



TOWN OF PORT HEDLAND

AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING MINUTES

TUESDAY 4 OCTOBER 2016 AT 5:30PM

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

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

*Chris Linnell
Acting Chief Executive Officer*

TERMS OF REFERENCE

1. Purpose of the Terms of Reference

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

2. Introduction

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

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

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

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

3. Objectives

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

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

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

4. Authority

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

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

5. Composition

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

6. Meetings

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

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

7. Responsibilities

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

7.1 Risk management

- 7.1.1 Review and suggest improvements to whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of the Town's business and financial risks, including fraud.
- 7.1.2 Determine whether a sound and effective approach has been followed in managing the Town's major risks including those associated with individual projects, program implementation, and activities.
- 7.1.3 Assess the impact of the Town's enterprise risk management framework on its control environment and insurance arrangements.
- 7.1.4 Review and suggest improvements to the process of developing and implementing the Town's fraud control arrangements and satisfy itself the Town has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.

7.2 Business continuity

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

7.3 Internal Control

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

7.4 Financial Report

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

7.5 Compliance

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

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

7.5.3 Obtain regular updates from management about compliance matters.

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

7.6 Internal Audit

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

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

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

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

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

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

7.6.7 Monitor management's implementation of internal audit recommendations.

7.7 External Audit

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

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

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

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

7.7.5 Monitor management's implementation of external audit recommendations.

7.8 Reporting Responsibilities

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

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

7.9 Other Responsibilities

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

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

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

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

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

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

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

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

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Item 1 Opening of Meeting

The Presiding Member declared the meeting open at 5:34 pm.

Item 2 Acknowledgement of Traditional Owners

The Presiding Member acknowledged the traditional custodians, the Kariyarra people. And recognised 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:

Acting Mayor Camilo Blanco – Presiding Member
Councillor Richard Whitwell

Community Members:

Ms Nina Pangahas
Mr Ron Attwood – Deputy Presiding Member

Officers:

Chris Linnell	Acting Chief Executive Officer
Kathryn Crothers	Acting Director Corporate Services
Adam Majid	Acting Director Community and Development Services
Tammy Wombwell	Administration Governance/ Minute Taker

Public	1
Media	0
ToPH Officers	3

3.2 Apologies

Councillor Troy Melville
Councillor Louise Newbery

3.3 Approved Leave of Absence

Nil

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 6 September 2016

Nil

4.2 Questions taken on notice from Committee Members at Audit, Risk and Governance Committee Meeting held on Tuesday 6 September 2016

Nil

Item 5 Applications for Leave of Absence

Nil

Item 6 Attendance by Telephone/Instantaneous Communications

Nil

Item 7 Public Time

Important note:

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

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

The Presiding Member opened Public Question Time at 5:38pm.

7.1 Public Question Time

7.1.1 Ms Nina Pangahas

At the Audit, Risk and Governance Committee Meeting held on 6 November 2016 (ARG201617/013) the Committee made a decision to amend the minutes, to include the writing in red.

“Ms Pangahas asked if she was a member of the public. The Presiding Member said yes”.

“Ms Pangahas left the table and introduced herself as a member of the public”.

“Ms Pangahas read the acknowledgement as modified by the presiding member on 6 September 2016”.

“Ms Pangahas read the acknowledgement as presented in the agenda papers of 4 October meeting, the statements in that acknowledgement were the original statements prior to the meeting of the 6 September 2016”.

Currently on the projector screen, the acknowledgement to Traditional Owners has reverted back to the same statement the Presiding Member made during the Audit, Risk and Governance Committee Meeting held on 6 September 2016 which was an acknowledgement to custodians. Can you please clarify why you are inconsistent in the delivery of the acknowledgment of the Traditional Owners?

The Presiding Member advised that the question regarding the acknowledgement of Traditional Owners has been asked and answered at the previous Committee meeting.

Why do you keep on changing the presentation of this acknowledgement and on what basis?

The Presiding Member advised that a Presiding Member is allowed to change the wording of the acknowledgement of Traditional Owners as the acknowledgement is above and beyond the legislative requirement.

Can a copy of the document outlining the minimum and maximum requirements in relation to the acknowledgement of Traditional Owners be provided?

The Presiding Member advised that a Presiding Member can change the acknowledgement of the Traditional Owners as they see fit. The Committee is in line with the requirements of the Reconciliation Action Plan 2016 that Council endorsed on 25 May 2016.

The Reconciliation Action Plan document was not supplied to the Audit, Risk and Governance Committee.

