

Town of
Port Hedland



TOWN OF PORT HEDLAND

AUDIT & FINANCE COMMITTEE MEETING MINUTES

**WEDNESDAY 22 APRIL 2015 AT
12:00PM**

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

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

*M.J. (Mal) Osborne
Chief Executive Officer*

TERMS OF REFERENCE**AIM/PURPOSE:**

The Audit and Finance 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 Council's financial management systems and reporting

The Audit and Finance Committee has been established in accordance with Part 7 of the Local Government Act 1995 to:

1. Liaise with the Auditor(s) to assist Council in carrying out functions in relation to external audit, including liaising with the Auditor and develop a process for selection and appointment of a person as the Auditor.
2. Receive Quarterly Budget Review Reports;
3. Receive Quarterly Financial Reports on all of the Town of Port Hedland's Managed Community Facilities;
4. Review and suggest improvements to Risk Management within the organisation; and
5. Assist the organization in the development of an internal audit program.

QUORUM:

The quorum for the Committee be a minimum of 50% of its membership.

MEMBERSHIP:

Elected Members:

Mayor Kelly Howlett

Councillor Gloria Jacob – Presiding Member

Councillor Julie Hunt

Councillor Lorraine Butson – Deputy Presiding Member

Community Member:

Mr Bill Hrambanis

Deputy Members:

Councillor George Daccache

Councillor Jan Gillingham

Councillor David Hooper

Councillor Troy Melville

MEETING FREQUENCY:

As and when required.

DELEGATION:

The Town of Port Hedland Council provides delegated authority to the Audit and Finance Committee to meet annually with the Town's auditor(s) as required by Section 7.12A(2) of the Local Government Act 1995.

TENURE:

Ongoing

RESPONSIBLE OFFICER:

Director Corporate Services

(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.)

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ITEM 1 OPENING OF MEETING

The Presiding Member declared the meeting open at 12:03pm.

ITEM 2 ACKNOWLEDGMENT OF TRADITIONAL OWNERS

The Presiding Member acknowledged the traditional owners, the Kariyarra people.

ITEM 3 RECORDING OF ATTENDANCE AND APOLOGIES**3.1 Attendance***Elected Members*

Mayor Kelly Howlett
Councillor Gloria Jacob – Presiding Member
Councillor Julie Hunt

Community Member

Mr Bill Hrambanis

Officers

Mal Osborne	Chief Executive Officer
Peter Kocian	Manager Financial Services
Chris Linnell	Acting Director Community and Development Services
Grace Waugh	Minute Taker/ Governance Officer

Public	0
Media	0
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3.2 Apologies

Councillor Lorraine Butson – Deputy Presiding Member

3.3 Approved Leave of Absence

Nil

ITEM 4 RESPONSE TO PREVIOUS QUESTIONS**4.1 Questions from Public at Audit & Finance Committee Meeting held on Wednesday 18 February 2015**

Nil

4.2 Questions from Committee Members at Audit & Finance Committee Meeting held on Wednesday 18 February 2015

Nil

ITEM 5 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 also 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.'

Presiding Member declared Public Question Time open at 12:05pm.

5.1 Public Question Time

Nil

Presiding Member declared Public Question Time closed at 12:05pm.

Presiding Member declared Public Statement Time open at 12:05pm.

5.2 Public Statement Time

Nil

Presiding Member declared Public Statement Time closed at 12:05pm.

ITEM 6 QUESTIONS FROM MEMBERS WITHOUT NOTICE**6.1 Mayor Howlett**

How is the Town incorporating risk into the Audit & Finance Committee meetings, naming and terms of reference?

Presiding Member advised that an item is going to Council to rename the committee to the Audit, Risk and Governance Committee as requested by some Committee members to the Acting Chief Executive Officer. Following the training that Elected Members received a few weeks ago it was highlighted that a consistent approach to risk management is lacking in the Town.

Can a risk category be included as a heading in all future agenda items?

Presiding Member advised that a risk category will be included in future items.

Chief Executive Officer advised that Mayor Howlett's questions will be taken on board. The Town will have internal discussions on the proposed changes to agenda items and to the committee's terms of reference. The committee was originally established under the terms of reference guidelines produced by the Department of Local Government and Communities however as long as there is still an audit function the Town can look into including reference to risk and governance.

ITEM 7 DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING

Councillor Jacob – Presiding Member	Councillor Hunt
Mayor Howlett	Mr Hrambanis

ITEM 8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 Confirmation of Minutes of the Audit & Finance Committee Meeting held on Wednesday 18 February 2015

201415/038 RECOMMENDATION/ AUDIT & FINANCE COMMITTEE DECISION

MOVED: CR HUNT

SECONDED: MR HRAMBANIS

That Council confirm that the Minutes of the Audit & Finance Committee Meeting held on Wednesday 18 February 2015 are a true and correct record.

CARRIED 4/0

ITEM 9 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Presiding Member advised that she attended the Australian Institute of Company Director training on finance and risk in local government that was held in Port Hedland for Elected Members. The training was very engaging and useful. The trainer was very qualified and had experience in both local government and in the private sector. Presiding Member thanked Town officers for organising the training.

ITEM 10 PETITIONS/ DEPUTATIONS/ PRESENTATIONS/ SUBMISSIONS**10.1 Mr Travis Bate, Principal of RSM Bird Cameron, and Mr David Well, Director, Assurance and Advisory Services, Town of Port Hedland Auditors**

Mr Bate and Mr Wall discussed each section of the Audit Planning Memorandum which is included in the Audit Agreement under item 11.3.1 'Audit Agreement 1 July 2014 – 30 June 2019 – Town of Port Hedland and RSM Bird Cameron'.

Disclaimer

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

ITEM 11 REPORTS OF OFFICERS**11.1 Community and Development Services****11.1.1 GP Housing Quarterly Review: Quarter 3 – January – March 2015**

Paul Howrie, Manager Community Development
File No. 15/01/0020

DISCLOSURE OF INTEREST BY OFFICER

Nil

201415/039 RECOMMENDATION/ AUDIT & FINANCE COMMITTEE DECISION

MOVED: CR HUNT

SECONDED: MR HRAMBANIS

That the Audit and Finance Committee receive the second quarter reports (1 January to 31 March 2015) for GP Housing from the Port Hedland Medical Centre (OSH Group) and Kinetic Health Centre.

CARRIED 4/0

EXECUTIVE SUMMARY

The purpose of this report is for the Audit and Finance Committee to review the reports for GP Housing for the third quarter; January to March 2015.

DETAILED REPORT

The construction project and subsequent allocation of the GP houses is intended to provide quality subsidised leased housing to general practitioners who support the Port Hedland community and is focused on:

- Assisting in the retention of existing general practitioner / emergency services
- Encouraging and facilitating the expansion of general practitioner service levels and availability
- Assisting in the provision of specialist services not currently available
- Assisting in the provision of services linked to areas of disadvantaged health services / remote servicing / bulk billing
- Beginning to cater for future GP service requirements.

The SCM on 14 November 2012:

1. *Endorsed the disposal of Part Lot 5551 Dempster Street, Cooke Point by way of lease to:*
 - *3 general practitioner houses to Kinetic Health Services (\$600 per week, to be reviewed annually in accordance with the Asset Management Plan) for a term of 3 years;*

- *4 general practitioner houses to the OSH Group (\$600 per week, to be reviewed annually in accordance with the Asset Management Plan) for a term of 3 years*
- 2. *Delegated authority to the Chief Executive Officer or delegate to negotiate the provision of housing to preferred doctors within the Kinetic Health Service and OSH Group allocations*
- 3. *Endorsed the provision of local public notice of the proposed disposals in accordance with section 3.58 of the Local Government Act*
- 4. *Delegated authority to the Chief Executive Officer to enter into lease agreements should no public submissions be received.*

The allocation of GP houses above was based on outcomes / KPI's detailed in submissions, and are the subject of quarterly reporting. Lease agreements were executed with Port Hedland Medical Centre (OSH Group) on 16 April 2013 and with Kinetic Health (Sonic HealthPlus) on 1 May 2013. These leases were cancelled and renewed immediately in December /January 2104, to align with the expiry date of the newly completed 3 additional GP house completed in December 2014. All GP housing leases are now aligned and will expiry simultaneously.

Port Hedland Medical Centre (OSH Group)

Noted for the Quarter 3 report (Attachment 1) is that:

- Practice hours have been reduced on Saturdays to 1pm due to lower patient numbers as per quarter 2. The clinic has met its other operational requirements of being open from Monday to Friday from 7.30 -7.30
- Clinical hours have not been extended to Sundays, as this remain unviable for the business
- Due to the psychologist relocating to another location, the mental health support has been continued via tele/skype as per the previous quarter
- It still remains unviable for the business to offer diagnostic ultrasound services from the practice.
- The practice continues to have a female GP perform weekly bulk billing services at the Well Women's Centre.

