



TOWN OF PORT HEDLAND

AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING MINUTES

TUESDAY 5 SEPTEMBER 2017 AT 5:30PM

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

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

*David Pentz
Chief Executive Officer*

Distribution Date: 12 September 2017

TERMS OF REFERENCE

1. Purpose of the Terms of Reference

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

2. Introduction

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

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

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

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

3. Objectives

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

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

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

4. Authority

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

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

5. Composition

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

6. Meetings

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

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

7. Responsibilities

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

7.1 Risk management

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

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

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

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

7.2 Business continuity

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

7.3 Internal Control

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

7.4 Financial Report

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

7.5 Compliance

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

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

7.5.3 Obtain regular updates from management about compliance matters.

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

7.6 Internal Audit

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

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

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

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

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

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

7.6.7 Monitor management's implementation of internal audit recommendations.

7.7 External Audit

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

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

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

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

7.7.5 Monitor management's implementation of external audit recommendations.

7.8 Reporting Responsibilities

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

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

7.9 Other Responsibilities

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

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

(Adopted by Council at its Ordinary Meeting held 16 November 2011.

Amended by Council at its Ordinary Meeting held 23 October 2013.

Amended by Council at its Ordinary Meeting held on 11 December 2013.

Amended by Council at its Ordinary Meeting held on 27 May 2015.

Amended by Council at its Ordinary Meeting held on 28 October 2015.

Amended by Council at its Ordinary Meeting held on 22 June 2016

Amended by Council at its Ordinary Meeting held on 24 May 2017.)

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Item 1 Opening of Meeting

The Presiding Member declared the meeting open at 5:31pm.

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 Julie Arif

Councillor Louise Newbery

Councillor Richard Whitwell

Councillor Lincoln Tavo

Community Members:

Ms Nina Pangahas

Mr Ron Attwood – Deputy Presiding Member

Robert Leeds

Acting Chief Executive Officer

Josephine Bianchi

Manager Governance

Tammy Wombwell

Governance Support Officer/ Minute Taker

Public 0

Media 0

Officers 1

3.2 Apologies

Councillor Troy Melville

3.3 Approved Leave of Absence

Councillor Jan Gillingham

Councillor David Hooper

3.4 Disclosure of Interests

Nil

Item 4 Response to Previous Questions

4.1 Questions taken on notice from Public at Audit, Risk and Governance Committee Meeting held on Tuesday 4 July 2017

Nil

4.2 Questions taken on notice from Committee Members at Audit, Risk and Governance Committee Meeting held on Tuesday 4 July 2017**4.2.1 Councillor Troy Melville**

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

The Director Infrastructure and Town Services advised that the approximate refurbishment cost is \$180,000 as noted on page 34 of the attachment provided with the agenda item.

4.2.2 Councillor Louise Newbery

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

The Acting Manager Financial Services advised that the club were unable to meet the commitment to repay the self-funded loan and that an extension to the repayments was given by Council. The Acting Manager Financial Services also advised that all outstanding payments have been received and that this item will remain on the risk register for monitoring.

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 5:34pm

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 Ms Nina Pangahas

In regards to item 12.1.1, on page 17 of the agenda, the first item in the table which states the following; 'implement an internal audit function'. The officer's status update states that the role has not been carried out in its entirety due to an internal secondment which is still current. What functions are not carried out, and when and how will these functions be delivered?

The Acting Chief Executive Officer advised that basic internal audit functions are being conducted by the officer whilst she is acting in another role and that the elements which are not being conducted are the minor elements, or project based work of which the Town are looking at fulfilling with external assistance. The Acting Chief Executive Officer advised that some of the minor elements may also be left until the officer reverts back into the role of Internal Audit Officer.

I refer to the second item in the table on page 18 of the agenda. The officer's status update states that a community survey is to be undertaken based on Strategic Community Plan indicators. When will the community survey be undertaken, and at what cost?

The Acting Chief Executive Officer advised that the Strategic Community Plan (SCP) is currently being reviewed and that the Town is about to commence the community consultation phase, which is expected to be delivered early in 2018. The Acting Chief Executive Officer advised that his view would be that the community survey around the SCP indicators would be subsequent to that process, so that a base line is known before the SCP is implemented. The Acting Chief Executive Officer advised that the surveys would generally be conducted via Survey Monkey and that any costs incurred would be for the administration of the survey and for processing the data.

On line 65 of attachment 1 to item 12.1.1 which relates to policies, it shows that it is 50% complete. Have you reviewed the procedures relating to recruitment and selection, and can you provide a list of Internal Operating Procedures (IOP's) that have been revised and the nature of the changes made?

The Acting Chief Executive Officer advised that IOP's are reviewed by the relevant business unit that carries out the procedure and that the term 'policies' noted in the attachment refers to policies of Council. The Acting Chief Executive Officer advised that there are two levels of policies within the organisation, the first being policies of Council, which are dealt with centrally through the Governance team, and the second being IOP's, which are dealt with at the departmental level by the officers who implement tasks from day to day. The Acting Chief Executive Officer advised that officers must comply with the policies.

In the outcome column it mentions 'IOP's'. Does the 50% complete mainly apply to the policy?

The Acting Chief Executive Officer advised that as policies are reviewed and revised, the IOP's that fall under them also have to be revised at the departmental level to ensure that they are still in line with the new policy that has been adopted or amended.

Can you confirm that the Town does not have a policy on recruitment and selection?

The Acting Manager Financial Services advised that the Town has an IOP relating to recruitment and selection.

The Presiding Member advised that it is up to the ARG Committee to put forward and suggest to the administration if it would like to implement a policy into the Town's policy manual.

The Acting Chief Executive Officer advised that the reason that there is no specific policy on recruitment and selection is because the Town has been operating under the Public Sector Commission's general policy. The Acting Chief Executive Officer advised that it does not mean that the Town cannot have its own policy and that if the Committee or Council request that a policy be created, the Town can introduce one.

On Line 188 of attachment 1 to item 12.1.1 regarding the code of conduct, I note that it is 100% complete. Does this mean all staff, Committee and Council Members have submitted a signed copy of the code of conduct?

The Manager Governance advised that following the adoption of the code of conduct last year, the code of conduct was issued to all Elected Members, Committee Members, staff and contractors. The Manager Governance advised that there were a series of inductions which were conducted via an electronic platform that the Town uses, and that the code of conduct at the moment also has a page that requires signing at the back of it. The Manager Governance advised that the process that should have been followed as we work through our internal audit process will be to look at and verify that every copy has been returned.

The Acting Manager Financial Services advised that staff use the Town's internal training system called Elmo and that it is compulsory for staff to complete the code of conduct on this system. The Acting Manager Financial Services advised that at the end of the training module staff must confirm that they have read and understood the content of the code of conduct.

Does this training form part of staff inductions?

The Acting Manager Financial Services advised that it is normally part of the induction process, but that when the code of conduct was updated last year, all Town staff undertook the code of conduct training module again.

Can you confirm that everyone has signed them?

The Acting Manager Financial Services advised that the Town has a record of who has completed the modules on Elmo and that the Human Resources department receive notification of any staff who have not completed the module. The Acting Manager Financial Services advised that the Human Resources team then follow up on the outstanding staff members.

The Acting Chief Executive Officer advised that he believes with high confidence that all staff that have passed their probation period would have completed the code of conduct training module.

Has the Town compiled, analysed and reported to the Council the outcomes of the staff survey noted on line 190 of attachment 1 to item 12.1.1?

The Acting Chief Executive Officer advised that he was not sure of the outcomes of the survey.

The Acting Manager Financial Services advised that the outcomes were reported to the Executive team and not to Council. The Acting Manager Financial Services advised that the Town's ZLT Consultative Committee received the action items from the Executive team and that the action items identified were workshopped and re-presented to the Executive team for implementation.

Are the issues that came out of that survey captured somewhere?

The Acting Manager Financial Services advised in the negative.

I think it would be a form of assurance for staff and could be used for benchmarking. It would be good to create a register.

The Mayor asked Ms Pangahas if she was making a request, or if she was making a comment.

It is just a comment, which could be worth considering as a form of assurance.

The outcome on line 192 of attachment 1 to item 12.1.1 states 'ensure an auditor is appointed in compliance with legislative requirements' and marked as 100% complete. How does it impact legal compliance if the position is partially appointed?

The Acting Chief Executive Officer advised that this line refers to the appointment of an external auditor, not the Internal Audit Officer.

I note that line 200 of attachment 1 to item 12.1.1 was completed on 16 September 2016. Is the IOP on recruitment and selection the version that is currently in place? I assume that this was not the IOP version that was used by the Paxon Group during their audit as their review was undertaken before September 2016. Is that correct?

The Acting CEO advised that the question would be taken on notice.

I refer to page 35 of the agenda regarding the outcome of the Paxon Group audits. This report shows a number of breaches. How much did it cost the Town and does the cost include the payments made to the former CEO, Acting CEO and other senior management who left the organisation?

The Mayor advised that the cost was around \$26,000 as per a Council Decision and that the cost did not include any other payments.

The Acting Chief Executive Officer asked Ms Pangahas to clarify the elements she is referring to in her question.

The Paxon Group report noted a number of breaches in relation to redundancy payments, how much did it cost the Town? And does the cost include the payments made to the former CEO, Acting CEO and other members of the senior management?

The Mayor advised that he was quite sure that the resolution of Council for these audits to be conducted was to cost \$26,000.

The Acting Chief Executive Officer asked Ms Pangahas to clarify whether she referring to the amount that the officers were paid over what they were entitled to; or whether she was referring to the amount that they were paid in total.

How much money has it cost the Town as a consequence of these breaches?

The Acting Chief Executive Officer advised that the question would be taken on notice. The Acting Chief Executive Officer also advised that the figures mentioned in the reports are not specifically related to the breach and that officers would have to separate the costs.

In relation to the Paxon Group audit, have there been further breaches since this audit was commissioned? Have all positions been advertised? Have people declared conflicts of interest as per section 7 of the recruitment and selection IOP? And, can you confirm that a shortlisting matrix for each selection event has been completed?