The Presiding Member advised that the Committee are following the requirements of the acknowledgement of Traditional Owners.

At the last meeting, you indicated to the members of this Committee to put forward a motion for any matter requiring discussion and debate, however, on 6 September 2016, the Presiding Member made changes to the acknowledgement of the Traditional Owners, and the treatment of Community Members without any motion, debate, consultation or legal advice. As a member of the Committee, you are also bound to present a motion for any matter requiring discussion and debate. Why are there two standards, one for Committee members, and one for the Presiding Member?

The Presiding Member advised that in reference to the Ordinary Council Meeting Minutes of 25 May 2016, Item 12.1.1 'Reconciliation Action Plan', the acknowledgement of Traditional Owners is included in that document, and was endorsed unanimously by Council by absolute majority.

What about in relation to the treatment of Community Members?

The Presiding Member advised that this question has been asked by Ms Pangahas previously and answered in the Committee minutes of 6 September 2016.

Why is it that there are two standards?

The Presiding Member advised that there are not two standards, and that the questions being asked have been asked and answered.

7.1.2 Mr Ron Attwood

I won't belittle myself by standing at the lectern. I have information from the Department of Local Government which you should have received.

Mr Attwood put forward a vote of No Confidence in the Presiding Member and Ms Pangahas seconded the motion.

The Chief Executive Officer advised that currently it is Public Question Time, and that the Presiding Member must move on to Public Statement Time.

The Presiding Member asked members of the public if there were any further questions.

Are you going to ignore Standing Orders?

The Presiding Member asked Mr Attwood if he had any questions.

Mr Attwood stated that he was not a member of the public.

The Presiding Member closed Public Question Time at 5:45pm.

The Presiding Member opened Public Statement Time at 5:45pm.

7.2 Public Statement Time

Nil

The Presiding Member closed Public Statement Time at 5:46pm.

7.3 Petitions/Deputations/Presentations/Submissions

Nil

Item 8 Questions from Members without Notice

8.1 Councillor Whitwell

What advice did you get in relation to Committee Community Members speaking around the table?

The Presiding Member advised that he did not obtain any advice.

Would you like to hear the advice that was given to me by the Department of Local Government?

The Presiding Member advised that at the last meeting, it was stated that Committee Members should obtain their own advice, and then present it to the administration.

The Presiding Member asked Councillor Whitwell when the advice was received.

Councillor Whitwell advised that the advice was received two days prior to the meeting.

The Presiding Member asked Councillor Whitwell whether he forwarded the information to the administration for their consideration.

Councillor Whitwell provided the information to the Acting Chief Executive Officer.

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:

- Acting Mayor Blanco
- Councillor Whitwell
- 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 6 September 2016**MOTION**

MOVED: MR ATTWOOD

That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 6 September 2016 are a true and correct record with the following amendments:

1. Item 2 – Page 10 – Insert the following wording:

“Councillor Newbery called for point of order asking the presiding member who gave him the right to change the status from Traditional Owners to Custodians”.

“The Presiding Member responding that he was the chair of the meeting and that he would run the meeting how he wanted to”.

“Councillor Newbery advised that she had recently attended a meeting where mining companies had recognised Kariyarra people as the Traditional Owners”.

“Mr Attwood and Ms Pangahas both raised their hands to ask questions in respect to this issue and the chair gave directions to them that they could not ask any questions until Public Question Time as they are Community Members. In accordance with Standing Orders they are only permitted to ask questions during Public Question Time”.

2. Item 7.1.3 - Page 14 - Insert the following wording:

“Mr Attwood asked if he had to ask all of his questions while at the podium and the Presiding Member advised in the affirmative. After discussion with the CEO, he replied no. Mr Attwood then asked to confirm whether it was yes or no. The Presiding Member confirmed it was no”.

MOTION LAPSED FOR WANT OF A SECONDER

OFFICER RECOMMENDATION/MOTION

MOVED: ACTING MAYOR BLANCO

That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 6 September 2016 are a true and correct record.

MOTION LAPSED FOR WANT OF A SECONDER

Item 11 Announcements by Presiding Member without Discussion

Nil

Disclaimer

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

Item 12 Reports of Officers

12.1 Corporate Services**12.1.1 Monthly Reports: Status of Audit, Risk and Governance Committee Decisions and Completed Decisions**

File No:	12/14/0002
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	26/09/2016
Author:	Grace Waugh, Coordinator Governance
Authorising Officer:	Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Information Purposes - includes items provided to Council for information purposes only, that do not require a decision of Council (i.e. - for 'noting').