Sonic HealthPlus (Kinetic Health)

Noted for the Quarter 3 report (Attachment 2) is that:

- Increased outside of normal hours to accommodate for onsite drug screening for various companies. Will be reviewing existing hours, to see the need to extend outside normal hours for local community. This will be based on staff and coverage as well as demand
- Operational hours are unchanged
- Occupational Health Physician still visiting monthly, and a psychology services is still utilising a room once a month. Taken on a Registrar Doctor.

- With regards to existing number of doctors available, a Waget Registrar has started with the Practice in February, and the clinic is actively recruiting for a male doctor.

Port Hedland Family Practice

The Port Hedland Family Practice opened in April, so was not operational during the 3rd quarter. However one of its KPIs was to be operational within 6 months of the signing of its tenancy agreement with the Town, which it has achieved.

FINANCIAL IMPLICATIONS

The construction of the general practitioner houses was funded through contributions from WA State Government, resource industry and the Town.

Under the terms of the lease agreements, the medical practices are responsible for the payment of weekly rental, minor upkeep of the homes and utilities; the Town is responsible for maintenance and asset management.

STATUTORY AND POLICY IMPLICATIONS

This initiative is supported in section 3.3 of the Town's Strategic Community Plan 2014 – 2024, to be a safe, attractive and accessible environment, where the Town looks to facilitate public health initiatives across the community.

ATTACHMENTS

1. Port Hedland Medical Centre (OSH Group) Q3 FY 2015 (January to March 2015)
2. Sonic HealthPlus Q3 FY 2015 (January to March 2015)

10 April 2015

ATTACHMENT 1 TO ITEM 11.1.1



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Town of Port Hedland

Contract: GP Housing (PHMC)

Period: Q3 FY15

Contract Number: N/A

Item	Description	KPI	Outcome
1	Expansion of clinical practice hours, including:	(a) Increased clinical hours: Monday to Friday 7:30 am to 7:30pm , Saturday 8am to 12 noon (b) Additional general practitioners available on Saturday mornings. This KPI must be achieved within 6 months of execution of the Lease and maintained for the remainder of the Lease term.	Achieved Mon – Fri 7.30 – 7.30 Sat – 8 – 1 pm <i>Q3: No change since Q2 report</i>
2	Expansion of clinical practice hours, to include a Sunday Clinic	This KPI must be achieved within 12 months of execution of the Lease and maintained for the remainder of the Lease term.	Not yet achieved <i>Q3: Business position – remains unviable (no change since last period)</i>
3	Expansion of the services available, including the introduction of the following services:	(a) Mental health support, identified as particularly important to FIFO workers and residents due to shift work, geographic remoteness and climate and being a regional and remote town; (b) Re-introduction of Sleep Studies to address the cycle of fatigue management and obesity; and (c) Indigenous health including-diabetes, heart disease and obesity. These KPIs must be achieved within 6 months of execution of the Lease and maintained for the remainder of the Lease term.	Psychologist relocated to another location. Continue to offer sessions by tele/skype, Sleep – No change, increased weekly testing capacity Dietician – No change We offer these services to all patients, including Indigenous Add: Nursing staff trained in Perth for Women's health screening and PAP smears – to add to Community services (WWC) – Continue this relationship
4	Expansion of the services available, including the	(a) ability to deliver programs such as based exercise programs to combat obesity, Pilates and supervised rehabilitation programs;	Pilates classes delivered.



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	introduction of the following services:	<p>(b) access to the services of a dietician, if not residential then by Telehealth (although a Medicare rebates not available via Telehealth) to combat diabetes; and</p> <p>(c) ability to offer diagnostic ultrasound services from the practice.</p> <p>These KPIs must be achieved within 12 months of execution of the Lease and maintained for the remainder of the Lease term. However, the parties acknowledge that achievement of these measures is conditional on physical expansion to suitable and financially viable additional premises.</p>	<p>See above (continued alternatives being investigated, some private 'skype' style sessions with Perth doctors have been delivered</p> <p><i>Q3 Status: Business position – remains unviable (no change since last period)</i></p>
5	Expansion of the existing range of specialists' services and skills. This KPI will be an ongoing item that will be negotiated over the term if the Lease.		<p>Variable services, female GP performs weekly bulk billed services at Well Women's Centre. Stress ECG and Sleep Science services are replacing PATS</p> <p><i>Q3 Status: No Change</i></p>
6	Developing a program to provide training placements to junior doctors to expose the junior doctors to Rural and Remote medicine by applying to become accredited training post.	<p>One of the requirements will be suitably qualified general practitioners to supervise the junior doctors. This KPI must be achieved within 12 months of execution of the Lease and maintained for the remainder of the Lease term.</p>	<p>WAGPET Accreditation: Site visit 19 June 2014 (part 1). 12 Month review period</p> <p><i>Q2 Status - WAGPET – Recommending that further full FRACGP staff required to train junior staff. Action: 2 GPs are recognised and further training and exams continue with RACGP to enable this.</i></p> <p><i>Q3 – Rural clinical medical school education training (UWA) completed at PHMC in the period.</i></p>

ATTACHMENT 2 TO ITEM 11.1.1

Town of Port Hedland Contract: GP Housing (Sonic HealthPlus)

Period: Jan – March 2015

Item	KPI	Service Level at commencement of contract (April 2013)	Current Service Level (31 March 2015)	Comments / Update
1	Maintenance of existing days of operation, as at commencement date (April 2013)	Monday – Friday Extended hours Thursday till 7.30pm Saturday	Monday – Friday Extended hours Thursday till 7.30pm Saturday Early morning hours for onsite screening	Increased outside normal hours to accommodate for onsite drug screening for various companies. Will be reviewing existing hours, to see the need to extend outside normal hours for local community. This will be based on staff and coverage as well as demand.
2	Maintenance of existing times of operation, as at commencement date (April 2013)	Mon – Wed, Fri 8.30 – 5.30 Thur - 8.30 – 7.30 Sat – 8.30 – 1pm	Mon – Wed, Fri 8.00 – 5.30 Thur - 8.00 – 7.30 Sat – 8.30 – 1pm	Hours are unchanged, we also work outside normal hours providing onsite services.
3	Maintenance of existing services available	GP Care Plans Injury Management Pap Smears Phlebotomy Occupational Health	GP Care Plans Injury Management Pap Smears Phlebotomy Occupational Health Occupational Health Physician – specialist once a month Opened one of our spare rooms for visiting services who require a consulting room on the day.	Occ Health Physician, still visiting monthly. Psychology service utilising a room once a month. Taken on a Registrar doctor. One permanent doctor has left in this quarter to open his own practice in Port Hedland, will see how this affects us.

<p>4</p>	<p>Maintenance of existing number of doctors available</p>	<p>4 x FT Permanent Doctors</p>	<p>4 x F/t Doctors (4x FTE Female Drs)</p>	<p>Wagpet Registrar has started with us in February. Actively recruiting for Male doctor.</p>
<p>5</p>	<p>Additional services / facilities / programs / achievements</p>	<p>New Clinic July 2014 Occ Health Physician Health Care Plans</p>	<p>Have been in the new clinic for 8 months now, have increased a service by having a Physio placed in clinic to meet the company demands and will branch out to private patients injuries. Psychologist coming every 2nd Saturday Occ Health Physician once a month</p>	

11.1.2 Courthouse Gallery Quarterly Review: January to March 2015

Paul Howrie, Manager Community Development
File No. 20/01/0026

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That the Audit and Finance Committee receive the 3rd quarter report (1 January to 31 March 2015) for the Courthouse Gallery from FORM Contemporary Arts and Crafts.

201415/040 AUDIT & FINANCE COMMITTEE DECISION

MOVED: MAYOR HOWLETT

SECONDED: CR HUNT

That the Audit and Finance Committee

1. Receive the 3rd quarter report (1 January to 31 March 2015) for the Courthouse Gallery from FORM Contemporary Arts and Crafts.
2. Request the Chief Executive Officer, or his delegate(s), to provide an update on the finalisation and signing of the final contract with FORM Contemporary Arts and Crafts for the Courthouse Gallery.

CARRIED 4/0

EXECUTIVE SUMMARY

The purpose of this report is for the Audit and Finance Committee to review the third quarter report (1 January to 31 March 2015) for the Courthouse Gallery from FORM Contemporary Arts and Crafts.

DETAILED REPORT

The contract for the management of the Courthouse Gallery was agreed between the Town of Port Hedland and FORM Contemporary Arts and Crafts. for the period 1 July 2010 to 30 June 2012. A further period of contract management has since been negotiated and endorsed by Council at OCM 27 June 2012 from 1 July 2012 to 30 June 2015.

Under clause 3.3.10.1 of the agreement, FORM is to provide Council with a quarterly report, including the following:

- Income and expenditure
- Statement of variations (between budget and actual)
- Patronage of programs and activities
- Customer/consumer trend analysis

- Any complaints
- Customer feedback
- Statement of repairs and maintenance undertaken
- Any capital works recommended
- Report on safety issues
- Opportunities for collaboration with the Town of Port Hedland
- Damage incurred by the Centre
- Progress on KPIs

This report and subsequent attachments endeavour to provide the Committee with information to satisfy the requirements listed in Section 3.3.10.1 of the FORM contract.