The Acting Chief Executive Officer advised that shortlisting matrixes are required to be completed for each applicant to proceed to interviews and that they are being completed for every recruitment that is occurring. The Acting Chief Executive Officer asked Ms Pangahas to repeat her other questions.

Are you aware of any further breaches since this audit was first commissioned?

The Acting Chief Executive Officer advised that he is not aware of any further breaches.

Have all positions been advertised?

The Acting Chief Executive Officer advised that he believed that all positions had been advertised and that he also believed that the current IOP allows for direct appointment in certain circumstances along with certain documentation. The Acting Chief Executive Officer advised that the Town is in line with its current IOP, and that the IOP that was breached as noted in the Paxon Group report was an older version.

Have any members of recruitment panels declared a conflict of interest?

The Acting Chief Executive Officer advised that each complaint that has been received regarding a conflict of interest has had a form completed and that the appropriate approvals have been undertaken. The Acting Chief Executive Officer advised that there is a procedure in place where panel members declare if a conflict exists prior to the selection process and that some members have excused themselves from the panel because they have known an applicant. The Acting Chief Executive Officer also advised that some panel members have been allowed to remain on a panel if the applicant is just somebody that they've worked with before. The Acting Chief Executive Officer advised that for all instances the relevant paperwork has been lodged.

Is there evidence to support your statement?

The Acting Chief Executive Officer advised in the affirmative.

8.2 Mr Ron Attwood

Do I ask my questions now or when the agenda item is discussed?

The Presiding Member advised that Mr Attwood is to ask his questions during Question Time.

In regards to attachment 5 of agenda item 12.1.5, which is in my folder as a confidential attachment, is this attachment in the copies of the public agenda?

The Acting Chief Executive Officer advised that it should not be.

The Presiding Member advised that there is an attachment for item 12.1.5 which is not confidential and that it looks similar.

The Manager Governance advised that the item regarding the Paxon audit has one attachment relating to the Airport which has been made public and that the watermark which states 'private and confidential' should have been removed in this instance. The Manager Governance advised that the information contained in the attachment was not deemed as confidential in nature and that the other remaining attachments contained confidential information either relating to Human Resources, commercial in confidence or businesses.

On page 17 of this agenda, it refers to the local heritage inventory. It says the Heritage of Western Australia Act. Does this local heritage inventory include the Aboriginal Heritage Act?

The Acting Chief Executive Officer advised that the local heritage inventory did not include the *Aboriginal Heritage Act* as the inventory was just for physical buildings and landmarks. The Acting Chief Executive Officer advised that the *Aboriginal Heritage Act* and its related legislation are dealt with through State Government legislation which is much stronger and offers much more protection than the local heritage inventory.

This Council has in the past changed the concept of the Native Title Act.

The Presiding Member asked Mr Attwood if his last comment was a question.

It is a question, the Native Title Act and the Heritage of Western Australia Act are two separate things and I'm just questioning if you've taken into consideration the Aboriginal heritage sites in Port Hedland.

The Presiding Member advised that Council would have taken them into consideration.

Why is there no completion date on line 190 of attachment 1 to item 12.1.1?

The Acting Manager Financial Services advised that the completion date might not have been known at the time.

The Presiding Member advised that the question would be taken on notice.

The Acting Manager Financial Services advised that at the time this item was reviewed the Manager of Human Resources had already left the organisation and that it was an oversight.

On attachment 3 of item 12.1.2 regarding Port Haven. How much will the Town miss out on with regard to this lease?

The Presiding Member advised that there has not been an application put forward regarding the Port Haven lease.

The Acting Chief Executive Officer asked Mr Attwood if he was referring to the income from rates for the property.

Mr Attwood advised in the affirmative.

The Acting Manager Financial Services advised that because the property is on airport land the Town will still receive rates regardless of what happens. The Acting Manager Financial Services advised that if the lease is discontinued and the property is used for other purposes then the Town will still receive rates for the property.

Will you put that in writing?

The Acting Chief Executive Officer advised that he would tend to disagree with the Acting Manager Financial Services comment, as the rates that are currently paid are significantly higher than what they would be if the property was used for another purpose. The Acting Chief Executive Officer advised that he believed the rates that Port Haven pay are around \$800K or \$900K and that if the property was changed to another use, the rates yield would be significantly lower.

It's a huge problem.

The Acting Chief Executive Officer advised it is a very difficult matter and that there are certainly reputational issues as a lot of the community have very strong views about fly in fly out camps. The Acting Chief Executive officer advised that there could be a financial impact from the rates and that there is a possibility that the camp could be moved onto State agreement land which would have an impact on the Town's rate base because the Town cannot apply rates to State agreement land. The Acting Chief Executive Officer advised that there are a lot of significant risks for the Council which is why the risk rating is so high.

Will the answers to my questions will be recorded in the minutes of the next meeting?

The Presiding member advised that Mr Attwood's questions have been answered.

The Acting Chief Executive Officer advised that only questions taken on notice are printed in the agenda for the next meeting.

Ms Pangahas advised Mr Attwood that the meeting is audio recorded.

Can you advise what year the Internal Audit Plan noted in line 9 of attachment 1 to item 12.1.4 refers to? Is it the 2017/18 financial year?

The Manager Governance advised that it should state 2017/18.

It states it will be considered in August 2018 which is a year away.

The Acting Chief Executive Officer advised that the internal audit plan for the 2017/18 financial year has already been prepared. The Acting Chief Executive Officer advised that this attachment shows that in August 2018, the ARG Committee will need to address what is going to be audited in the coming financial year.

As an ARG Committee member I want an internal auditor to be appointed. I think the items that are highlighted in the confidential reports are being missed by this Council, and an internal auditor could have picked up on a lot of these items. The reports highlighted what the problems are in this organisation, and I think that an internal auditor, who works in conjunction with the ARG Committee, can prevent things such as this from happening.

The Presiding Member asked the Acting Chief Executive Officer which auditors the ARG Committee deals with.

The Acting Chief Executive Office advised the Presiding Member that the ARG Committee deals with both the internal and external auditors.

8.3 Councillor Richard Whitwell

Councillor Whitwell asked a question without notice that related to a confidential matter under section 5.23(2)(a) of the Local Government Act 1995. This question has been omitted from the minutes.

What were the circumstances of the appointment of the Executive Officer?

The Acting Chief Executive Officer advised that the circumstances may be difficult to obtain as many of the relevant staff members may not be employed by the Town anymore. The Acting Chief Executive Officer advised that if any details are obtained, the information will be provided to Councillor Whitwell.

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 Julie Arif
- 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 4 July 2017

ARG201718/035 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: MS PANGAHAS

SECONDED: CR ARIF

That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 4 July 2017 are a true and correct record.

CARRIED 7/0

Item 11 Announcements by Presiding Member without Discussion

Nil

Disclaimer

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

Item 12 Reports of Officers

12.1 Corporate and Performance**12.1.1 Quarterly Better Practice Review Update**

File No: 12/14/0002
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 30 August 2017
Author: Tammy Wombwell, Governance Support Officer
Authorising Officer: Robert Leeds, Director Development, Sustainability and Lifestyle
Disclosure of Interest from Author: Nil
Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi-
 Information Purposes

Attachments:

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

ARG201718/036 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION**MOVED: CR ARIF****SECONDED: CR TAVO**

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

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

CARRIED 7/0

EXECUTIVE SUMMARY

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

DETAIL

During the Better Practice Review, the Department of Local Government identified thirty one (31) items for improvement. To date, seventeen (17) items have been marked as complete.

Of the remaining outstanding items, nine (9) have been identified as high priority and five (5) as medium priority. Six (6) of these items relate to the Strategic Community Plan, which is currently under review, and any actions or updates will be reliant upon adoption of the SCP in early 2018.

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

Item	Officers Status Update	Category	Priority
Implement an internal audit functionality	Internal audit function endorsed by the Audit, Risk and Governance Committee at its March 2016 meeting. Position descriptions are being developed and should be advertised by the end of November 2016. Risk and Internal Audit Officer appointed in February 2017. The role has not been carried out in its entirety due to and internal secondment which is still current.	Risk Management Framework	High
Continue to improve the Town's processes, procedures and documentation in respect to the DA process, to provide members of the public with high quality information and a high level of customer service.	Reviewed, documented, dedicated resource appointed to implement process improvement of public planning and building submissions for approval. (Development Assessment Process)	Sundry	High
Review the community safety and development information on the Town's website, ensuring that current initiatives are promoted through this and other online platforms.	Significant website review underway with initial content to be updated by September 2016. Initial content updated, and re-design currently being negotiated.	Sundry	High
Update and review the heritage inventory in line with requirements of the Heritage of WA Act 1990.	Draft provided to Historical Society for review. Amendments requested. Ongoing meetings continue with Historical Society to work through the document. Review completed May 16, Engagement and Consultation regarding inventory ended Dec 16, Submission report for New heritage Inventory 2017 in process of draft, Submission date to Council estimated as 22/3/17, adoption of inventory expected at the July 2017 OCM. Council adopted its new heritage inventory list at its July 2017 OCM as per officer's recommendation. The document is currently being	Sundry	High

	finalised following Council adoption.		
Continue working towards the full review of the Strategic Community plan in line with legislative requirements and best practice recommendations as outlined in the Act, associated regulations, IPR Guidelines and IPR Advisory Standard.	Project plan for SCP review being prepared. Expected review from Oct 2017 – March 2018	Strategic Community Plan	High
Establish a system/s to measure, and report on, the Town's performance, and progress, in respect to achieving its strategic objectives (and by extension, the community's priorities) as outlined by the Strategic Community Plan's success indicators.	Community survey to be undertaken based on SCP indicators	Strategic Community Plan	High
Continue working towards the full review of the plan in line with legislative requirements and best practice recommendations as outlined in the Act, associated regulations, IPR Guidelines and IPR Advisory Standard.	Council endorsed updated CBP at March OCM. Full review to be conducted in line with SCP review	Strategic Community Plan	High
When undertaking the next annual review of the plan, ensure the review results in the development of an evolving and rolling four-year plan, with the current financial year as the base year and one which is clearly linked to the current year's annual budget.	Council endorsed updated CBP at March OCM. Full review to be conducted in line with SCP review	Strategic Community Plan	High
Continue working towards developing an economic development plan to support the local economy.	Plan being drafted to capture existing Town of Port Hedland projects plus PDC initiatives identified in Regional Blueprint	Strategic Community Plan	High

Previous Decisions

The Audit, Risk and Governance (ARG) Committee receive an update on the Town's Better Practice Review and the progress that the Town has made in regards to achieving these goals. These updates were to be provided the Committee on a quarterly basis, but since the ARG Committee meetings have now been amended to occur bi-monthly, however, the updates have been presented to the Committee at each meeting, ensuring that the requirement for providing the Committee with the updates is not breached.