Attachments:

1. Monthly Status of Audit, Risk and Governance Committee Decisions (Under Separate Cover)
 2. Monthly Audit, Risk and Governance Committee Decision Completion Report (Under Separate Cover)
 3. Monthly Risk Register Report (Under Separate Cover)
-

OFFICER RECOMMENDATION/MOTION

MOVED: ACTION MAYOR BLANCO

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

1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 28 September 2016;
2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 27 September 2016; and
3. Monthly Risk Register Report as at 27 September 2016.

MOTION LAPSED FOR WANT OF A SECONDER

EXECUTIVE SUMMARY

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

BACKGROUND

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

The Risk Register, is being used to manage all risks identified with a risk rating of 10 and higher. Currently 5 items of an ongoing nature is listed in the register and is being monitored on a monthly basis.

CONSULTATION

Internal

- Director Corporate Services
- Manager Corporate Information

LEGISLATIVE IMPLICATIONS

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

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

STRATEGIC IMPLICATIONS

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

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

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

Social

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

Risk

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

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

CONCLUSION

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

12.1.2 Funding and Donations for the period of 1 July to 30 September 2016

File No: 02/05/0001
Applicant/ Proponent: Na
Subject Land/ Locality: Town of Port Hedland
Date: 27/09/2016
Author: Rakana Smith, Finance Officer Grants Administration
Authorising Officer: Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author: Impartiality/ Financial/ Proximity as xx
Authority/Discretion: Information Purposes - includes items provided to Council for information purposes only, that do not require a decision of Council (i.e. - for 'noting').

Attachments:

1. List of funding and donations made for the period 1 July 2016 to 30 September 2016

ARG201617/010 OFFICER RECOMMENDATION/ COMMITTEE DECISION

MOVED: CR WHITWELL

SECONDED: ACTING MAYOR BLANCO

That with respect to Town of Port Hedland Policy 6/003 Funding and Donations, Council receive the list of funding and donations made for the period 1 July 2016 to 30 September 2016 in accordance with the 2016/17 adopted budget.

CARRIED 3/1

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

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 \$17,730.11 of funding and donations paid for the period 1 July 2016 to 30 September 2016.

BACKGROUND

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

As per the guidelines of Policy 6/003 Funding and Donations, attachment 1 lists \$17,730.11 of funding and donations paid during 1 July 2016 to 30 September 2016.

CONSULTATION

Internal consultation included:

- Acting Director Corporate Services
- Acting Chief Executive Officer

External consultation included applicants of funding and donations as stated in attachment 1.

LEGISLATIVE IMPLICATIONS

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

POLICY IMPLICATIONS

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

Providing attachment 1 ensures compliance with this policy.

FINANCIAL IMPLICATIONS

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

\$17,730.11 has been paid to successful and eligible community grant applicants from 1 July 2016 to 30 September 2016.

\$152,294.89 is the balance remaining in the budget as at 30 September 2016.

STRATEGIC IMPLICATIONS

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

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

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

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

Social

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

Risk

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

Risk Matrix

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

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

CONCLUSION

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

ATTACHMENT 1 TO ITEM 12.1.2

2016/17 Budget for Community Grants	\$170,025.00
Less Payments made from 1 July 2016 to 30 September 2016	\$17,730.11
Balance in Budget as at 30 September 2016	\$152,294.89

Applicant	Amount Requested	Amount Paid	Project
Volunteer Marine Rescue Service Port Hedland Inc.	\$10,000	\$10,000	Assist with the purchase of new equipment required to perform Sea Rescues.
Treloar Chldcare Centre	\$2,000	\$1,000	Organisations 30 th birthday celebrations.
Sophie McDowell	\$307	\$406.36	Hire of Civic Centre Gardens to hold memorial
Hedland Junior Football Association	\$3,000	\$3,000	Assist participants to attend NAB AFL Auskick Game at Domain Stadium.
Training Ship Pilbara	\$3,000	\$3,000	Assist Pilbara cadets to join the vessel Leeuwin II.
Hedland Junior Diamond Sports	\$5,000	\$323.75	Assist applicant to host the 2016 North West Software Championships.
TOTAL	\$23,307	\$17,730.11	

12.1.3 Progress Update on Internal Audit and Risk Officer

File No: 12/14/0002
Applicant/ Proponent: N/A
Subject Land/ Locality: Town of Port Hedland
Date: 27/09/2016
Author: Kathy Crothers, Acting Director Corporate Services
Authorising Officer: Chris Linnell, Acting Chief Executive Officer
Disclosure of Interest from Author: Nil
Authority/Discretion: Information Purposes - includes items provided to Council for information purposes only, that do not require a decision of Council (i.e. - for 'noting').