Desired outcomes of the agreement with FORM are as follows:

- High and increasing usage of the facilities by a broad diversity of groups and individuals in keeping the integrity of the Gallery's core purpose
- High quality customer service to visitors of the Gallery
- A focus on continuous improvement and service growth at the facility
- A safe, clean and hygienic environment for staff, customers and other visitors
- Strong, accountable financial management
- Clear, concise, accurate quarterly reporting on the operations of the facility
- Input into the service direction and/or capital improvement initiatives that can/should be undertaken to improve operations at the facility.

The FORM report is based on a calendar year, and they have reported on the January to March period being their first quarter. The net loss of around \$151K has been reported by FORM as resulting from it being a short quarter in regards to the facility not opening until the 12th January, the 1st Exhibition for the year being in March, and most of the sponsorship monies not coming through until around July.

Although the income for the quarter is sitting at 11% of the anticipated income for the period, FORM have indicated that in part this is because they only receive OFTA (DEHWA) – Indigenous Exhibition Development Funding biannually, and a large proportion of sponsorship is due in July. In addition FORM have reported that the Hedland Art Awards will not be until August, so income associated with this event including sponsorship and grants are still forthcoming.

FINANCIAL IMPLICATIONS

Council's 2014/15 budget contains an allowance of \$404,790 per annum for the contract management of the Courthouse Gallery, payable quarterly.

STATUTORY AND POLICY IMPLICATIONS

Section 1.2 of the Town's Strategic Community Plan 2014 – 2024 refers to the Town having a vibrant community rich in diverse cultures. This includes providing safe and accessible community facilities, services, events and open spaces that connect people and neighbours.

ATTACHMENTS

1. Operational Report
2. January– March 2015 Quarterly Financial Reports

14 April 2015

ATTACHMENT 1 TO ITEM 11.1.2

Port Hedland Courthouse Gallery

Quarterly Report: January – March 2015

Attachment 1

Repairs and Maintenance

The following repairs and maintenance were carried out:

DATE	ISSUE	CONTRACTOR	ACTION/COMMENTS
07.01.2015	Front door lock not working	Kevin	New gallery keys
23.02.2015	Installation of GPO for Cruiseship	Gary ToPH	David Westbury requested Gary to install outdoor GPO. Initial site investigation; require more info from ToPH, will return.
26.02.2015	Installation of GPO for Cruiseship	Reddings Electrical	Follow up from site investigation on 23.02.15, Reddings undertaking work to install a new GPO on the exterior Gallery wall along Edgar Street
10.03.2015	Timber floorboard in gallery is warped and needs replacing	Gary ToPH	Investigated and fixed 11/3/15
10.03.2015	Fluorescent light underneath the gallery awning at the front entrance is not working and needs replacing.	Gary ToPH	19.03.2015 - Not yet fixed

Incident reporting

No incidents to report

Damage to the Gallery and/or Gallery assets

The floorboards in the main gallery space have continued to warp, and causing trip hazards. This issue has been documented and raised with TOPH. Temporary repairs on areas which are badly affected have been undertaken and the issue is being monitored.

Surveying and Feedback

Public feedback for the following programs is included in this report:

- 1) Exhibition feedback:
 - a) *It's What You See, Mollycamp and Landscapes* (October 24th 2014 – 28th February 2015)
 - b) *Converge and A Dot on the Run*
- 2) Workshop feedback:
 - a) Ian de Souza
 - b) Visual Merchandising
 - c) Andrew Christie
 - d) Bedazzle
- 3) West End Market feedback
 - 1a) *It's What You See, Mollycamp and Landscapes* (October 24th 2014 – 28th February 2015)
 - Feedback collected over the course of the exhibition saw that over 80% of people surveyed rated the exhibition as **excellent**.
 - When asked "**What did you enjoy most about your visit to the gallery?**", some of the comments were as follows:
 - "Absorbing the exceptional talent and beauty."
 - "Friendly ambience, warm welcome and of course the beautiful paintings."
 - "A chance to see the local artists painting local themes and subjects."
 - 1b) *Converge and A Dot on the Run*
 - 100% of those surveyed thought the CONVERGE exhibition was absorbing and held their attention

- Over 80% of those surveyed thought that the concept for *A Dot on the Run* was a good idea for an exhibition.

2a) *Ian de Souza painting workshop*

- 100% of participants surveyed considered the 2 day workshop a positive experience and were challenged by the exercises.
- Participants were keen for continued drawing classes- either weekly or fortnightly.

2b) *Visual Merchandising workshop*

- 100% of participants surveyed considered the free 2-hour workshop a positive experience and were keen to apply their new skills at the next West End Markets.
- Participants were keen for continued business support – social media, building a website.

2c) *Andrew Christie*

- 100% of participants surveyed loved the workshop goals and had a positive experience. Many were keen to attend another furniture making workshop.
- Participants felt empowered by their experience and were keen to make recycled furniture again.

2d) *Bedazzle*

- 100% of participants surveyed loved the workshop goals and were challenge by their experience. Many were excited by the new tool they learnt and how they could apply it to their practice.
- Participants were keen to have the teachers return and provide another workshop. Others were keen to learn more about photoshop.

Operational Report: Port Hedland Courthouse Gallery

Exhibition Program

Converge: A topographical abstraction of the Pilbara

Port Hedland Courthouse Gallery

Quarterly Report: January – March 2015

Presented as part of FORM's PUBLIC 2015 program, *Converge: A Topographical Abstraction of the Pilbara* is the first collaborative exhibition by Sydney based artist, Beastman and Adelaide based, Vans the Omega. These works have taken inspiration from aerial views of the unique Pilbara landscapes, abstracting the familiar topographies using their distinctive artistic styles.

Both artists are widely known for their ambitious large-scale murals that can be seen all over Australia. This body of work demonstrates the versatility of the contemporary street artist, using innovative artistic practices to transfer their work from street to gallery. The exhibition opened on Friday, 13th March and the estimated attendance was 400 people. Following the opening on Saturday, the exhibition was very well attended by West End Market goers and surveying was undertaken during this time.

A Dot on the Run: A Survey Exhibition of Drawings by Western Australian Artists

A Dot on the Run exhibition opened alongside *Converge* in the three small gallery rooms. This exhibition is currently the only survey of drawing in Western Australia. Showing in *A Dot on the Run* are artworks by some of the most senior and highly recognised artists in the state, alongside mid-career and emerging talent. Five Port Hedland based artists are shown in this curated exhibition.

2015 Exhibition Program Matrix – Quarter 1

Exhibition Name	No. of Exhibitions	Exhibition Days	No. of Attendances
It's What You See/Mollycamp/Landscapes	3	127	2771
<i>Converge</i> and <i>A Dot on the Run</i>	2	(ongoing)	500

Exhibition Public Program

Artists, Beastman and Vans the Omega were hosted by the Courthouse Gallery for short term residency. During the week, the artists completed a large scaled mural in the ANZ car park adjacent to the Gallery. Part of the installation was timed for the arrival of the cruise ship, Radiance of the Seas in order to activate the West End during their visit. Further to the mural, the *Converge* exhibition curator hosted a public question and answer session with the artists prior to the opening.

Kids ART CLUB

With the launch of a new exhibition, we are launching a Kids Art club. This will be an opportunity for parents to bring along toddlers for fun artistic activities which will encourage kids to engage with the artworks being shown in gallery. The weekly meeting will bring parents together in a creative and fun context!

Port Hedland Courthouse Gallery

Quarterly Report: January – March 2015

Gallery Walk-Throughs

Every Tuesday at 10.30am the Gallery Coordinator will be on hand to offer the public an informal walkthrough of the exhibitions currently on show. This will give locals and visitors the opportunity to learn more about the artworks on the gallery walls and will encourage discussion about the exhibitions and other FORM programming happening in Port Hedland.

Upcoming Exhibitions

SHA and ABC open

Spinifex Hill Artists

In their first comprehensive art centre exhibition in five years, the Spinifex Hill Studio's showcase will explore the artists' connection and relationship to Country.

ABC Open

Featuring an extensive series of photographs and stories from the community, ABC Open series aims to build community spirit, capacity, and capability.

Other Programs – West End Markets

The West End Markets were held on Saturday, 14th March and the estimated attendance was 2000-3000 people. Over 40 market stalls sold locally-made goods in the Gallery Gardens, Glass Lane and the ANZ Car park, alongside a pop up nursery for native plant species hosted by Greening Australia. Native Animal Rescue Hedland were invited to fundraise through a market stall and the opportunity to interact with native animals. Surveying was undertaken at the Markets and the feedback is attached to this report. The June West End Markets planning is currently underway.