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

- August 2016
- May 2017
- July 2017

Engagement and Communications

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

LEGISLATION AND POLICY IMPLICATIONS

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

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

FINANCIAL IMPLICATIONS

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

STRATEGIC AND RISK IMPLICATIONS

Environmental

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

Economic

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

Social

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

Financial

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

Risk

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

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Do not adopt Officer's Recommendation

CONCLUSION

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

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

12.1.2 Bi-monthly Status Reports of the Audit, Risk and Governance Committee

File No: 12/14/0002
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 21 August 2017
Author: Tammy Wombwell, Governance Support Officer
Authorising Officer: Robert Leeds, Director Development, Sustainability and Lifestyle
Disclosure of Interest from Author: Nil
Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi-Judicial
 Information Purposes

Attachments:

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

ARG201718/037 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR WHITWELL

SECONDED: CR ARIF

That the Audit, Risk and Governance Committee receive the following reports:

1. **Bi-monthly Status of Audit, Risk and Governance Committee Decisions, as at 29 August 2017;**
2. **Bi-monthly Audit, Risk and Governance Committee Decision Completion Report, as at 29 August 2017; and**
3. **Bi-monthly Register of Risk Ratings derived from Council Decisions as at 29 August 2017.**

CARRIED 7/0

EXECUTIVE SUMMARY

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

DETAIL

At the ARG Committee meeting held on 7 June 2016, it was requested by a Community Member that the ARG Committee receive a 'Status Report' of items that have been endorsed by the ARG Committee to Council. The Chief Executive Officer at the time confirmed that status reports would be presented to the Committee in each subsequent agenda as an information only item.

The Town has further expanded on this requested report, and provides the register of risk ratings derived from Council decisions to the Committee in addition to the initial request.

Status of ARG Committee Decisions Report

Currently, there is one ARG Committee decision that is outstanding, which is noted in attachment 1. This item is considered ongoing whilst Town officers review options in relation to the removal of the Observation Tower.

Completed Decisions Report

This report outlines all ARG Committee Decisions that have been marked as 'Complete' by officers in the last ninety (90) days. Currently, there have been six (6) ARG Committee decisions marked complete in this period, these include:

Original Meeting Date	Item Title	Comment
02/05/2017	12.1.2 Audit Findings report	The ARG Committee endorsed the external audit findings, and the report was considered at the May 2017 Ordinary Council Meeting. Council endorsed the report, and it was sent to the Minister of Local Government on 9 June 2017. No further action is required and the item has been marked as complete.
04/07/2017	12.1.1 Bi-monthly Status Reports of the Audit, Risk and Governance Committee	The Bi-Monthly reports were presented to the ARG Committee and carried unanimously. No further action is required, and therefore the item has been marked as complete.
04/07/2017	12.1.2 Quarterly Better Practice Review Update	The Committee received the report on the Quarterly Better Practice Review. No further action is required, and the item has been marked as complete.
04/07/2017	12.1.3 Funding and Donations for the period of 1 April to 30 June 2017	This item was also for noting only. The ARG Committee carried the recommendation unanimously. No further action is required, and the item has been marked as complete.
04/07/2017	10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017	The ARG Committee carried the recommendation to confirm the Minutes, the Minutes were printed and signed by the Mayor. No further action is required, and the item has been marked as complete.

10/06/2015	11.1.1 Town of Port Hedland Leisure Facilities Management Contract - Review May 2015	Part 6 of this ARG Committee decision was outstanding for some time. The remaining outstanding point was as follows: "6. Request the Chief Executive Officer, or his delegate(s), to investigate retractable shade options and costs for the South Hedland Aquatic Centre for consideration in the 15/16 budget". At the 26 July Ordinary Council Meeting, Council adopted the 2017/18 Budget, in which an allocation for a new non-retractable shade sail has been included, therefore the item has been marked as complete.
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Register of risk ratings derived from Council decisions

This register is being used to monitor risk ratings of items that were presented to Council 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 by Town officers.

It is to be noted that once any of these risks have been mitigated, the relevant Town Officer assigns a residual risk rating to the item, and the residual risk is subject to ongoing monitoring.

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

Previous Decisions

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

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

08/11/2016	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <ol style="list-style-type: none"> 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 31 October 2016; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 31 October 2016; and 3. Monthly Risk Register Report as at 31 October 2016. 	<p>Moved by Councillor Whitwell, seconded by Mayor Blanco and carried 3/2.</p>
06/12/2016	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <ol style="list-style-type: none"> 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 28 November 2016; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 28 November 2016; and 3. Monthly Risk Register Report as at 29 November 2016. 	<p>Motion lost 2/4 to receive the reports.</p>
07/02/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <ol style="list-style-type: none"> 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 27 January 2017; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 27 January 2017; and 3. Monthly Risk Register Report as at 27 January 2017. 	<p>Moved Councillor Arif, seconded Councillor Whitwell and carried 6/0.</p>
07/03/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <ol style="list-style-type: none"> 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 24 February 2017; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 24 February 2017; and 3. Monthly Risk Register Report as at 24 February 2017. 	<p>Moved Councillor Tavo, seconded Councillor Whitwell and carried 5/1.</p>
02/05/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <ol style="list-style-type: none"> 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 24 April 2017; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 24 April 2017; and 3. Monthly Risk Register Report as at 24 April 2017. 	<p>Moved Councillor Newbery, seconded Mayor Blanco and carried 3/2 by the Mayors casting vote.</p>
04/07/2017	<p>That the Audit, Risk and Governance Committee accept the following reports:</p> <ol style="list-style-type: none"> 1. Bi-monthly Status of Audit, Risk and Governance Committee Decisions, as at 21 June 2017; 2. Bi-monthly Audit, Risk and Governance 	<p>Moved Councillor Melville, seconded Councillor Whitwell and carried 6/0.</p>

	Committee Decision Completion Report, as at 21 June 2017; and 3. Bi-monthly Risk Register Report as at 21 June 2017.	
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Engagement and Communications

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

LEGISLATION AND POLICY IMPLICATIONS

There are no legislative requirements for the ARG Committee to receive these reports.

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

FINANCIAL IMPLICATIONS

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

STRATEGIC AND RISK IMPLICATIONS

Environmental

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

Economic

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

Social

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

Financial

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

Strategic

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

Risk

The risk rating for this item has been removed, as it is for information purposes only. Each item that is listed on the attached reports would have been given a risk rating when they were presented to the ARG Committee for adoption or endorsement, and placed on the Town's register of risks derived from Council decisions.

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Do not adopt Officer's Recommendation

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

CONCLUSION

The bi-monthly reports to the ARG Committee showing the status of the ARG Committee's outstanding decisions, the completed ARG Committee decisions over the last 90 days, and the a register of risks derived from Council decisions with risk ratings over ten (10).

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

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

File No: 02/05/0001
Applicant/ Proponent: N/A
Subject Land/ Locality: Town of Port Hedland
Date: 29 August 2017
Author: Fiona Brough, Finance Officer
Authorising Officer: Robert Leeds, Acting Director Corporate & Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi-Judicial
 Information Purposes

Attachments:

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

ARG201718/038 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION**MOVED: CR NEWBERY****SECONDED: CR TAVO**

That the Audit Risk and Governance Committee receive the final list of funding and donations made for the period of 1 April 2017 to 30 June 2017 in accordance with the 2016/17 adopted budget.

CARRIED 7/0**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 \$60,360 of funding and donations paid for the period 1 April 2017 to 30 June 2017. This is the revised final total. The ARG agenda item for the meeting held on 4 July 2017 was due for submission prior to the period ending 30 June 2017. At this point in time five applications were pending approval and payment. These have since been approved and paid.

DETAIL

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

As per the guidelines of Policy 6/003 Funding and Donations, attachment 1 lists \$60,360 of funding and donations paid during 1 April 2017 to 30 June 2017.

Engagement and Communications

Internal Consultation included:

- Acting Director Corporate & Performance.

External Consultation included:

- Applicants of funding and donations as stated in attachment 1.

LEGISLATION AND POLICY IMPLICATIONS

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

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

Providing attachment 1 ensures compliance with this policy.

FINANCIAL IMPLICATIONS

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

\$60,360 has been paid to successful and eligible community grant applicants from 1 April 2017 to 30 June 2017.