Attachments: Nil

ARG201617/011 OFFICER RECOMMENDATION/ COMMITTEE DECISION

MOVED: MS PANGAHAS

SECONDED: CR WHITWELL

That the Audit Risk and Governance Committee note the progress of the recruitment of an Internal Audit and Risk Officer.

CARRIED 3/1

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

EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit Risk and Governance (ARG) Committee with an update on the recruitment of an Internal Audit and Risk Officer.

BACKGROUND

At the time of writing this report the recruitment for an Internal Audit and Risk officer was about to commence. As it is a new position, a new position description has been drafted and is in the process of being matrixed to determine remuneration level prior to the vacancy being advertised externally for a two week period.

It is anticipated advertising would close towards the end of October, interviews early November and encumbering commence in the role by the end of November to early December depending on the successful applicants current work arrangement and required notice period.

In the meantime, we have an internal resource that is currently undertaking work around identifying and recording risks in the risk register as well as working through previous audit findings to form a business improvement plan.

In addition, internal recruitment for the role of Manager Strategic Development is underway and planned to be completed by 30 September. This role is a fixed term maternity role and will focus on leading strategy, risk and business improvement across the organisation as well as lead the improvement of the organisations processes and procedures.

CONSULTATION

- Manager Corporate Information
- Acting Chief Executive Officer
- Recruitment Officer

LEGISLATIVE IMPLICATIONS

This report is for information purposes only to update the Committee on the progress of the recruitment of an officer, there are no legislative implications associated with receiving the report.

With regards to the recruitment of an officer the following section of the *Local Government Act 1995* outlines the function of the CEO in relation to recruitment of staff:

Section 5.41. Functions of CEO

The CEO's functions are to —

(g) be responsible for the employment, management supervision, direction and dismissal of other employees (subject to section 5.37(2) in relation to senior employees);

POLICY IMPLICATIONS

There are no policies covering the recruitment of staff, this is managed through the Recruitment and Selection IOP. The IOP sets out the following parameters and indicative timeframes:

Process	Timeframe	Responsible Party	Variable
Identification of vacancy/review of Position Description	Within 1 - 2 days	Recruiting Manager	
Position Classification	Within 1 - 3 days (if applicable)	Human Resources	Consideration of level and entitlements (matrix, EBA etc.)
Completion and approval of the 'Recruitment Approval Form'	Within 1 - 3 days	Recruiting Manager	Subject to Director or CEO signing availability
Process upon receipt of 'Recruitment Approval Form'	Within 1 - 3 days of receiving form	Human Resources / Recruiting Manager	Liaison regarding position entitlements and draft advert approval
Advertising Period	2 weeks (1 week for internal)	Human Resources	
Shortlisting	Within 5 days of advert closing	Recruiting Manager/ Selection Panel	
Interviews	Within 1 week of shortlisting	Human Resources	Subject to panel and candidate availability
Selection Report	Within 2-3 days of final interview	Recruiting Manager	Further testing required
Due Diligence	Within 1 week	Human Resources	Subject to candidate availability

FINANCIAL IMPLICATIONS

A budget allocation for an Internal Audit and Risk Officer has been included in the 2016/17 Budget.

STRATEGIC IMPLICATIONS

Section 4.1 ‘Strategic and best practice local government administration’ of the Strategic Community Plan applies as the Internal Audit and Risk officer will assist with delivering high quality corporate governance accountability and compliance through the coordination of internal audits and the implementation of improvements identified.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from this report.

Economic

There are no significant identifiable economic impacts to any external organisations arising from this report.

Social

There are no significant identifiable social impacts on the Port Hedland community or region arising from adoption of the officers this report.

Risk

Risk	That a suitable applicant is not found
Risk Likelihood (based on history and with existing controls)	Possible (3)
Risk Impact / Consequence	Minor (2)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Compliance - 2 Compliance - Regular noticeable temporary non-compliances
Risk Action Plan (Controls or Treatment proposed)	Manage by utilising internal resources currently available to undertake process improvements identified in previous audit findings at a reduced rate of completion. The role would then be re-advertised in the new year.

Risk Matrix

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

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

CONCLUSION

This report outlines the progress of the recruitment of the Internal Audit and Risk Officer for the Committees information purposes.

12.1.4 Local Council Insight Survey Participation

File No:	12/14/0002
Applicant/ Proponent:	N/A
Subject Land/ Locality:	Town of Port Hedland
Date:	27/09/2016
Author:	Linda Zietsman, Finance Projects Coordinator
Authorising Officer:	Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Information Purposes - includes items provided to Council for information purposes only, that do not require a decision of Council (i.e. - for 'noting').