Supporting the West End Markets is a series of skills development workshops for stallholders ranging from visual merchandising to website development. See Visual Arts Workshop section.

Visual Arts Workshops

Ian de Souza Visual Arts

Port Hedland Courthouse Gallery

Quarterly Report: January – March 2015

The first of FORM's arts development artist workshops was led by renowned contemporary artist Ian de Souza. Experienced in all mediums, Ian de Souza drew on his twenty-five years of painting practice to challenge participants to push their conceptual boundaries and work outside traditional painting techniques. 15 people took part in the workshop, including two spinifex hill artists. There was a diverse range of painting and drawing skills, but Ian was very impressed with how quickly the group improved their skills over the two day workshop. In the evening Ian had a special life drawing class, allowing participants to further practice their drawing skills in terms of composition, perception and tonal values. The participants were challenged and walked away recognising that to be a good/prolific artist you need to practice!

Visual Merchandising

The first business workshop focused on Visual Merchandising, highlighting to participants how they can better attract, engage, and motivate the customer towards making a purchase. The workshop covered three key areas: what is visual merchandising; what is the purpose of VM; what are the basic principles. Participants were involved in a hands-on activity where they were given an object from the retail space to display; this was then followed by a presentation outlining the aforementioned topics. There was opportunity for participants to develop their own brief and draft a floor plan/planogram. 25 people attended the evening workshop, many of these being regular stallholders at the West End Markets.

Andrew Christie Furniture/prop making

Andrew taught a two day workshop for IBN Members, where participants learnt how to build timber furniture for your home. In the first workshop, Andrew showed the participants how to make an easy timber stool which is a base for more furniture designs including chairs, tables, shelves and lights. The second workshop he ran had 14 participants, most had never made furniture before, but by the end of the day, all walked away with the skills to make simple stools and boxes. "super impressed with the lesson guide and how transferable it is" "very simple and easy to follow". The participants used coloured wood and recycled palettes to design, saw and screw together their furniture. All participants would definitely build more furniture at our next workshop with Andrew Christie!!

Bedazzle

Three of Western Australia's most accomplished mid-career artists, Thea Costantino, Rebecca Dagnall and Tarryn Gill hosted a photography workshop on Sunday, 29th March. The workshop encouraged local photographers to develop the conceptual side of their photographic work, and explore the potential of photography as a narrative tool. The workshop was held at the Spinifex Hill Studio's in partnership with the Courthouse Gallery. Workshop feedback is attached to

Cultural Tourism

Port Hedland Courthouse Gallery

Quarterly Report: January – March 2015

The Gallery works closely with the Port Hedland Visitor Centre and Town of Port Hedland in showcasing the town to passengers disembarking from cruise ships. For the ship on February 28th, the Gallery was showing exhibitions *It's What you See*, *Mollycamp* and *Landscapes*. *A Dot on the Run* previewed two days earlier for the arrival of Radiance of the Seas and Converge showcased the Pilbara from an aerial perspective. The next Cruise Ship will be on Easter Saturday in April and the Courthouse gallery has planned a walk-through of the current exhibitions. See events overview table for dates and gallery attendance.

Overview of events at the Gallery

Date	Event	Attendance
28/02/15	Cruise Ship Visit	600
	Visual Merchandising workshop	25
11/03/15	Cruise Ship Visit	400
13/03/15	Converge Q & A	30
13/03/15	Converge/Dot on the Run opening	400
14/03/15	West End Markets	95 in the gallery(2000-3000 markets)
18/03/15	Gloria Pearl VIP/FOG event	55

Other events:

Gloria Pearl Collection Launch (Friend of the Gallery Event)

On Wednesday 18th March, the Courthouse Gallery hosted the Collection Launch and catwalk show for Gloria Pearl Millinery. With support from FORM and the Courthouse Gallery, local businesswoman Amanda Smith has transformed her passion for designing and creating headwear from a hobby market stall into a fully-fledged business. The Courthouse gallery was honoured to offer the Gallery Members the opportunity to meet Amanda and preview her 3

amazing new collections with a dynamic runway show in the exhibition space. 55 people attended the evening event, which was a great social opportunity for both Amanda and the Courthouse Gallery team.

Upcoming 2015 events

April

Cruise ship markets

Kids Club

Gallery Walk throughs

Textiles Workshop

PUBLICSCHOOL – international street artists painting the undercroft of the school canteen.

May

Fervor dinner (in collaboration with the Pretty Pool Provedore and Visitor Centre

June

- Two exhibition openings: in the main gallery, Spinifex Hill Artists, and in the smaller rooms *ABC Open*
- West End Markets
- Photography camp

Opening Hours

Monday to Friday: 9am-4.30pm

Saturday: 9-2pm

Sunday: 9-2pm

Staffing

Regional Manager – Amy Plant

Programming co-coordinator – Katie Evans

Gallery and Exhibitions co-ordinator – Amy McKee

Gallery Support Officer (Part-time) – Elisa Trifunovski/Louise Swales



building a state of creativity

PORT HEDLAND COURTHOUSE GALLERY OPERATIONS

Statement of Profit and Loss

for the Year Ending 31 December 2015

Budget Lines	2015 Quarterly Actual Ending				2014 Actual Total \$	2015 Budget \$	Variance Between Actual and Budget \$
	March	June	September	December			
Turnover							
Sales	68,994				68,994	424,000	-355,006
Management Fee - Town of Port Hedland	98,325				98,325	393,300	-294,975
OFTA (DEWHA) - Indigenous Exhibition Development					0	100,000	-100,000
Sponsorship					0	500,000	-500,000
Hedland Art Award Partners					0	50,000	-50,000
Other Grants					0	150,000	-150,000
Sundry Income - Donations, Workshop Fees, etc.	13,425				13,425	32,075	-18,650
Total grants and sponsorships	111,750	0	0	0	111,750	1,225,375	-1,113,625
Total Turnover	180,744	0	0	0	180,744	1,649,375	-1,468,631
Expenditure							
Cost of Sales	46,839				46,839	291,030	-244,191
Operating expenses							
Programming expenses							
- Exhibition Program	25,753				25,753	200,175	-174,422
- Workshops Program	53,181				53,181	369,447	-316,266
- Other Programs	12,732				12,732	137,972	-125,240
Total programming costs	91,666	0	0	0	91,666	707,594	-615,928
Marketing and Promotion Costs							
- Advertising	1,468				1,468	7,000	-5,532
- Website devt & hosting stage 1					0	1,000	-1,000
Total marketing and promotion costs	1,468	0	0	0	1,468	8,000	-6,532
Employment costs							
- Salaries, wages and on-costs	153,909				153,909	478,963	-325,054
- Staff Housing	19,506				19,506	85,788	-66,283
Total employment costs	173,415	0	0	0	173,415	564,751	-391,336
Administration Costs							
- Office Consumables & Resources	13,239				13,239	52,000	-38,761
- Communications	2,882				2,882	9,000	-6,118
- Legal, Finance & Governance	584				584	7,000	-6,416
- Insurance	2,279				2,279	10,000	-7,721
Total Administration Costs	18,983	0	0	0	18,983	78,000	-59,017
Total Operating Expenses	285,532	0	0	0	285,532	1,358,345	-1,072,813
Total Cost of Sales and Operating Expenses	332,371	0	0	0	332,371	1,649,375	-1,317,004
Net Income / (Expenditure)	-151,627	0	0	0	-151,627	0	-151,627



building a state of creativity

Port Hedland Courthouse Gallery Programs

Statement of Profit and Loss

For the Year Ending 31 December 2015

Budget Lines	2015 Budget \$	Cumulative Total - Actual	2015 Quarterly Actuals Ending			
			March	June	September	December
Programming Budget Calendar Year 2014						
Exhibition Program						
Converge/A Dot on the Run	51,690	25,039	25,039			
Tjanpi Weavers Exhibition	38,980	0				
Hedland Arts Award	109,505	0				
It's What You See			713			
Total Exhibition Program Cost	200,175	25,039	25,753	0	0	0
Workshops						
Indigenous Exhibition Development	218,602	44,157	44,157			
The Unexpected Jeweller	105,350	132	132			
Visual Arts Development Workshop	14,915	3,896	3,896			
Photo P.H.otography: Photography Camp	30,580	4,996	4,996			
Total Workshops Program Cost	369,447	53,181	53,181	0	0	0
Other Programs:						
Westend Markets	129,472	10,332	10,332			
STAFF Travel	8,500	2,400	2,400			
Total Other Programs	137,972	12,732	12,732	0	0	0
Total Projected Programming Expenditure	707,594	90,953	91,666	0	0	0

11.1.3 Port Hedland Visitor Centre: Financial Quarterly Review of the Third Quarter being January to March 2015

Brie Holland, Economic Development and Strategic Planning Coordinator
File No. 05/09/0017

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That the Audit and Finance Committee receive the financial report from FORM Contemporary Arts and Crafts for the management of Port Hedland Visitors Centre of the third quarter being January to March 2015.