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

STRATEGIC AND RISK IMPLICATIONS*Environmental*

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

Economic

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

Social

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

Financial

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

Strategic

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

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

Risk

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

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Do not adopt Officer's Recommendation

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

CONCLUSION

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



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



2016/17 Budget for Community Grants	\$170,025.00
Less Payments made from 1 July 2016 to 30 September 2016 (previously presented to ARG Committee)	E0810800 \$17,730.11
Less Payments made from 1 October 2016 to 31 December 2016 (previously presented to ARG Committee)	\$32,217.00
Less Payments made from 1 January 2017 to 31 March 2017 (as per table below)	\$3,500.00
Less Payments made from 1 April 2017 to 30 June 2017 (as per table below)	\$60,360.00
Balance in Budget as at 30 June 2017	\$56,217.89

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



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



Rose Nowers Child Care Centre	\$15,000	\$15,000	Community Partnership Grant	Expansion of Early Learning program through nature based play, expansion of learning areas and cultural activities.	N/A	2015/16 - \$2,000
Youth Involvement Council	\$15,000	\$12,000	Community Partnership Grant	Funding for the Mingle Mob Outreach Program to run monthly events at the South Hedland Youth Space / Skate Park	As per policy and guidelines, core organisation operating costs will not be funded. The approved funding amount was reduced on this basis.	2014/15 - \$15,000 2015/16 - \$15,000
Volunteer Marine Rescue Service	\$15,000	\$15,000	Community Partnership Grant	Funding for rescue equipment, tools and additional training for 4 Senior Rescue Skippers.	N/A	2015/16 - \$10,000
Hedland Senior High School – Shooting Goals	\$3,000	\$3,000	Community Support Grant	Year 10 Shooting Goals Program – NZ cultural experience and netball competition.	N/A	2015/16 - \$2,000
Port Hedland NAIDOC Committee c/o IBN Corporation	\$3,000	\$3,000	Community Support Grant	NAIDOC Ball and Award Presentations 2017	N/A	No.
TOTAL	\$64,000	\$60,360				

12.1.4 Adoption of the Audit, Risk and Governance Committee Work Plan for 2017/18

File No: 12/01/0001
Applicant/ Proponent: Nil
Subject Land/ Locality: Nil
Date: 28 August 2017
Author: Josephine Bianchi, Manager Governance
Authorising Officer: Robert Leeds, Director Development, Sustainability and Lifestyle
Disclosure of Interest from Author: Nil
Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi-Judicial
 Information Purposes

Attachments:

1. ARG Committee Work Plan 2017/18 (under separate cover)

ARG201718/039 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR TAVO

SECONDED: CR ARIF

That the Audit, Risk and Governance Committee adopt the Audit, Risk and Governance Committee Work Plan as noted in attachment 1.

CARRIED 7/0

EXECUTIVE SUMMARY

The Audit, Risk and Governance (ARG) Committee is required to develop a proposed annual work plan in accordance with the Committee's adopted Terms of Reference. The ARG work plan 2017/18 provides a framework of all upcoming and ongoing items for the ARG Committee to consider, and at which meeting these items are scheduled to be tabled.

By providing the ARG Committee with this work plan, Committee members may take it upon themselves to research and make enquiries in advance on any items that are to be tabled at upcoming meetings. Subsequently, by having a work plan in advance and having Committee members research items that are contained in the work plan, it is considered beneficial to Council, as Committee members will have adequate information and knowledge of the items when they are to be considered by the Committee or endorsed to Council.

It is to be noted that all enquires and research by Committee members must be undertaken in accordance with the Committee's Terms of Reference and the Town of Port Hedland Code of Conduct.

BACKGROUND

In accordance with section 6.6 of the ARG Terms of Reference, the Committee is to adopt a work plan for the forthcoming year. At the ARG Committee Meeting held on 2 February 2017, the Committee resolved the following:

“MOVED: CR ARIF

SECONDED: MS PANGAHAS

That the Audit, Risk and Governance Committee request that the Chief Executive Officer organise a briefing on Tuesday 7 March 2017 at 4.30pm to determine the Audit, Risk and Governance Committee Work Plan.

CARRIED 6/0”

Following this resolution, a workshop was held with ARG Committee members on 7 March 2017, at which the 2017 ARG work plan was discussed. The item was then presented to the ARG Committee for adoption at its 2 May 2017 meeting, where the motion lapsed for want of a mover, therefore the item is being re-presented to the Committee again for adoption.

It is important to note that the work plan is a constantly evolving document and that once the work plan is adopted by the Committee, it is still able to be amended as and when required.

CONSULTATION

Consultation was conducted with ARG Committee members and Town officers at a workshop held on 7 March 2017.

Following the workshop, internal consultation was held between the Director Corporate and Performance, Coordinator Governance and Governance Administration Officer to finalise the 2017 ARG work plan.

No further comments on the work plan have been received by any Committee members to date.

LEGISLATIVE IMPLICATIONS

The Terms of Reference (TOR) of the ARG Committee state that a work plan for the forthcoming year is to be developed.

Although the adoption of an ARG Committee work plan is not legislatively required, the TOR, which were adopted by the Committee, are a requirement of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*.

POLICY IMPLICATIONS

There are no known policy implications relating to the adoption of the 2017 ARG work plan.

FINANCIAL IMPLICATIONS

There are no known financial implications relating to the adoption of the 2017 ARG work plan.

STRATEGIC IMPLICATIONS

The Town's Strategic Community Plan 2014-2024 section 4.1 "Strategic and best practice local government administration" states that the Town is to deliver high quality corporate governance accountability and compliance. By adopting the 2017 ARG Committee work plan, this strategy is being met.

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

There is a risk rating of Low (4) assigned to the risk that if the ARG Committee do not adopt the 2017 ARG work plan, they will not be adhering to the ARG Committee Terms of Reference.

There is a risk rating of Low (4) assigned to the risk that officers do not adhere to the adopted 2017 ARG work plan, therefore not complying with the delivery of scheduled items to the Committee in accordance with the work plan.

OPTIONS

Option 1

The ARG Committee may choose to amend the Officer's Recommendation.

CONCLUSION

It is recommended that the ARG Committee adopt the work plan as noted in attachment 1, to allow the Committee members to have insight on what their Committee will be determining in the coming months. This will give the Committee ample time to research and make enquiries in relation to any upcoming agenda items, ultimately ensuring the Committee has adequate information to provide sound endorsement to Council.

Committee members are to note that the work plan, once adopted, is able to be amended at any time.

12.1.5 Outcome of Paxon Group Audits

File No: 13/04/0005
 Applicant/ Proponent: N/A
 Subject Land/ Locality: N/A
 Date: 29 August 2017
 Author: Josephine Bianchi, Manager Governance
 Authorising Officer: Robert Leeds, Director Development, Sustainability & Lifestyle
 Disclosure of Interest from Author: Nil
 Authority/Discretion: Advocacy
 Executive
 Legislative
 Quasi-Judicial
 Information Purposes

Attachments:

1. Review of the Appointment of the Executive Officer in 2015 (Confidential – Under separate cover)
2. Review of Redundancy Payments and Redeployment of Staff (December 2013 to August 2016) (Confidential – Under separate cover)
3. Port Hedland International Airport Long-Term Lease (Under separate cover)
4. Review of Procurement Process (January 2016 to August 2016) (Confidential – Under separate cover)
5. Extract of the Town of Port Hedland Business Improvement Plan (Under separate cover)

ARG201718/040 AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR TAVO

SECONDED: MS PANGAHAS

That with respect to item 12.1.5 'Outcome of Paxon Group Audits', the Audit, Risk and Governance Committee close the meeting to members of the public as prescribed in section 5.23(2) of the *Local Government Act 1995*.

CARRIED 7/0

6:14pm The Presiding Member advised that the meeting is now closed to members of the public.

ARG201718/041 AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: MR ATTWOOD

SECONDED: CR ARIF

That the Audit, Risk and Governance Committee suspend sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 in accordance with section 18.2 'Suspension for Standing Orders' to discuss item 12.1.5 'Outcome of Paxon Group Audits'.

CARRIED 7/0

6:15pm The Presiding Member advised that sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 are now suspended.

ARG201718/042 AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION**MOVED: CR ARIF****SECONDED: CR TAVO**

That the Audit, Risk and Governance Committee resume sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014.

CARRIED 7/0

6:31pm The Presiding Member advised that sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 are now resumed.

ARG201718/043 AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION**MOVED: CR TAVO****SECONDED: CR ARIF**

That the Audit, Risk and Governance Committee open the meeting to members of the public.

CARRIED 7/0

6:32pm The Presiding Member advised that the meeting is now open to members of the public.

ARG201718/044 OFFICER RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION**MOVED: CR TAVO****SECONDED: CR ARIF**

That the Audit, Risk and Governance Committee (ARG) recommend to Council it:

- 1. Note the outcome of the Paxon Group audits in relation to;**
 - a) Process and procedures in relation to the appointment of the Executive Officer in 2015;**
 - b) Process and procedures in relation to the redundancy payments and redeployment of staff for the period December 2013 through to 31 August 2016;**
 - c) The Port Hedland International Airport long-term lease and the reason for the difference in:**
 - i) reports presented to Council and utilised as part of the decision making process;**
 - ii) the signed agreement;**
 - iii) funding received in relation to the lease and related authorisations.**

d) Procurement events initiated between 1 January and 31 August 2016 including compliance with processes, procedures and legislative requirements. Procurement events is defined as:

- Procurement over \$100,000 (ex GST);
- Contract scopes;
- Engagement of Contractors to fill Town of Port Hedland positions;
- All Airport Capital Works procurement over \$100,000 (ex GST);
- Airport procurement over \$100,000 (ex GST) and that has been identified in previous external audits; and
- Does not include the engagement of Town of Port Hedland employees.

2. Note that the Town has given due consideration to all of the findings listed in the above mentioned audits; and

3. Note that all items considered as requiring action have been listed as part of the Town's Business Improvement Plan which is regularly submitted to the ARG for consideration.

CARRIED 7/0

EXECUTIVE SUMMARY

At its Ordinary meeting of 28 September 2016, following a request for quotation process, Council appointed Paxon Group to undertake the following work:

- a) *Process and procedures in relation to the appointment of the Executive Officer in 2015;*
- b) *Process and procedures in relation to the redundancy payments and redeployment of staff for the period December 2013 through to 31 August 2016;*
- c) *The Port Hedland International Airport long-term lease and the reason for the difference in:*
 - i) *reports presented to Council and utilised as part of the decision making process;*
 - ii) *the signed agreement;*
 - iii) *funding received in relation to the lease and related authorisations.*
- d) *Procurement events initiated between 1 January and 31 August 2016 including compliance with processes, procedures and legislative requirements. Procurement events is defined as:*
 - *Procurement over \$100,000 (ex GST);*
 - *Contract scopes;*
 - *Engagement of Contractors to fill Town of Port Hedland positions;*
 - *All Airport Capital Works procurement over \$100,000 (ex GST);*
 - *Airport procurement over \$100,000 (ex GST) and that has been identified in previous external audits; and*
 - *Does not include the engagement of Town of Port Hedland employees."*

The above audits have now been finalized and are presented to the ARG for noting. The Town also presents to ARG the actions that it has taken in relation to all of the audit findings.