Attachments

Nil

OFFICER RECOMMENDATION/MOTION

MOVED: ACTING MAYOR BLANCO

That the Audit, Risk and Governance Committee note the participation in the Local Council Insight survey.

LAPSED FOR WANT OF A SECONDER

EXECUTIVE SUMMARY

The Town of Port Hedland registered to participate in the local government operational effectiveness survey being coordinated Australia wide by PricewaterhouseCoopers. This is round four of this yearly benchmarking survey with 140 Councils participating. It is the Town's first year of participation. It is anticipated that the Town will participate in this yearly survey for the next 3 years. The focus of this survey is on operational effectiveness.

BACKGROUND

The survey is an industry-developed performance management tool and will assist us to get an insight into key operational area, such as:

- Workforce management
- Finance management
- Operations management
- Risk management
- Corporate leadership
- Asset management
- Financial data

Through benchmarking against other Councils, we expect to identify opportunities for improvements within our own operational areas, and also gain insight into practices working in other Councils. Another outcome anticipated is in learning from other Council's experiences such as efficiencies through outsourcing, workforce retention and best practices contributing to service delivery excellence.

An additional benefit, will be in learning better ways of meaningful breakdown and use of data from all operational departments for analysis of performance.

By completing data input for this survey, the Town already identified opportunities for improvement of data extraction and availability in the Town's ERP system. Improvement opportunities identified during the participation in this survey, will be included in the future strategic planning, risk analysis and business improvement process.

All data input and submissions were completed on 16 September 2016, and is currently being reviewed and analysed by PricewaterhouseCoopers. The outcome will be the receipt of an Operations and Management Effectiveness report with an interactive analytical tool to be used for further review by the Town.

CONSULTATION

The survey data compilation and input was coordinated Manager Corporate Information and coordinated with all department managers and assigned responsible officers for the compilation and extract of relevant data. The final submission of the survey was reviewed and authorised by the Acting Chief Executive Officer.

LEGISLATIVE IMPLICATIONS

Compliance with Local Government Act 1995 Sect 2.7(b) that 'The council – is responsible for the performance of the local government's functions'. This include the continuous improvement of processes and practices to ensure all objectives is achieved.

POLICY IMPLICATIONS

Identify and address all risks identified as per Risk Management Policy (1/022).

FINANCIAL IMPLICATIONS

All implementation plans will be done in line with the Budget for the 2016/17 year.

STRATEGIC IMPLICATIONS

In accordance with the 2014-2024 Strategic Community Plan, the TOPH is committed in leading our community and making sure 'our organization is governed in an ethically responsible manner and meets all of its legislative and community obligations in accordance with defined service levels.

In line with the TOPH Long Term Financial Plan and current budget for 2016/17, business improvement will be driven to improve service levels to our community through improved operational efficiencies and reduction of cost.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from the participation in the survey.

Economic

There are no significant identifiable economic impacts arising from the participation in the survey.

Social

There are no significant identifiable social impacts arising from the participation in the survey.

Risk

Risk	That compared to other Councils, the Town will identify areas where the Town do not measure up to the required level of operational excellence as identified in our Strategic Community and Long Term Financial plans.
Risk Likelihood (based on history and with existing controls)	Possible (3)
Risk Impact / Consequence	Minor (2)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Reputation - 2 Minor - Substantiated, localised impact on key stakeholder trust or low media item
Risk Action Plan (Controls or Treatment proposed)	Manage by identifying improvement opportunities and applying best practices.

Risk Matrix

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

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

CONCLUSION

After receipt of the Operations and Management Effectiveness Report and the interactive analytical tool, the Town will review the report with the view to celebrate achievements in operations excellence, learn from wins in other Councils and apply this knowledge and learning to improve operational excellence throughout the Town.

Item 13 Motions of Which Previous Notice Has Been Given

Nil

Item 14 New Business of an Urgent Nature

Nil

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

Nil

Item 16 Closure

16.1 Date of Next Meeting

The next Audit, Risk and Governance Committee Meeting will be held on Tuesday 8 November 2016, commencing at 5:30pm.

16.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 6:22pm.

DECLARATION OF CONFIRMATION OF MINUTES

I certify that these Minutes were confirmed by the Audit, Risk and Governance Committee at its Meeting of _____ 2016.

CONFIRMATION:

PRESIDING MEMBER / MAYOR

DATE