201415/041 AUDIT & FINANCE COMMITTEE DECISION

MOVED: MAYOR HOWLETT

SECONDED: CR HUNT

That the Audit and Finance Committee

- 1. Receive the financial report from FORM Contemporary Arts and Crafts for the management of Port Hedland Visitors Centre of the third quarter being January to March 2015.**
- 2. Request the Chief Executive Officer, or his delegate(s), to provide an update on the finalisation and signing of the final contract for FORM Contemporary Arts and Crafts for the Port Hedland Visitors Centre.**
- 3. Request the Chief Executive Officer, or his delegate(s), to approach the Port Hedland Visitors Centre to help package, promote and assist with the attraction of members.**
- 4. Request the Chief Executive Officer, or his delegate(s), bring a report back to the Audit & Finance Committee with costs to repair or remove the Port Hedland Observation Tower.**

CARRIED 4/0

EXECUTIVE SUMMARY

The purpose of this report is for the Audit and Finance Committee ("Committee") to review the financial and general operations of the Port Hedland Visitor Centre ("PHVC"), managed by FORM Contemporary Arts and Crafts ("FORM") for the third quarter from January – March 2015. More specifically, this report puts forward the reporting requirements outlined in clauses; 6.3 (2) submission of an annually audited financial report and 23.2 quarterly reporting detailed in the Management Agreement between FORM and the Town of Port Hedland ("ToPH").

DETAILED REPORT

The PHVC is carrying a surplus of \$26,777 ending 31 December 2014. The full list of activities are reflected in the 201415 Quarter Operational Report January – March (attachment 1) and the Profit and Loss report January – March (attachment 2). Of specific mention is the request to repair the reticulation which has been ineffective since December last year. The Staff at the PHVC have manually watered the gardens throughout the day to try and stop the plants from dying. This request will be followed up internally.

Tourism Council Australia carried out an audit of the PHVC in March of this year. Once the report has been received FORM will forward a copy to the Town. It is a pleasure to report that the Tourism Council provided positive verbal feedback and making specific verbal mention that the PHVC was the "...best presented Visitor Centre in the State". Tourism Council went on to encourage the PHVC to nominate the Discover the Pilbara online platform for a State Tourism Award.

FORM in partnership with the Chamber of Commerce hosted a Business After Hours event with the aim of promoting membership to the Port Hedland business community. Even though the event was attended by over 30 businesses only two businesses noted their intention to sign up for membership and fully securing these memberships are dependent on internal approvals of the companies. The vast majority of businesses stated that a change in economic circumstances meant that unfortunately membership could not be considered at that time.

Cruise ships visits continue to be managed successfully. The PHVC report that the cruise ships are a value source of revenue to the centre in the off peak tourist season and to the home-based businesses from Port Hedland and Karratha who participate in the markets on the day. To note approximately 1,500 cruise ship people enter the PHVC on each visit. Please refer to (attachment 3) for the daily attendance record of PHVC across the quarter of January - March 2015. Please also refer to (attachment 4) regarding the visitor comment log.

FORM on behalf of the PHVC has successfully gained funding from the Pilbara Development Commission's Community Chest for the development and printing of the 2015 Port Hedland Destination Guide, titled the *Pilbara Pathfinder*. Publication of the guide is mid-way and security of the funds means that the guide can be printed for distribution (attachment 1). The publication should be made available within the next coming months.

On Wednesday 19 November 2014 the Audit and Finance Committee resolved the following (201415/012, part, unconfirmed minutes):

"...2. Recommend to Council to approve to extend the current contract with FORM for an additional term of up to two years, subject to agreeable management fee negotiations carried out by the CEO or his delegated officer and provided the Town gives FORM written notice of its intention to put into effect the initial extension at least three months prior to the expiry of the initial contract term (as per current contractual terms) subject to successful negotiations of the following:

- *Management of all activities associated with the cruise ship visits*
- *Establishment of Key Performance Indicators*
- *Establishment of a Community reference group*
- *Development of Indigenous tourism products*
- *Development of a Port Hedland promotion campaign*

The terms of the contract are being updated and the Town aims to sign off on the updated contract by the end of May.

The following assemblies were consulted in order to complete this agenda item;

Town of Port Hedland

- Economic Development and Strategic Planning Unit

External

- FORM Contemporary Arts and Design Management Team

FINANCIAL IMPLICATIONS

Council's 2014/2015 budget contains an allowance of \$353,504 per annum for the contract management of the PHVC, payable quarterly.

STATUTORY AND POLICY IMPLICATIONS

Strategic Community Plan 2014 – 2024

This report aligns with the strategic theme and associated performance indicators within the current *Strategic Community Plan 2014 - 2024*. This proposed project falls under the strategic theme (section 2.2.2) to support a diverse economy; develop Port Hedland's tourism industry, facilitate increased accommodation offerings and position Port Hedland as a unique destination.

Local Government Act 1995 (WA) Section 5.17(c) (i) – Limits on delegation of powers and duties to certain committees.

ATTACHMENTS

1. Quarterly Operational Report January – March 2015
2. Profit and Loss Statement Period Ending March 2015
3. Daily Attendance
4. PHVC comment book

13 April 2015

ATTACHMENT 1 TO ITEM 11.1.3

ATTACHMENT 1

QUARTERLY OPERATIONS REPORT – PORT HEDLAND VISITOR CENTRE

APRIL 2015

Income and Expenditure statements for the Port Hedland Visitor Centre for this reporting period (please see attached).

REPAIRS AND MAINTENANCE

The following repairs and maintenance were carried out during the period:

Date	Issue	Responsibility	Action
Ongoing: December- Present	Ineffective reticulation pressure resulting in VC gardens not getting enough water and dying.	Town of Port Hedland	ToPH gardens crew attend the site regularly however no change appears to have been made. VC currently manually waters the gardens throughout the day.
March	Rear external tap repair requested	Town of Port Hedland	Native garden reticulation ineffective and all new plants are dying. VC will hand water from tap until reticulation issue is fixed.
March	Air conditioner service	Town of Port Hedland	All air conditioners serviced by contractor

Incident Reporting/ Damage

The reticulation system and water pressure in the gardens surrounding the VC and rear native garden means hand watering is required daily. This form of watering is labour intensive and wasteful. Without adequate watering the gardens on Wedge Street will die, affecting the maintenance and presentation of Wedge Street and the broader West End.

Attendance for Port Hedland Visitor Centre - 2015

Month	Walk-in attendance - 2015	Cruise ship attendance - 2015
January	160	0
February	222	1,500
March	502	1,520
Total	884	3,020

Attendance comparison (Calendar year)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013	1,027	3,761	4,894	4,085	11,640
2014	4,257	2,225	6,588	3,546	17,169
2015	3,004				

Private Tours

Date	Tour	Customer	Tour numbers
Tuesday, 17 February 2015	BHP Billiton Tour	American Express Global Business Travel	8
Saturday, 28 February 2015	BHP Billiton Tour	Celebrity Solstice	391
Wednesday, 11 March 2015	BHP Billiton Tour	Radiance of the Seas	237
Tuesday, 17 March 2015	BHP Billiton Tour	Thales	11
Saturday, 28 March 2015	BHP Billiton/ Town & History Tour	My Pilbara Adventure	21
Tuesday, 31 March 2015	BHP Billiton Tour	School of the Air	32
Saturday, 4 April 2015	BHP Billiton Tour	Voyager of the Seas	Estimated: 300

Standing Operational Activities

The following provides trends for standing operational activities and enquiries within the Visitor Centre over the quarter.

Tour	January – daily average	February– daily average	March – daily average
Telephone enquiries	14	23	32
Mail enquiries	3	5	4
Email enquiries	4	13	15

ACCREDITATION

The Port Hedland Visitor Centre continues to maintain Level One Tourism Accreditation and T-Qual accreditation as well as enjoying an ongoing relationship with Tourism WA.

Tourism Council Australia conducted an audit of the Visitor Centre in March 2015 and provided positive feedback on the look, feel and effectiveness of the Visitor Centre, commenting specifically that the Port Hedland Visitor Centre was the “best presented Visitor Centre in the State”. The audit evaluated the

processes, OHS and HR policies, training, day to day operations and ongoing operations, initiatives and promotion of the region undertaken by the Port Hedland Visitor Centre.

The Tourism Council suggested the Visitor Centre take a leadership approach when integrating Instagram in order to further the promotion of the region through social media, in addition to the existing Facebook and twitter presence Port Hedland has already earned through the use of #porthedland and #discoverpilbara.

The Tourism Council suggested the Port Hedland Visitor Centre and FORM nominate the Discover the Pilbara online platform into the State Tourism Awards which will be launched in April.

The Port Hedland Visitor Centre will receive its Tourism Accreditation report in the second quarter with feedback from Tourism Council and formalisation of ongoing accreditation.