DETAIL

In August 2016 Council requested the Town to engage a suitably qualified consultant to carry out a number of audits in relation to the above listed matters. Following a request for quotation process Paxon Group was appointed in September 2016. A number of on-site meetings were conducted by Paxon Group in February 2017, during which relevant officers were engaged and information collected. An update on the audits was given to the ARG in February 2017. The audits requested were finalized and sent to the Town in July 2017. These have been attached to this item for the ARG to note. Highlights from the audits are listed below.

Review of the Appointment of the Executive Officer in 2015

Findings in relation to the Town's processes surrounding the appointment of the Executive Officer are included in confidential attachment 1. All audit recommendations have been included in the Town's Business Improvement Plan.

Review of Redundancy Payments and Redeployment of Staff (December 2013 to August 2016)

Findings in relation to the Town's processes in relation to Redundancy Payments and Redeployment of Staff (December 2013 to August 2016) are included in confidential attachment 2. All audit recommendations have been included in the Town's Business Improvement Plan.

Port Hedland International Airport Long-Term Lease

No discrepancies were found with the audit objectives, as listed under attachment 3 of this report.

Review of Procurement Process (January 2016 to August 2016)

Findings in relation to the Town's Procurement Process (January 2016 to August 2016) are included in confidential attachment 4. All audit recommendations have been included in the Town's Business Improvement Plan.

Engagement and Communications

- Executive Leadership Team
- Acting Manager Finance
- Paxon Group

LEGISLATION AND POLICY IMPLICATIONS

Attachments 1 and 2 to this item have been made confidential under section 5.23 (a) of the Local Government Act 1995, which relates to matters affecting an employee or employees. Attachment 4 to this item has been made confidential under section 5.23 (c) of the Local Government Act 1995, which relates to a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

FINANCIAL IMPLICATIONS

The audit cost of \$22,500 ex GST was included as part of the 16/17 budget.

STRATEGIC AND RISK IMPLICATIONS

Environmental

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

Economic

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

Social

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

Financial

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

Strategic

The Town of Port Hedland Strategic Community Plan section 4.1 'Strategic and Best Practice Local Government Administration' applies, as it outlines the following:

- Deliver high quality corporate governance accountability and compliance.

Risk

There is a risk rating of Low (2) assigned to the risk that the ARG committee does not recommend to Council it notes the Paxon Group Audits.

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Amend Officer's Recommendation

The ARG has the option to make any amendments it sees fit to the Officer's Recommendation on the provision the amendments reflect the Committee's terms of reference.

CONCLUSION

This item presents to the ARG Committee the outcomes of the Paxon Group Audit requested by Council in 2016, which was finalized in July 2017. Town officers note that audit findings are consistent with the improvements already identified through a number of internal reviews the Town has carried out, as well as other external reviews such as the Department of Local Government's Better Practice Review. Most findings and related recommendations have therefore already been actioned, and any outstanding items have been listed on the Town's Business Improvement Plan which is regularly presented and reviewed by the ARG.

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 date of the next meeting of the Audit, Risk and Governance Committee is to be determined at the first Council meeting following the October 2017 Local Government Elections.

16.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 6.34pm.



Business Improvement Plan (BIP)

Quarterly Better Practice Review as at 30 August 2017

Project Category	Sub Category	Source Document	Date of Source Document	Outcome	Officers Status Update	Code	Action	Priority	Directorate Responsibility	Assigned to	Business Unit	Due Date	Completed Date	% Complete
33	Risk Management Framework	Better Practice Review	22/06/16	Implement an internal audit functionality (OHS officer, risk mgt officer, EOQ for finance)	Internal audit function endorsed by the Audit, Risk and Governance Committee at its March 2016 meeting. Position descriptions are being developed and should be advertised by the end of November 2016. Risk and Internal Audit Officer appointed in February 2017. The role has not been carried out in its entirety due to an internal secondment which is still current.	0.0	Implement Functionality	High	Chief Executive Officer	Director Corporate Services	Corporate Strategy	30/09/17		80%
49	Occupational Health and Safety	Better Practice Review	22/06/16	Consolidate all the information relating to OSH and ensure that it is easily accessible to all staff.	Initial information uploaded to intranet. Intensive staff training undertaken May 2016. New OH&S suite of policies in progress. WHS & HR Support Officer commenced in June 2017, and is assisting the Senior WHS Advisor	0.0	Consolidate	Medium	Director Community and Development Services	Manager Human Resources	Occupational Health and Safety	31/12/17		50%
56	Sundry	Better Practice Review	22/06/16	Continue to improve the town's processes, procedures and documentation in respect to the DA process, to provide members of the public with high quality information and a high level of customer service.	Reviewed, documented, dedicated resource appointed to implement process improvement of public planning and building submissions for approval. (Development Assessment Process)	0.0	Improve	High	Director Community and Development Services	Manager Development Services	Development Services	30/09/17		5%
57	Sundry	Better Practice Review	22/06/16	Review the community safety and development information on the Town's website, ensuring that current initiatives are promoted through this and other online platforms.	Significant website review underway with initial content to be updated by September 2016. Initial content updated, and re-design currently being negotiated.	0.0	Have consulted all key staff on update; meeting with Market Creations to determine work plan and timeframe	High	Director Corporate Services	Coordinator Communications	Communications	30/09/17		25%
65	Policies	Better Practice Review	22/06/16	Undertake a holistic review of current policies and IOPs, removing or revising those which are no longer current and develop new policies/procedures where there is an identified gap, for inclusion in the manual.	The restructure has identified a policy officer which will take over this responsibility. The Governance Officer has been reviewing all policies until this position is filled. The governance team continually works with individual business units to ensure that all Town policies are relevant and up to date. Any current policies that are identified as needing to be updated or rescinded, and any new policies that require implementing are presented to Council for consideration on a regular basis.	4.1	Review Policies/ IOP's	Medium	Director Corporate Services	Policy Officer	Policy	31/12/17		50%
103	Sundry	Better Practice Review	22/06/16	Update and review the heritage inventory in line with requirements of the Heritage of WA Act 1990.	Draft provided to Historical Society for review. Amendments requested. Ongoing meetings continue with Historical Society to work through the document. Review completed May 16. Engagement and Consultation regarding inventory ended Dec 16. Submission report for New heritage Inventory 2017 in process of draft. Submission date to Council estimated as 22/3/17, adoption of inventory expected at the July 2017 OCM. Council adopted its new heritage inventory list at its July 2017 OCM as per officer's recommendation. The document is currently being finalised following Council adoption.	0.0	Review Inventory	High	Director Community and Development Services	Manager Development Services	Development Services	30/09/17		95%
106	Strategic Community Plan	Better Practice Review	22/06/16	Continue working towards the full review of the plan in line with legislative requirements and best practice recommendations as outlined in the Act, associated regulations, IPR Guidelines and IPR Advisory Standard. row 21 below is a duplication of this row.	Project plan for SCP review being prepared. Expected review from Oct 2017 – March 2018	5.0	Review Plan	High	Director Corporate Services	Manager Strategic Development	Corporate Strategy	31/03/18		5%
107	Strategic Community Plan	Better Practice Review	22/06/16	Establish a system/s to measure, and report on, the Town's performance, and progress, in respect to achieving its strategic objectives (and by extension, the community's priorities) as outlined by the Strategic Community Plan's success indicators.	Community survey to be undertaken based on SCP indicators.	0.0	Implement Measure/ Report	High	Director Corporate Services	Manager Strategic Development	Corporate Strategy	31/03/18		5%
108	Strategic Community Plan	Better Practice Review	22/06/16	Continue working towards the full review of the plan in line with legislative requirements and best practice recommendations as outlined in the Act, associated regulations, IPR Guidelines and IPR Advisory Standard.	Council endorsed updated CBP at March OCM. Full review to be conducted in line with SCP review.	5.1	Review Plan	High	Director Corporate Services	Manager Strategic Development	Corporate Strategy	31/03/18		5%
109	Strategic Community Plan	Better Practice Review	22/06/16	When undertaking the next annual review of the plan, ensure the review results in the development of an evolving and rolling four-year plan, with the current financial year as the base year and one which is clearly linked to the current year's annual budget.	Council endorsed updated CBP at March OCM. Full review to be conducted in line with SCP review	5.2	Review Plan	High	Director Corporate Services	Manager Strategic Development	Corporate Strategy	31/03/18		5%
115	Workforce Plan	Better Practice Review	22/06/16	Ensure key workforce and human resource policies and procedures are current and reviewed within the scheduled timeframes.	Reviewed on ongoing basis	0.0	Update Policy/ Procedure	Medium	Director Corporate Services	Manager Human Resources	Human Resources	Ongoing		90%
116	Workforce Plan	Better Practice Review	22/06/16	Continue working towards finalising the Workforce Plan and ensure that the final plan aligns and integrates with the Town's other Plan for the Future documents, i.e. Strategic Community Plan and Corporate Business Plan	Review pending organisation realignment and finalization of Capital Works plan.	0.0	Finalise Plan	Medium	Director Corporate Services	Manager Human Resources	Human Resources	30/06/18		10%
120	Strategic Community Plan	Better Practice Review	22/06/16	Continue working towards developing a Tourism Strategy/Plan to assist in supporting the local tourism industry.	Structure of tourism action group being reviewed with outcomes to influence tourism plan	0.0	Develop Strategy/ Plan	Medium	Director Community and Development Services	Manager Development Services	Development Services	30/06/18		5%
121	Strategic Community Plan	Better Practice Review	22/06/16	Continue working towards developing an economic development plan to support the local economy.	Plan being drafted to capture existing Town of Port Hedland projects plus PDC initiatives identified in Regional Blueprint	0.0	Develop Plan	High	Director Community and Development Services	Manager Development Services	Development Services	30/06/18		5%
155	Policies	Better Practice Review	22/06/16	Continue to regularly review policies and at the next review, ensure consistency in the format of all the Town's policies.	Policies reviewed on monthly basis. A Policy template has been developed to ensure future policies are consistent. The restructure has identified a policy officer which will take over this responsibility. Policies currently managed by Governance. Uniformity obtained. Will be an ongoing process	4.0	Review Policy		Director Corporate Services	Policy Officer	Policy	30/06/17	31/05/17	100%
156	Policies	Better Practice Review	22/06/16	Finalise development of a procedures manual to differentiate Council policies from administrative policies or procedures.	Significant review to consider strategic vs operational policies. Draft IOP Manual has been created containing organisation wide IOPs. The restructure has identified a policy officer which will take over this responsibility. IOP and Policies for council separated.	0.0	Develop Manual		Director Corporate Services	Policy Officer	Policy	30/06/17	31/05/17	100%
159	Policies	Better Practice Review	22/06/16	Develop a policy and/or procedure to provide a framework in respect to elected members access to information.	A Elected Member Enquires IOP has been developed to enable EMs to ask questions which are streamlined through the EA to the CEO and the Mayor.	0.0	Develop Policy/ Procedure		Director Corporate Services	Governance Officer	Governance	31/12/16	04/04/17	100%
178	Risk Management Framework	Better Practice Review	22/06/16	Develop legislative compliance checklist/calendar	21/06/2017 - Legislative Compliance Calendar has been developed by the Administration Officer Governance. Yet to be presented to the Director for endorsement TW	0.0	Develop Checklist		Director Corporate Services	Coordinator Governance	Governance	30/06/17	23/06/17	100%
187	Sundry	Better Practice Review	22/06/16	Review and update the Town's customer service charter and complaints handling processes	Customer service charter endorsed by ELT. Complaints handling process has been undertaken by the Governance Officer and has been rolled out across the organisation. Complete	3.0	Review Process/ Charter		Director Corporate Services	Governance Officer	Communications	30/04/17	31/05/17	100%

