising for this item

POLICY IMPLICATIONS

There are no identifiable Policy implications arising from this item

FINANCIAL IMPLICATIONS

Minor expenditure will be required to mitigate the immediate risk to the public.

There will be significant financial implications for the Town in the event that we choose to either remediate or dismantle the Tower into the future.

STRATEGIC IMPLICATIONS

There are no significant identifiable strategic implications arising from this item

SUSTAINABILITY IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from this item

Economic

There are no significant identifiable positive or negative economic impacts on the town community arising from this item

Social

In the future, if the Town chooses to undertake works on the tower and make it accessible for the public then it might have positive impacts on the Town as the public will climb the tower to enjoy the views. However, this may also lead to the Tower being utilised for anti-social purposes, and may require controls to be put in place to restrict public access accordingly.

Risk

Risk	That a person is injured from the Town failing to minimise the danger to public
Risk Likelihood	Possible (3)
Risk Impact / Consequence	Moderate (3)
Risk Rating	Medium (5-9)
Principal Risk Theme	Health - 3 Moderate - Medical type injuries or Lost time injury < 5 days
Risk Action Plan (Controls or Treatment proposed)	Minimise the risk by fencing off the base of the tower

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 9 has been determined for this item.

Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

CONCLUSION

In the short-term, the Town will investigate the option of installing a fence around the base of the Port Hedland Observation Tower in order to reduce the potential risk to the public.

Further action regarding remediation or removal of the Tower will be determined based upon financial priorities of the Town.

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 9 May 2017, commencing at 5:30pm.

16.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 5:49pm.