MEMBERSHIP

The Visitor Centre hosted a Business After Hours event on February 10, 2015 with the Chamber of Commerce and Industry to promote membership and advertising opportunities to the Port Hedland business community. This event was attended by 50 representatives from 30 businesses. While attendance was high and feedback about the Visitor Centre and its purpose was positive, these businesses were not converted to members. The majority of these businesses remarked on changed economic conditions being the major deterrent from joining the membership base. There were two businesses with a 'natural synergy' with the Visitor Centre in attendance, both which expressed interest in membership but needed time for internal changes to occur before taking up the offer.

The Visitor Centre will review the cost of membership in 2015; responding to the depressed economic climate it is likely the fee will be reduced and will include a greater advertising deliverable in order to raise the membership base numbers and better represent the tourism players in Port Hedland.

CRUISE SHIP VISITS

The Port Hedland Visitor Centre continues to work with the Town of Port Hedland to deliver a range of logistical and event based activities for these seasonal visits including: liaison with Intercruises for shore-based activities, logistics; shore-based management of BHP Billiton Iron Ore Port Operations Tour; activation activities in West End – markets, shuttle bus logistics, Courthouse Gallery guided walkthrough, town tour, promotion of Seafarers Centre Harbour Tour; liaison with local businesses; road closures; and marketing brochures and on-board information.

Cruise ship visits continue to be an important source of revenue during the low tourism season. The last few years has seen local sentiment toward the cruise ship importance and value of the visits to town has been increasingly embraced, especially by home-based businesses operating in Port Hedland and Karratha,

who see direct financial benefit through the Cruise Ship Markets. Passengers continue to remark on the surprising nature of the town, its friendliness and unexpected treasures like Dalgety House and Art Gallery.

PORT HEDLAND DESTINATION GUIDE – SUCCESSFUL COMMUNITY CHEST FUNDING APPLICATION

The Visitor Centre has been successful in gaining Royalties for Regions funding for the development and printing of the 2015 Port Hedland Destination Guide.

The publication is mid-way through the design phase and, now funding has been secured, the design will be completed and will be progressed to the next stage – print production and distribution.

The Port Hedland Destination Guide, tentatively titled Pilbara Pathfinder, responds to needs identified in the Pilbara Development Commission investigation into tourism gaps in the Pilbara by educating and informing tourists about the opportunities that abound in the Pilbara, with a particular focus on Port Hedland. As the name suggests the Pilbara Pathfinder encourages visitors to explore onwards through trails and networks of like experiences, be it geological trails, art centre trail, national parks, the Warlu Way or industry tours.

The Pilbara Pathfinder educates visitors and potential visitors to the region about the tourism, retail and accommodation options available within Port Hedland. The guide aims to meet the needs of road-based travellers, who represent over 80% of tourists to the region, as well as offering relevant tourism information for business travellers and internal Pilbara-based tourism.

The guide aims to facilitate a higher level of engagement and increase the scope of travel and experience within the region. The ability to forward plan and make educated decisions can generate economic benefits to the Port Hedland community by encouraging longer stay and greater engagement.

DRAFT – PILBARA PATHFINDER



Staffing

Visitor Centre Manager – Natasha Fry

Visitor Centre Support Officer – Sue McMahon

Visitor Centre Support Officer – Alix Seddon

Visitor Centre Support Officer – Jane Kirby

Supported by FORM's Perth office for accounting, purchasing and promotional activities.



PORT HEDLAND VISITOR CENTRE OPERATIONS
Statement of Profit and Loss
For the Period Ending 31st December 2014

Budget Lines	2015 Quarterly Actual Ending				2015 Actual Total \$	2015 Budget Total \$	Variance Between Actual and Budget \$	Notes
	March	June	September	December				
Sales								
Sales - Retail	24,149				24,149	235,000	-210,851	1
Sales - Tours	1,445				1,445	65,000	-63,555	
Sales - Membership					0	27,000	-27,000	
Management Fee	85,388				85,388	356,263	-270,876	
Sales - Cruise Ship Tours	15,700				15,700	35,000	-19,300	
Other Earned Income	5,476				5,476	20,000	-14,524	
Contribution by FORM	29,000				29,000	29,000		
Total Sales	161,158	0	0	0	161,158	767,263	-606,105	
Expenditure								
Cost of Sales								
Cost of Sales - Retail	13,864				13,864	156,763	-142,899	2
Cost of Sales - Cruise Ship Tours	7,369				7,369	20,000	-12,631	
Cost of Sales - Tours	1,020				1,020	43,000	-41,980	
Total Cost of Sales	22,252	0	0	0	22,252	219,763	-197,511	
Operating expenses								
Programming expenses								
- Contractor, Consultant & Staff Fees/Travel/Expenses	768				768	15,000	(14,232)	
- Staff Development & Training	597				597	5,000	(4,403)	
- Freight, Install and Destall	59				59	3,000	(2,941)	
Total programming costs	1,423	0	0	0	1,423	23,000	-21,577	
Marketing and Promotion Costs								
- Advertising	3,421				3,421	30,000	-26,579	
- Publications & Printed Material	3,584				3,584	45,000	-41,416	
- Distributions						21,000	-21,000	
- Subscriptions/Memberships					0	500	-500	
- Website devt & hosting stage 1	1,400				1,400	10,000	-8,600	
Total marketing and promotion costs	8,405	0	0	0	8,405	106,500	-98,095	3
Employment costs								
- Salaries, wages and on-costs	78,902				78,902	325,000	-246,098	
- Staff Housing	10,920				10,920	30,000	-19,080	
Total employment costs	89,822	0	0	0	89,822	355,000	-265,178	
Administration Costs								
- Office Consumables & Resources	8,755				8,755	40,000	-31,245	
- Communications	1,024				1,024	8,000	-6,976	
- Legal, Finance & Governance	254				254	5,000	-4,746	
- Insurance	2,446				2,446	10,000	-7,554	
Total Administration Costs	12,479	0	0	0	12,479	63,000	(50,521)	
Total operating expenses	112,129	0	0	0	112,129	547,500	-435,371	
Total Cost of Sales and Operating Expenses	134,381	0	0	0	134,381	767,263	-632,882	
Net Income / (Expenditure)	26,777	0	0	0	26,777	0	-1,238,987	

Budget Variance Notes:

1) Membership sales down, \$29k brought forward from last year

2)

3)

ATTACHMENT 3 TO ITEM 11.1.3

2015

MONTHLY ATTENDANCES

1st Quarter 2015

Attachment 3

Jan-15		Tours	Feb-15		Tours	Mar-15		Tours
1st	CLOSED		1st	CLOSED		1st	CLOSED	
2nd	CLOSED		2nd	12		2nd	P HOL	CLOSED
3rd	CLOSED		3rd	11		3rd	10	
4th	CLOSED		4th	7		4th	16	
5th	CLOSED		5th	11		5th	18	
6th	CLOSED		6th	9		6th	17	
7th	CLOSED		7th	7		7th	29	
8th	CLOSED		8th	CLOSED		8th	12	
9th	CLOSED		9th	7		9th	19	
10th	CLOSED		10th	8		10th	16	
11th	CLOSED		11th	7		11th	1520	CRUISE
12th	11		12th	8		12th	12	
13th	8		13th	10		13th	11	
14th	13		14th	16		14th	29	
15th	12		15th	CLOSED		15th	25	
16th	6		16th	6		16th	13	
17th	closed		17th	8	8	17th	18	11
18th	closed		18th	7		18th	15	
19th	8		19th	7		19th	12	
20th	6		20th	4		20th	20	
21st	8		21st	22		21st	8	
22nd	11		22nd	CLOSED		22nd	7	
23rd	9		23rd	5		23rd	26	
24th	12		24th	9		24th	22	
25th	closed		25th	12		25th	32	
26th	P Hol	CLOSED	26th	14		26th	20	
27th	14		27th	15		27th	20	
28th	7		28th	1500	CRUISE	28th	33	21
29th	7					29th	11	
30th	18					30th	31	
31st	10					31st		32
TOTAL	160	8	Total	1722	8	Total	2022	64