Project Category	Sub Category	Source Document	Date of Source Document	Outcome	Officers Status Update	Code	Action	Priority	Directorate Responsibility	Assigned to	Business Unit	Due Date	Completed Date	% Complete
188	Sundry	Better Practice Review	22/06/16	Finalise the review and preparation of a single Code of Conduct and upon completion, require all elected members, committee members and staff to sign off on the code, acknowledging they have read, understood, and agree to abide by it.	The Code of Conduct was adopted by Council at the Ordinary Council Meeting on Wednesday 28 October 2016. The Code of Conduct was rolled out to all staff on Thursday 29 October 2016. Elected Members and Committee Members have been given a copy of the Code of Conduct to sign and return.	1.0	Review/ Sign-off code of Conduct		Director Corporate Services	Manager Human Resources	Human Resources	07/09/16	30/11/16	100%
189	Sundry	Better Practice Review	22/06/16	Develop a policy and/or procedure to guide and formalise practices in respect to interactions between elected members and staff.	Complete – IOP distributed to all staff and Elected Members on 16 May 2016.	0.0	Develop Policy/ Procedure		Director Corporate Services	Coordinator Governance	Corporate Strategy	01/05/16	31/05/16	100%
190	Sundry	Better Practice Review	22/06/16	As per the draft Workforce Plan, the Town should aim to undertake an employee engagement survey every 18-24 months.	Full organisational survey completed 2016	0.0	Undertake Survey		Director Corporate Services	Manager Human Resources	Human Resources	01/12/17		100%
192	Sundry	Better Practice Review	22/06/16	Ensure that an auditor is appointed in compliance with legislative requirements.	Item to be presented to future OCM to confirm audit appointment process. This also identified by Audit, Risk and Governance on 8/3/16, see below Outcome; 1.6 Consider	2.0	Consider Re-appointment		Director Corporate Services	Manager Financial Services	Financial Services	31/12/16	31/12/16	100%
193	Sundry	Better Practice Review	22/06/16	Review, and update where required, the Procurement Policy 2/007 and Tendering Policy 2/011, in line with recent changes to the Local Government (Functions and General) Regulations.	Policies were adopted at the July 2016 OCM	0.0	Review Policy		Director Corporate Services	Coordinator Financial Operations	Corporate Strategy	31/07/16	31/07/16	100%
194	Sundry	Better Practice Review	22/06/16	Review and update website with notes from briefing sessions.	Format under review. Attendance Register including any Declarations of Interest has added to the Towns Website. http://www.porthedland.wa.gov.au/our-town/council-meetings/concept-forum-register.aspx	0.0	Review Website		Director Corporate Services	Administration Officer Governance	Governance	30/11/16	30/11/16	100%
195	Sundry	Better Practice Review	22/06/16	Undertake a review of the processes around the conduct of Council meetings, including the application of Standing Orders, the order of business policy, and relevant legislation, to ensure the efficient and effective use of elected member and administrative time.	Complete - endorsed at May 2016 OCM	0.0	Review Process		Director Corporate Services	Coordinator Governance	Corporate Strategy	01/05/16	31/05/16	100%
196	Sundry	Better Practice Review	22/06/16	Continue reviewing (and update or repeal, where required) local laws in line with the requirements of the Local Government Act 1995.	The Animals, Environment and Nuisance Local Law and the Health Local Law were gazetted on 13 October 2016 and are currently in effect. These were the last of the local laws included in the review.	0.0	Review Laws		Director Corporate Services	Coordinator Governance	Governance	27/10/16	30/11/16	100%
197	Sundry	Better Practice Review	22/06/16	To ensure elected members make decisions of a strategic nature and are aware of the strategic implications, and reasons for their decisions the Town should consider more clearly outlining these within reports to Council (e.g. separate these from other general statutory and policy implications).	Complete - New agenda item template implemented since June OCM	0.0	To Report		Director Corporate Services		Corporate Strategy	01/06/16	30/06/16	100%
198	Sundry	Better Practice Review	22/06/16	In future annual reports, ensure two-year comparative data is provided for both the Asset Renewal Funding and Asset Consumption ratios.	Done as part of the Annual Financial Report 2015/16, part of the template going forward	0.0	Ensure Comparison		Director Corporate Services	Manager Financial Services	Financial Services	01/11/16	28/10/16	100%
199	Sundry	Better Practice Review	22/06/16	In accordance with the 2014/15 Audit Management Report continue to address identified improvements to internal controls.	Finalised in line with closing management letter and this business improvement plan	0.0	Improve		Director Corporate Services	Manager Financial Services	Financial Services	01/11/16	28/10/16	100%
200	Sundry	Better Practice Review	22/06/16	Continue to develop and finalise the Internal Operating Procedure for Recruitment, Selection and Appointment of staff.	Recruitment & selection IOP finalised and approved by ELT	0.0	Develop Procedure		Director Corporate Services	Manager Human Resources	Human resources	01/07/16	16/09/16	100%

Att 1 - ARG Committee - Outstanding Decisions



As at 29 August 2017

Date of Meeting	Meeting Type	Decision Number	Primary	Outcome	Officers Status Update	Directorate Responsibility	% Complete
07/03/17	ARG	ARG201617/029	12.2.1 Observation Tower, Wedge Street, Port Hedland	<p>MOVED: CR TAVO SECONDED: MAYOR BLANCO</p> <p>That the Audit, Risk and Governance Committee:</p> <p>1.Recommend 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.</p> <p>2.Recommend 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</p> <p>CARRIED 6/0</p>	<p>21/04/2017 - Fencing for the perimeter of the Tower will be requested in the Capital Budget for 17/18.</p> <p>27/04/2017 - Fencing contingent upon budget allocation in FY17/18 budget. No funds allocated in current FY 16/17.</p> <p>21/06/2017 - Budget yet to be finalised.</p> <p>29/08/2017 - Officers to review the options for removal. Ongoing.</p>	Infrastructure & Town Services	5%