VISITORS COMMENTS BOOK

Attachment 4

DATE	Names	Place Of Origin	COMMENTS
13.01.15	Minyien	Perth, WA	Lovely place, beautiful environment
13.01.15	Sophie	Perth, WA	Love it
28.01.15	Marilyn	Scotland	:)
30.01.15	Cegeran	France	Great place!
30.01.15	Kerry	Victoria	Living here fir a few years- Like!
31.01.15	McGrath	Port Macquarie	Great help
06.02.15	Echet Kay	Germany	Nice service, thank you!
10.02.15	Mandy Wen	Taiwan	Hot! ^^
10.02.15	Kim and Tanya	Port Lincoln, SA	Nice place. Not as good as home.
28.02.15	Fran and Dave Ostrovsky	Lancaster, Pa USA	Thanks for the free bottles of water
28.02.15	Kay	Sydney	" " " "
28.02.15	Sieg	Austin, USA	Great Place
28.02.15	Rod Dever and Josie Stack	Newcastle, NSW	It's a place of special beauty
	Ron and Audrey Scott	Sherwood park, Alberta, Canada	Hot + BIG!
05.03.15	Kim Francis and Kevin Voisey	Karratha, WA and Kakadu, NT	Beautiful place. Rain was amazing
11.03.15	Idelin and Norm	Westleigh, Sydney	Very warm
11.03.15	Lyn Dennis	Lake Macquarie, Newcastle	Nice until you go inside. You get a personal schock
11.03.15	Tina and tony D'amico	Carlingford, Sydney	Interesting
11.03.15	Moira Emteridge	Gerrington, NSW	Thanks- keep up the good work. Great 50 shades of brown industry
11.03.15	Guy Vezina	Canada	Small but interesting city. People are friendly
11.03.15	David jones	Lake Macquarie, NSW	Away from everything
11.03.15	Val and tony Webber	Yeronga, Brisbane	More than I envisaged here.
11.03.15	Mary Rossiter and James Oakes	Sault Ste Marie, Ontario, Canada	
11.03.15	Jem and Davis Hancock	Canada	Enjoyed the visit and the wifi!
11.03.15	Mary Marks	Largo, Fz	lovely spot. Wonderful people!
11.03.15	Bau Tinetti and Gwen Cunneen	Macleay Is QLD and Lamb Is QLD	Different and interesting
11.03.15	Laurie	Sydney	Wonderful place, great visitor center!
11.03.15	Catherine Woods	Sydney	Wonderful surprise!
11.03.15	Claire Wallwok and Sheli Moraty	Gold Coast, NZ	Great coffee, hospitality and such a surprise
11.03.15	Sharon and Bob Lamb	North Richmond, NSW	Lovely tourist center with amazing staff and great presentation
11.03.15	Jolinda and Lonnie Downer	Clovis, California	Thank you, very helpful and informative
11.03.15	Von, Lyn and Diane	England	FAB-U-LOUS
11.03.15	Marvin Maronda	Canada	Great Town! Thanks for your hospitality!
11.03.15	Bernard and Rolande Nouchi	Paris, France	
11.03.15	Stevie Doss	Laguna Beach, CA, USA	Let's get it on!
12.03.15	Sandra and James	Dubbo	:) So helpful
12.03.15	Jo and Collin Kirkpatrick	Gippsland, VIC	Great place to look around
13.03.15	Christopher Tuck	Washington DC, USA	Amazing! Thank you for everything!
14.03.15	Carolin and Sophia	Cologne, Germany	Really friendly and helpful! So interesting to look around :)
15.03.15	Robin and Eunice Wilken	Buderim, QLD	Arrived safe on Thursday
15.03.15	Heather Mibus	Hamilton, VIC	Nice stay. Lovely souvenirs
17.03.15	Ross and Sue Williams	Herbey Bay, QLD	Nice!
20.03.15	Randy & Monique Davidson	Coeur D' Alene USA	So friendly & helpful Nice cozy centre. Port is superb
20.03.15	Danielle Davidson	Spokene USA	Glad we called into say hi - Australia is awesome
30.03.15	Anita & Jay	Switzerland	All is giant in Port Hedland

11.1.4 Town of Port Hedland Leisure Facilities Management Contract Third Quarter Report 2014/15

Graeme Hall, Manager Recreation Services and Facilities
File No. 26/04/0015

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That The Audit and Finance Committee:

1. Endorse the third quarter report (attachment 1) for the operation of the Town of Port Hedland Leisure Facilities Management Contract with the YMCA of Perth for the Period 1 January 2015 to 30 March 2015; and
2. Endorse the 2013-2014 Annual Report (attachment 2) as provided by the YMCA of Perth.

201415/042 AUDIT & FINANCE COMMITTEE DECISION

MOVED: MAYOR HOWLETT

SECONDED: CR HUNT

That The Audit and Finance Committee:

1. Endorse the third quarter report (attachment 1) for the operation of the Town of Port Hedland Leisure Facilities Management Contract with the YMCA of Perth for the Period 1 January 2015 to 30 March 2015; and
2. Request that the YMCA of Perth provide a report to the Town of Port Hedland on the following:
 - a. A risk management plan for the expected under performance on the 2014/15 budget.
 - b. A proposal for the 2015/16 budget.
3. Request the Chief Executive Officer, or his delegate(s), to provide a further report to Council reviewing the financial performance and future financial performance of the Town's leisure facilities.
4. Endorse the 2013-2014 Annual Report (attachment 2) as provided by the YMCA of Perth.

CARRIED 4/0

EXECUTIVE SUMMARY

The purpose of this report is for the Audit and Finance Committee to endorse the third quarter report 2014/15 and 2013-2014 Annual Report.

It is recommended that the third quarter report 2014/2015 and 2013/2014 Annual Report received from the YMCA be endorsed.

DETAILED REPORT

The YMCA of Perth is engaged to manage the Town of Port Hedland Leisure Facilities. The current contract agreement commenced in July 2012 and is for a four year term.

The YMCA is required to provide a monthly report by the 15th day of each month. Attached is the March 2015 report (attachment 1). As requirement of the contract between the Town and the YMCA, there is a need to provide an Annual Report each year. The Annual Report is required by 1 October 2014, the 2013/2014 Annual Report was received on 12 March 2015.

The 2013/2014 Annual Report reinforces that the health and fitness elements of the centres operations were fundamental to the financial success of the contract. This has been the case on the previous two years. Membership numbers last year were down, but by virtue of a rise in membership fees income increased by \$14,000. Spin classes added through the year have added some diversity to the fitness class options.

The aquatic facilities had a poor year, although the aqua aerobics attendances were positive. The aquatic education program concluded with 360 participants which was slightly higher than the key performance indicator identified in the budget. Overall the key performance indicators were met with marginal success.

It is clear from the fourth quarter report provided by the YMCA that the consolidated results for the centres are now \$308,401 behind budget expectations. During this quarter the YMCA have conducted open days at both aquatic facilities with positive outcomes. The results from the customer service survey have been received for Wanangkura Stadium. The reports for the aquatic centres have not been collated due to an insufficient sample size being collected.

The results from the customer service survey for Wanangkura were mixed; the report, provided some clear indications as to where improvement can be achieved. The attendance numbers are a clear reason behind the current financial position of the facilities. Wanangkura Stadium is down 54,386 on target and 118,650 down of the previous year-to-date. South Hedland Aquatic Centre is down 22,465 on target and 61,000 on the previous year.

FINANCIAL IMPLICATIONS

Tables 1 below outlines the financial performance of the three leisure facilities for the 2013/2014 financial year. Table 2 outlines the financial overview up to the end of the third quarter of the 2014/2015 financial year.

Table 1 – Financials as of June 30 2014

	Budget	Actual	Variance
Income	\$3,336,906	\$3,042,803	(\$294,103)
Expenditure	\$4,931,982	\$4,668,152	\$263,830

TOTAL	\$1,595,076	\$1,625,349	(\$30,273)
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Table 2 – Financial Overview as of 30 March 2015

	Budget YTD	Actual YTD	Variance
Income	\$2,730,935	\$2,033,800	(\$697,134)
Expenditure	\$4,157,370	\$3,768,638	\$388,734
TOTAL	(\$1,426,435)	(\$1,734,836)	(\$308,401)

It needs to be noted that the financial result for the facilities as outlined in Table 1 is inclusive of the \$580,680 in variations paid to the YMCA in 2013/14.

Based on the information provided in Table 2 the YMCA is \$308,401 behind budget expectations. This figure represents an operating position that continues to worsen when compared to both the first quarter (\$247,022) and second quarter (\$281,824) reports provided to the Audit and Finance Committee.

STATUTORY AND POLICY IMPLICATIONS

Section 1.2 'A vibrant community rich in diverse cultures' of the Strategic Community Plan 2014 – 2024 applies as the contract with the YMCA seeks to deliver facilities and services of a high standard and therefore attract and retain residents and increase the permanent population of the Town.

ATTACHMENTS

1. YMCA Annual Report 30 June 2014 (Under Separate Cover)
2. YMCA Report 30 March 2015 (Under Separate Cover)

14 April 2015

11.2 Works and Services

Nil

11.3 Corporate Services**11.3.1 Audit Agreement 1 July 2014 – 30 June 2019 – Town of Port Hedland and RSM Bird Cameron**

Peter Kocian, Manager Financial Services
File No. 12/19/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

201415/043 RECOMMENDATION/ AUDIT & FINANCE COMMITTEE DECISION

MOVED: CR HUNT

SECONDED: MR HRAMBANIS

That the Audit and Finance Committee:

- 1. Endorse the Audit Agreement as presented between the Town of Port Hedland and RSM Bird Cameron for the period 1 July 2014 and 30 June 2019;**
- 2. Note the Audit Planning Memorandum and the indicative audit timetable for the 2014/15 financial year.**

CARRIED 4/0

EXECUTIVE SUMMARY

The *Local Government Act 1995* and *Local Government (Audit) Regulations 1996* requires that an Audit Agreement be prepared between the local government and its auditor. This report recommends that the Audit and Finance Committee endorse the Audit Agreement between the Town of Port Hedland and its appointed auditor, RSM Bird Cameron.