Att 2 -ARG Committee -BiMonthly Completion Report



as at 29 August 2017

Date of Meeting	Meeting Type	Decision Number	Item Details	Outcome	Officers Status Update	Directorate Responsibility	% Complete
02/05/17	ARG	ARG201617/032	12.1.2 Audit Findings Report	<p>MOVED: CR WHITWELL SECONDED: CR NEWBERY</p> <p>That with respect to the RSM Australia external audit findings for 2014/15 and 2015/16, the Audit, Risk and Governance Committee:</p> <ol style="list-style-type: none"> 1. Receive the report regarding the audit findings for 2014/15 and 2015/16 financial years. 2. Authorise the Chief Executive Officer to submit the report to the Minister. <p>CARRIED 4/0</p>	The external audit findings from RSM Australia was endorsed by Council at its meeting held on 24 May 2017. The Council endorsed report was sent to the minister on 9 June 2017.	Corporate & Performance	100%
04/07/17	ARG	ARG201718/002	12.1.1 Bi-monthly Status Reports of the Audit, Risk and Governance Committee	<p>MOVED: CR MELVILLE SECONDED: CR WHITWELL</p> <p>That the Audit, Risk and Governance Committee accept the following reports:</p> <ol style="list-style-type: none"> 1. Bi-monthly Status of Audit, Risk and Governance Committee Decisions, as at 21 June 2017; 2. Bi-monthly Audit, Risk and Governance Committee Decision Completion Report, as at 21 June 2017; and 3. Bi-monthly Risk Register Report as at 21 June 2017. <p>CARRIED 6/0</p>	No further action required. Committee received reports	Corporate & Performance	100%
04/07/17	ARG	ARG201718/003	12.1.2 Quarterly Better Practice Review Update	<p>MOVED: CR MELVILLE SECONDED: CR WHITWELL</p> <p>That with respect to the Better Practice Review conducted by the Department of Local Government during 2016, Council:</p> <ol style="list-style-type: none"> 1. Receive the Better Practice Review extract from the Town's Business Improvement Plan Register. 2. Note the implementation progress of the identified Better Practice items. <p>CARRIED 6/0</p>	No further action required. Committee received reports	Corporate & Performance	100%
04/07/17	ARG	ARG201718/004	12.1.3 Funding and Donations for the period of 1 April to 30 June 2017	<p>MOVED: CR MELVILLE SECONDED: MS PANGAHAS</p> <p>That with respect to Town of Port Hedland Policy 6/003 Funding and Donations, the Audit, Risk and Governance Committee receive the list of funding and donations made for the period 1 April 2017 to 30 June 2017 in accordance with the 2016/17 adopted budget.</p> <p>CARRIED 6/0</p>	No further action required. Committee received reports	Corporate & Performance	100%
04/07/17	ARG	ARG201718/001	10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017	<p>MOVED: CR WHITWELL SECONDED: CR MELVILLE</p> <p>That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017 are a true and correct record.</p> <p>CARRIED 6/0</p>	Minutes of 2 May printed and given to Mayor to sign on 11/07/2017	Corporate & Performance	100%
10/06/15	ARG	ARG201415/056	11.1.1 Town of Port Hedland Leisure Facilities Management Contract - Review May 2015	<p>MOVED: MAYOR HOWLETT SECONDED: CR DACCACHE</p> <p>That Audit, Risk and Governance Committee recommend that Council:</p> <ol style="list-style-type: none"> 1. Note that the May monthly report as provided by the YMCA. 2. Note the Risk Assessment Report – attachment 1 prepared by officers in response to the request made by the Audit and Finance Committee at its meeting on 22 April. 3. Note the draft budget as presented by the YMCA for the 2015/2016 financial year. 4. Request the Chief Executive Officer seek legal advice and report to Council on the wave rider and recourse for lack of operation of the wave rider including the costs and losses involved. 5. Request the Chief Executive Officer, or his delegate(s), to explore the contract extension and report back to Council on the obligations and options going forward beyond 30 June 2016. 6. Request the Chief Executive Officer, or his delegate(s), to investigate retractable shade options and costs for the South Hedland Aquatic Centre for consideration in the 15/16 budget. <p>CARRIED 5/0</p>	<p>John Hanly of Hotchkin Hanly is expecting to receive some additional information (emails) from his client. It is likely that their response will be finalised in 1-2 weeks. Once we have received and considered that we agreed it would be helpful to Arrange a meeting between the parties to endeavour to clarify the issues remaining in dispute, what is agreed and what is still contested between the parties. We agreed to work towards a possible meeting date later in October, depending on the timing of their response. McLeod's will let us know once he receives further response from Hotchkin Hanly. The DW&S advises that Nicole should have in hand - checking. DS</p> <p>Part 4 - Following up with Principal Contractor with regard to Waverider design and operation. Expect to have further detailed response in Feb 2017. 20/01/2017 Specialist has been consulted and options are being investigated for cost effective resolution of issue.</p> <p>Part 5 - Contract with YMCA WA was extended to June 2019 at March OCM 2016.</p> <p>Part 6 - Expecting GAC Shade Sail provider to be in PH in late Jan 2017, will review requirements and request a quotation for retractable shade options and after consultation with YMCA WA, include in 2017/18 capital works budget requests.</p> <p>20/01/2017 Quotations are being sought for 2017/18 capital works budget bids.</p> <p>21/06/2017 - Budget yet to be finalised</p> <p>21/08/2017 - Allocation for a new non-retractable shade sail has been included in the 17/18 Budget.</p>	Development, Sustainability & Lifestyle	100%

Att 3 - Risks Derived from Council Decisions



as at 29 August 2017

Date of Meeting	Item Title	Primary	Rating	Principle Risk Theme	Risk Action Plan	Initial Officer Comments	Officers Status Update	Directorate Responsibility	Residual Rating	Due Date
22/08/16	Council Decision - 15.1 Statement of Financial Activity for the period ended 31 May 2016	Community Contribution Mia Mia	High (12)	Financial Impact - 4 Major - \$300,001 - \$3M	Manage by transferring income received to reserve such that the organization does not rely on the revenue for operations.	The 2015/16 Adopted Budget includes a community contribution of \$464,845 under the Mia Mia lease. This lease expires in December 2019 and income is uncertain after this date.	Previously In communication with Mia Mia via legal team. Mia Mia reply received, claims rejected by TOPH, reply send by TOPH Legal team. Possible discussion regarding reduction of the Community contribution to take place. Await Mia Mia response. No response received from Mia Mia regarding Town's offer to discussion on acceptable terms. Advised A/CEO to proceed with debt recovery of all outstanding rates and lease fees, but negotiate on reduction in Community Facilities Contribution. Acting Director Corporate Services initiated debt recovery proceedings for the full amount owing. Debt recovery for rates and outgoings in progress. Discussion regarding community contribution to follow between Mia Mia and CEO. No feedback received from Mia Mia. Await permission to resume debt recovery of full outstanding amount. Response received from Mia Mia, currently under consideration. Letter send 4/8/17 advising client of Town's intention to got o Arbitration.	Director Corporate Services		Ongoing
22/08/16	Council Decision - 15.1 Statement of Financial Activity for the period ended 31 May 2016	FMG Memberships	High (12)	Financial Impact - 4 Major - \$300,001 - \$3M	Manage by transferring net income to reserve	FMG under agreement with the Town provide an annual contribution of \$500,000 towards the operations of Wanangkura Stadium. Under the agreement FMG employees are entitled to drawdown on this amount for activities through the Leisure Facilities and Matt Dann, with budgeted expenses of \$240,000 for Stadium activities and \$10,000 for Matt Dann activities, effectively providing a subsidy of \$250,000. FMG have a five year agreement with the Town which commenced on the 1 October 2012 and ends on the 30 September 2017.	Revised Agreement with FMG was signed on 7/4/16, effectively reducing contribution by \$300,000. This event is deemed closed, revised agreement for current period only.	Director Development, Sustainability and Lifestyle		30/09/17
27/07/16	Council Decision - 12.2.3 South Hedland Bowling and Tennis Club Self Supporting Loan	That SHBTC default on the loan in its entirety	High (12)	Financial Impact - 4 Major - \$300,001 - \$3M	The item will be by the placed on the Risk Register and monitored by the administration and overseen by the Audit, Risk & Governance Committee.	Principle loan amount was \$500,000 (plus interest) Annual payments are \$40,838.00	Loan repayment extended to 23/2/2017. Financial condition of SHBTC improving and expected to meet the obligation. Payment of outstanding monies received 15/3/17. Future payments will be closely monitored. 10/8/17 - Next Loan repayment due 26/8/17 and indications from the SHBTC committee is that payment will be made on time. They have commenced \$500 weekly payments which are being held until such a time that the invoice is raised.	Director Development, Sustainability and Lifestyle	Medium (8)	Ongoing
28/09/16	12.3.1 Kingsford Smith Business Park – Heavy Vehicle Access	That there is a serious traffic accident directly attributable to the larger RAV5A vehicle	High (12)	Health - 4 Major - Lost time injury >5 days	Control through a traffic plan	Await response from Main Roads regarding access of RAV5A vehicles to Wallwork road. Action will be considered on receipt of response	Main roads responded and accepted the TOPH proposal for limited RAV access between GNH and KSBP. Risk is reduced to minor. No further traffic plans is required, the risk assessment was made after Wallwork road was downgraded off the RAV network. The initial risk rating was overstated. Residual risk rating to be done	Director Works and Services		Ongoing
24/05/17	12.2.1 Hedland Aquatic Facility Operation and Master Planning	There is a risk rating of 15 (High) assigned to the reputational risk associated with the inability to return South Hedland to full operation during winter months and the delay associated with development of a new facility.	High (15)	Reputation - 3 Moderate - Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile	Monitor the operation of the South Hedland Aquatic Centre.	Council supported the motion to approve the operational use for the SHAC for winter months only. Risk will be ongoing.	Work is continuing to try and get the pool operational this Winter. Council has supported and funded masterplanning of the South Hedland Sports precinct, including investigating a replacement facility for SHAC. Issues with the plant mean the risk is ongoing.	Director Development, Sustainability and Lifestyle		31/12/17
24/05/17	15.2 Port Haven TWA Village – Lease Renewal	There is a risk rating of high (15) assigned to the risk that failure to reach agreement on terms for an extension of the Port Haven lease will create lasting and serious damage to the Town's relationship with BHPBIO.	High (15)	Reputation - 3 Moderate - Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile	Risk is ongoing until negotiation has been finalised.	Council approved the "in principle" extension of the Port Haven Lease at the Ordinary Council meeting held on 24 May 2017. Lease is yet to be negotiated. Risk will be ongoing until the risk has been mitigated.	Formal discussions between BHP and the Town have not yet commenced although Council's in principle support has allayed some concerns about the future of the lease. The risk is ongoing until discussion commence and a formal lease extension is requested.	Executive Services		31/12/17



Task Name	September 2017	December 2017	February 2018	April 2018	June 2018	August 2018	Is this item Ongoing?	Comments
1. Financial Reporting and External Audit							<input type="checkbox"/>	
1.1 Mid-Year Budget Reviews							<input type="checkbox"/>	For information and discussion
1.2 Review Annual Financial Statements & meet with external auditor to: - invite presentation of audit methodology and risk assessments within the audit plan - discuss any qualifications raised in the most recent audit or comments made in the accompanying management letter - assess the appropriateness of the Town's response to matters so raised - invite comment on the financial systems and affairs of the Town having regard to comparable benchmarks							<input type="checkbox"/>	
1.3 Consider reappointment/appointment of auditor							<input checked="" type="checkbox"/>	
1.4 Other areas of accounting treatment as identified or requested, that have a material impact on reported financial performance e.g. depreciation methodology, overhead calculation methodology, asset accounting policies and procedures etc							<input checked="" type="checkbox"/>	Ongoing reviews through policy and procedure reviews, asset revaluations etc.
1.5 Review Audit Outcomes							<input checked="" type="checkbox"/>	As required
2. Risk Management, Internal Controls, Legislative Compliance and Internal Audit							<input type="checkbox"/>	
2.1 Consider and review the Town's register of risks derived from Council decisions and risk management framework							<input checked="" type="checkbox"/>	
2.2 Internal Audit Plan 2018							<input type="checkbox"/>	
2.3 Regulation 17 review							<input type="checkbox"/>	
2.4 Bi Monthly Business Improvement Plan Report (Better practice review incorporated)							<input type="checkbox"/>	
2.5 Compliance Audit Return							<input type="checkbox"/>	Regulation 15(1) of the LG (Audit) Regulations
3. Reporting							<input type="checkbox"/>	
3.1 Committee to report annually to Council: - outlining outcomes achieved against the Committee's annual work program and the results of self-assessment of performance for the preceding period including any recommended changes to its terms of reference - outlining any identified training needs - advising future work program proposals - invite comment from the Council on the above							<input type="checkbox"/>	
4. Other Matters							<input type="checkbox"/>	
4.1 Committee members to attend workshops their roles, functions and expectations							<input checked="" type="checkbox"/>	
4.2 Review terms of reference							<input type="checkbox"/>	
4.3 Review/Adopt work program for the financial year							<input type="checkbox"/>	
4.4 Consider any other matters within the terms of reference of the Committee							<input checked="" type="checkbox"/>	
4.5 Funding and donations quarterly update							<input checked="" type="checkbox"/>	
4.6 Bi Monthly Status Reports							<input type="checkbox"/>	
4.7 Schedule November Meeting to December in line with Elections / Public Consultation							<input type="checkbox"/>	
4.8 Committee member appointment							<input type="checkbox"/>	
4.9 Annual review of ARG Committee Meeting schedule for 2018							<input type="checkbox"/>	
5. Policies							<input type="checkbox"/>	
5.1 Develop and implement an Internal Audit Policy							<input type="checkbox"/>	

Town of Port Hedland
Port Hedland International Airport
Long-Term Lease

PAXON GROUP

Private Client Services
Audit and Assurance
Taxation

Perth • Melbourne • Sydney | April 2017 – Draft 1

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Executive Summary

Paxon has been engaged by the Town of Port Hedland (“Town”) to conduct a review of the Port Hedland International Airport long-term lease. The objective of the review was to determine the reason for the difference in:

- Reports presented to Council and utilised as part of the decision-making process;
- The signed agreement; and
- Funding received in relation to the lease and related authorisations.

Paxon has determined, based on the information it has been provided and reviewed that there were no discrepancies identified.

1 Introduction

1.1 Background

The Town has received several reports over the past three years relating to internal control weaknesses which are currently being addressed by management. Council has identified many items as requiring further investigation to determine if the Town has been subjected to any unnecessary losses in relation to certain defined events.

A Request for Quote was issued for the identified scope of works for a review to be conducted by a suitably qualified auditor. Paxon was awarded the contract to conduct this review.

1.2 Internal Audit Objective

The objective of the review was to determine the reason for the difference in:

- Reports presented to Council and utilised as part of the decision-making process;
- The signed agreement; and
- Funding received in relation to the lease and related authorisations.

2 Scope

The review entailed a detailed examination and assessment of the Port Hedland International Airport long-term lease. The work undertaken included:

- Examination of documentation associated with the above-mentioned lease, including council minutes; and
- Identification of any non-compliance with legislative requirements and documented policies and procedures.

3 Methodology

Our methodology for the review comprised:

- Conducting an initial meeting with management to obtain an understanding of processes and potential issues;
- Developing overview documentation of the processes including key controls by discussion with staff and review of the processes;
- Review various reports provided by external consultants regarding the feasibility and value of the Airport Long Term Lease;
- Review council minutes including information that has been provided to Council members;
- Review the executed Airport Lease Long Term Lease versus documents that have been provided to Council for deliberations;
- Evaluating the adequacy of the controls to cover the identified risks and determining compliance with the key controls; and
- Writing a report and issuing it to the Town of Port Hedland.

4 Inherent Limitations

Due to the inherent limitations in any internal control structure, it is possible that errors or irregularities may occur and not be detected. Further, the internal control structure, within which the control procedures that have been reviewed operate, has not been reviewed in its entirety and therefore no opinion is expressed as to the effectiveness of the greater internal control structure.

It should also be noted that our review was not designed to detect all weaknesses in control procedures as it was not performed continuously throughout the period subject to review.

The review is subject to the adequacy and availability of the appropriate information that has been provided to us by the Town.

The review findings and any opinion expressed in this report have been formed on the above basis.

5 Detailed Review Findings

As per the Audit Objective at 1.2 of this report, following our review based on the information that was requested and provided to us we report that we could not identify, at this time, any discrepancies as per the Audit Objectives.

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Paxon Audit

Project Category	Sub Category	Source Document	Date of Source Document	Outcome	Officers Status Update	Code	Action	Priority	Directorate Responsibility	Assigned to	Business Unit	Due Date	Completed Date	% Complete	
289	N/A	N/A	Paxon Group Audit	24/07/17	Position Descriptions to be put in place before any formal appointments of staff take place	Ongoing as per IOP HR004 'Recruitment and Selection' updated in May 2016. Random internal audits to be undertaken to assess compliance with IOP HR004	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Medium	Corporate and Performance	Manager Governance	Governance	31/12/17		0%
290	N/A	N/A	Paxon Group Audit	24/07/17	A contract of employment between the Town and any new staff shall be signed before a new officer commences working for the Town	Ongoing as per IOP HR004 'Recruitment and Selection' updated in May 2016. Random internal audits to be undertaken to assess compliance with IOP HR004	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Medium	Corporate and Performance	Manager Governance	Governance	31/12/17		0%
291	N/A	N/A	Paxon Group Audit	24/07/17	Best value for money and best possible candidates are to be considered before entering into any contractual arrangements	Ongoing as per IOP HR004 'Recruitment and Selection' updated in May 2016. Random internal audits to be undertaken to assess compliance with IOP HR004	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Medium	Corporate and Performance	Manager Governance	Governance	31/12/17		0%
292	N/A	N/A	Paxon Group Audit	24/07/17	Ongoing relevance of specific officer roles are to be considered before formal appointment, as per the Town's workforce and long term financial plans	The Town's organisational structure has been updated in August 2017 and consideration has been given to the ongoing relevance of specific officer roles	N/A	The Town's workforce plan and its long term financial plans will be reviewed in 2018 to align with the 4 yearly major review of the strategic community plan	Medium	Corporate and Performance	Executive Manager Human Resources	Human Resources	30/06/18		0%
293	N/A	N/A	Paxon Group Audit	24/07/17	Appropriate records of recruitment and associated authorisation processes are to be kept by the Town in accordance with the State Records Act 2000	Ongoing as per IOP HR004 'Recruitment and Selection' updated in May 2016. Random internal audits to be undertaken to assess compliance with IOP HR004 and record keeping practices	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Medium	Corporate and Performance	Executive Manager Human Resources	Human Resources	31/12/17		0%
294	N/A	N/A	Paxon Group Audit	24/07/17	The Town should develop and implement a policy and procedure documents that document the performance of redundancy activities	The Town's HR team has developed a Standard Operating Procedure on 'Organisational Restructure Process' which documents the steps to be taken in relation to redundancy processes. Random internal audits to be undertaken to assess compliance with the Organisational Restructure Process SOP and record keeping practices	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Low	Corporate and Performance	Executive Manager Human Resources	Human Resources	31/12/17		0%
295	N/A	N/A	Paxon Group Audit	24/07/17	The Town should ensure that employment agreements with prospective employees address all items that will affect employment relationships, including reference to contract terms, general terms of employment, employee's duty of confidentiality and employee's duty of fidelity.	The Town currently makes reference in all of its offers of employment and/or redeployment to all items related to employment agreements as per the EBA and its HR Internal Operating Procedures Random internal audits to be undertaken to assess compliance of employment agreements with EBA conditions and HR Internal Operating Procedures	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Low	Corporate and Performance	Executive Manager Human Resources	Human Resources	31/12/17		0%
296	N/A	N/A	Paxon Group Audit	24/07/17	A register of legislative instruments the Town must comply with in relation to human resources is to be kept	Regular review of any updates in human resources legislative instruments the Town needs to comply with is to be undertaken This matter will be investigated by the Internal Audit and Risk Officer	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Low	Corporate and Performance	Executive Manager Human Resources	Human Resources	31/12/17		0%
297	N/A	N/A	Paxon Group Audit	24/07/17	The Town's Risk Register is to make reference to making staff redundant and redeployment of staff as a risk	This matter will be investigated by the Internal Audit and Risk Officer This is an ongoing risk which is to be regularly assessed	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Low	Corporate and Performance	Manager Governance and Policy	Governance	31/12/17		0%
298	N/A	N/A	Paxon Group Audit	24/07/17	The Town should develop and implement a policy that help ensure fair and consistent treatment of all employees made redundant	The Council adopted Policy 1/027 'Severance Payment' on 22 March 2017 Regular internal audits to be conducted to check compliance with Policy 1/027	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Medium	Corporate and Performance	Manager Governance	Governance	31/12/17		0%
299	N/A	N/A	Paxon Group Audit	24/07/17	A centralised record of all transactional documents for procurement should be kept for a proper audit trail to be kept which will increase operational efficiencies	The Town is in the process of rolling out a e-procurement online portal which will support the Town's current procurement functions Regular internal audits of the Town's procurement functions are to be carried out by the newly established Procurement team with the support of the Internal Audit and Risk Officer	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	High	Corporate and Performance	Manager Governance and Policy	Governance	31/12/17		0%
300	N/A	N/A	Paxon Group Audit	24/07/17	The Town should use the 'Form of Agreement' template for all purchase greater than \$100,000 in value to help ensure a standard approach to contractual arrangements	The Town has engaged a Legal Advisor who is developing standard agreements to be utilised for contractual arrangements Random internal audits of the Town's forms of agreements to be undertaken	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	Medium	Corporate and Performance	Manager Governance and Policy	Governance	31/12/17		0%
301	N/A	N/A	Paxon Group Audit	24/07/17	The Town's documentation and registers in relation to Procurement and Contract Management are to be duly compiled at all times to ensure compliance with relevant legislation	The Town has engaged Walga to carry out a review of all of its procurement and contract management policies, internal operating procedures and templates in September 2017 with a view of assisting the Town in targeted training as well as ensuring ongoing process improvements are undertaken to achieve compliance with relevant legislation Regular internal audits of the Town's procurement and contract management functions are to be carried out by the newly established Procurement team with the support of the Internal Audit and Risk Officer	N/A	Internal Audit framework and associated implementation plan to be developed by the Internal Audit and Risk Officer.	High	Corporate and Performance	Manager Governance and Policy	Governance	31/12/17		0%