DETAILED REPORT

At the Ordinary Meeting of 25 February 2015, Council resolved to award Tender 14/22 Provision of Audit Services to the Town of Port Hedland 2014-2019 to RSM Bird Cameron. Regulation 7 of the *Local Government (Audit) Regulations 1996* requires that an Audit Agreement be executed between the local government and its auditor. The Audit Agreement is presented under separate cover as Attachment 1.

The Audit Agreement is to include –

- a) the objectives of the audit; and
- b) the scope of the audit; and
- c) a plan for the audit; and
- d) details of the remuneration; and

- e) the method to be used by the local government to communicate with, and supply information to, the auditor.

One of the functions of the Audit and Finance Committee is to provide guidance and assistance as to the matters to be audited and the scope of the audit. These details are included on pages 2 to 4 of the attached Audit Agreement. The Audit and Finance Committee need to be satisfied with the scope of Audit.

The Town has insisted on additional audit requirements – these are listed under ‘Other matters’ on Page 6 of the attached Audit Agreement.

An Audit Planning Memorandum has also been prepared and is presented under separate cover as Attachment 2. The audit memorandum discusses areas of audit emphasis and audit testing. It also includes a proposed audit timeline, with indicative sign off of the 2014/15 Annual Financial report planned for early October.

Mr. Travis Bate, Principal of RSM Bird Cameron, will be attending the Audit and Finance Committee Meeting and will speak to both the Audit Agreement and Audit Planning Memorandum.

FINANCIAL IMPLICATIONS

The auditor’s remuneration schedule is included in the presented Audit Agreement and is consistent with the Council resolution of 25 February 2015.

STATUTORY AND POLICY IMPLICATIONS

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

The Department of Local Government and Communities has also prepared Operational Guideline Number 9 to provide guidelines to the Audit and Finance Committee for audit in local government.

Goal 4.1 of the Strategic Community Plan – Strategic and best practice local government administration is relevant to this item.

ATTACHMENTS

1. Audit Agreement 1 July 2014 – 30 June 2019 (Under Separate Cover)
2. Audit Planning Memorandum 30 June 2015 (Under Separate Cover)

13 April 2015

11.3.2 2015 UHY Haynes Norton Report on Risk Management, Legislative Compliance and Internal Controls

Josephine Bianchi, Governance Coordinator
File No. 12/14/0002

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That the Audit and Finance Committee:

- 1. Receive the results of the review provided by the Chief Executive Officer under section 17 (3) of the Local Government (Audit) Regulations 1996.**
- 2. Recommend that the Council receive the results of the review provided by the Chief Executive Officer under section 17 (3) of the Local Government (Audit) Regulations 1996.**
- 3. Note that the Town will present to the Committee a quarterly management improvement plan based on the review.**

201415/044 AUDIT & FINANCE COMMITTEE DECISION

MOVED: MAYOR HOWLETT

SECONDED: MR HRAMBANIS

That the Audit and Finance Committee:

- 1. Receive the results of the review provided by the Chief Executive Officer under section 17 (3) of the Local Government (Audit) Regulations 1996.**
- 2. Recommend that the Council receive the results of the review provided by the Chief Executive Officer under section 17 (3) of the Local Government (Audit) Regulations 1996.**
- 3. Note that the Town will present to the Committee a quarterly management improvement plan based on the review.**
- 4. Request the Chief Executive Officer, or his delegate(s), to bring a report to back to Council on the budget allocations and structural change required to embed an integrated risk management system in the organisation.**
- 5. Recommend to Council that it supports the development and implementation of an integrated risk management system.**

CARRIED 4/0

EXECUTIVE SUMMARY

This report recommends that the Audit and Finance Committee receives and recommends to the Council the report presented by the CEO and prepared by UHY Haynes Norton (UHY) on the appropriateness and effectiveness of the Town's systems in regard to risk management, internal control and legislative compliance, as per Regulation 17 of the Local Government (Audit) Regulations 1996.

DETAILED REPORT

The Local Government (Audit) Regulations 1996 (the Regulations) were amended in 2013 to extend the responsibilities of the Audit Committee and Chief Executive Officer of local governments in relation to the reviewing and reporting local government's systems and procedures in regard to risk management, internal control and legislative compliance.

At its Ordinary meeting of 17 December 2014, the Council resolved:

"201415/144 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR HUNT

SECONDED: CR HOOPER

That Council:

- 1. Receive the report from the Governance Coordinator regarding review of the Town's systems and procedures;*
- 2. Note UHY Haines Norton will be engaged to review the Town's systems and procedures in regards to risk management, internal control and legislative compliance by 30 June 2015; and*
- 3. Request that the Chief Executive Officer or his delegate(s) advise the Department of Local Government and Communities of point 2 above.*

CARRIED

6/2"

The scope of UHY's services was to:

- Identify risk management systems policies, procedures and plans in place at the Town, including the effectiveness of the Town's business continuity planning for all service areas;
- Evaluate internal financial control systems and procedures;
- Review the probity of the Town's procurement framework;
- Assess systems and processes for maintaining legislative compliance;
- Develop a gap analysis of any improvements identified during the review;
- Prepare a report of matters identified during the review to assist the CEO to assess the appropriateness and effectiveness of the relevant systems and procedures

UHY carried out a site visit to Port Hedland in February 2015 and undertook meetings with the Town's Executive Leadership Team, Managers, Coordinators, and other relevant officers. UHY also undertook a number of off-site visits to determine the appropriateness and effectiveness of the Town's systems at its various locations.

In carrying out its review UHY considered both the appropriateness and the effectiveness of its systems in relation to risk management, internal control and legislative compliance.

With regard to risk management it was found that whilst the Town does have processes in place to cover organisational functions, an overarching corporate Risk Framework is required.

In terms of legislative compliance the Town does have control procedures and systems in place, however they are considered to be informal and it is recommended they be captured via a documented legislative compliance strategy, to be added to the current Annual Compliance Audit return.

Internal controls were generally considered to be operating effectively, however UHY recommends that to ensure appropriateness the Town should consider the implementation of a risk based approach towards these.

UHY's findings have been provided to the Town in a report (refer attached) along with an Improvement Plan. The Improvement Plan sets out the different actions that need to be taken to improve risk management, legislative compliance and internal controls at the Town. All actions from the plan will be prioritised, responsible officers allocated and resources made available. The implementation of this Plan will be one of the major responsibilities of the newly created Executive/Business Improvement Officer position.

Progress against the Plan will be reported to the Committee on a quarterly basis. It should be noted that a number of the actions have already commenced and are at various stages of completion.

The Town recognises it has the responsibility to embed a robust and appropriate risk management framework across the whole of the organisation and is already ensuring that any gaps in its systems are identified and rectified as part of its day-to-day operations, to ensure its commitment towards continuous improvement.

FINANCIAL IMPLICATIONS

Additional resources will be required for the implementation of the Improvement Plan and associated process and systems. To enable this to happen the new position of Executive/Business Improvement Officer has been created as a first step. Additional resources required will be included in the Town's 2015/16 operating budget for consideration by Council.

STATUTORY AND POLICY IMPLICATIONS

Section 17 of the Local Government (Audit) Regulations 1996 requires the CEO to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance separately or all at the one time, on the provision that each matter is reviewed at least once every two years. This section also states that the CEO is to report to the audit committee the results of that review.

Section 16(c) of the Local Government (Audit) Regulations 1996 requires the CEO to report to the Council the results of that review give a copy of the CEO's report to the Council.

Section 4.1 'Strategic and best practice local government administration' of the Town's 2014-2024 Strategic Community Plan applies with regard to high quality corporate governance accountability and compliance, and maintaining a strong and sustainable financial position

All public documents such as policies, code of conduct, cyclone procedures, compliance audit returns, complaints handling, council and committee minutes referred to in UHY's report can be found listed on the Town's website.

ATTACHMENTS

1. April 2015 UHY Report on review of Risk Management, Legislative Compliance and Internal Controls (Under Separate Cover)

14 April 2015

11.4 Office of the CEO

Nil

**ITEM 12 LATE ITEMS AS PERMITTED BY PRESIDING MEMBER/
COMMITTEE**

Nil

ITEM 13 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

ITEM 14 CONFIDENTIAL ITEMS

Nil

**ITEM 15 APPLICATIONS FOR LEAVE OF ABSENCE FOR THE NEXT
AUDIT & FINANCE COMMITTEE MEETING**

Nil

**ITEM 16 ATTENDANCE BY TELEPHONE/ INSTANTANEOUS
COMMUNICATIONS**

Nil

ITEM 17 CLOSURE

17.1 Date of Next Meeting

The next Audit and Finance Committee Meeting will be held on Wednesday 27 May 2015.

17.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 1:45pm.