



TOWN OF PORT HEDLAND

**NOTICE OF MEETING AND AGENDA
AUDIT, RISK AND GOVERNANCE COMMITTEE
MEETING**

TUESDAY 5 SEPTEMBER 2017 AT 5:30PM

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

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

*David Pentz
Chief Executive Officer*

Distribution Date: 31 August 2017

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DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71
Local Government (Administration) Regulation 34C*

This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C

Name of person declaring the interest	
Position	
Date of Meeting	
Type of Meeting (Please circle one)	Council Meeting - Committee Meeting - Special Council Meeting Workshop - Public Agenda Briefing - Confidential Concept Forum

Interest Disclosed			
Item Number and Title			
Reason for Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

Interest Disclosed			
Item Number and Title			
Reason for Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

Interest Disclosed			
Item Number and Title			
Reason for Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

Signature: _____

Date: _____

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

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

“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”

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TERMS OF REFERENCE

1. Purpose of the Terms of Reference

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

2. Introduction

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

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

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

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

3. Objectives

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

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

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

4. Authority

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

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

5. Composition

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

6. Meetings

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

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

7. Responsibilities

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

7.1 Risk management

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

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

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

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

7.2 Business continuity

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

7.3 Internal Control

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

7.4 Financial Report

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

7.5 Compliance

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

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

7.5.3 Obtain regular updates from management about compliance matters.

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

7.6 Internal Audit

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

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

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

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

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

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

7.6.7 Monitor management's implementation of internal audit recommendations.

7.7 External Audit

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

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

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

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

7.7.5 Monitor management's implementation of external audit recommendations.

7.8 Reporting Responsibilities

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

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

7.9 Other Responsibilities

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

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

*(Adopted by Council at its Ordinary Meeting held 16 November 2011.
Amended by Council at its Ordinary Meeting held 23 October 2013.
Amended by Council at its Ordinary Meeting held on 11 December 2013.
Amended by Council at its Ordinary Meeting held on 27 May 2015.
Amended by Council at its Ordinary Meeting held on 28 October 2015.
Amended by Council at its Ordinary Meeting held on 22 June 2016
Amended by Council at its Ordinary Meeting held on 24 May 2017.)*

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Item 1 Opening of Meeting

The Presiding Member declared the meeting open at ___ pm.

Item 2 Acknowledgement of Traditional Owners

The Presiding Member acknowledges the traditional custodians, the Kariyarra people, and recognises the contribution of Kariyarra Elders past, present and future, in working together for the future of Port Hedland.

Item 3 Recording of Attendance

3.1 Attendance

Committee Members:

Mayor Camilo Blanco – Presiding Member

Councillor Troy Melville

Councillor Julie Arif

Councillor Louise Newbery

Councillor Richard Whitwell

Councillor Lincoln Tavo

Community Members:

Ms Nina Pangahas

Mr Ron Attwood – Deputy Presiding Member

3.2 Apologies

3.3 Approved Leave of Absence

Councillor Jan Gillingham

Councillor David Hooper

3.4 Disclosure of Interests

Name	Item no.	Interest	Nature

Item 4 Response to Previous Questions

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

Nil

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

4.2.1 Councillor Troy Melville

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

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

4.2.2 Councillor Louise Newbery

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

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

Item 5 Applications for Leave of Absence

Item 6 Attendance by Telephone/Instantaneous Communications

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.

7.1 Public Question Time

7.2 Public Statement Time**7.3 Petitions/Deputations/Presentations/Submissions**

Nil

Item 8 Questions from Members without Notice

Item 9 Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting

The following Committee Members declared that they had given due consideration to all matters contained in the agenda:

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 4 July 2017**OFFICER RECOMMENDATION**

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

SIMPLE MAJORITY VOTE REQUIRED

Item 11 Announcements by Presiding Member without Discussion

Disclaimer

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

Item 12 Reports of Officers

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

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

Attachments:

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

OFFICER RECOMMENDATION

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

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

SIMPLE MAJORITY VOTE REQUIRED

EXECUTIVE SUMMARY

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

DETAIL

During the Better Practice Review, the Department of Local Government identified thirty one (31) items for improvement. To date, seventeen (17) items have been marked as complete. Of the remaining outstanding items, nine (9) have been identified as high priority and five (5) as medium priority. Six (6) of these items relate to the Strategic Community Plan, which is currently under review, and any actions or updates will be reliant upon adoption of the SCP in early 2018.

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

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

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

Previous Decisions

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

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

- August 2016
- May 2017
- July 2017

Engagement and Communications

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

LEGISLATION AND POLICY IMPLICATIONS

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

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

FINANCIAL IMPLICATIONS

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

STRATEGIC AND RISK IMPLICATIONS

Environmental

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

Economic

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

Social

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

Financial

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

Risk

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

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Do not adopt Officer's Recommendation

CONCLUSION

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

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

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

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

Attachments:

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

OFFICER RECOMMENDATION

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

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

SIMPLE MAJORITY VOTE REQUIRED

EXECUTIVE SUMMARY

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

DETAIL

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

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

Status of ARG Committee Decisions Report

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

Completed Decisions Report

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

Original Meeting Date	Item Title	Comment
02/05/2017	12.1.2 Audit Findings report	The ARG Committee endorsed the external audit findings, and the report was considered at the May 2017 Ordinary Council Meeting. Council endorsed the report, and it was sent to the Minister of Local Government on 9 June 2017. No further action is required and the item has been marked as complete.
04/07/2017	12.1.1 Bi-monthly Status Reports of the Audit, Risk and Governance Committee	The Bi-Monthly reports were presented to the ARG Committee and carried unanimously. No further action is required, and therefore the item has been marked as complete.
04/07/2017	12.1.2 Quarterly Better Practice Review Update	The Committee received the report on the Quarterly Better Practice Review. No further action is required, and the item has been marked as complete.
04/07/2017	12.1.3 Funding and Donations for the period of 1 April to 30 June 2017	This item was also for noting only. The ARG Committee carried the recommendation unanimously. No further action is required, and the item has been marked as complete.
04/07/2017	10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 2 May 2017	The ARG Committee carried the recommendation to confirm the Minutes, the Minutes were printed and signed by the Mayor. No further action is required, and the item has been marked as complete.
10/06/2015	11.1.1 Town of Port Hedland Leisure Facilities Management Contract - Review May 2015	Part 6 of this ARG Committee decision was outstanding for some time. The remaining outstanding point was as follows: <i>“6. Request the Chief Executive Officer, or his delegate(s), to investigate retractable shade options and costs for the South Hedland Aquatic Centre for consideration in the 15/16 budget”.</i> At the 26 July Ordinary Council Meeting, Council adopted the 2017/18 Budget, in which an allocation for a new non-retractable shade sail has been included, therefore the item has been marked as complete.

Register of risk ratings derived from Council decisions

This register is being used to monitor risk ratings of items that were presented to Council with a risk rating of 10 and higher. Currently any items of an ongoing nature are also listed on the register and are being monitored by Town officers.

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

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

Previous Decisions

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

Date of Meeting	Recommendation	Note
09/08/2016	That the Audit, Risk and Governance Committee receive the following status reports: 1. Quarterly Better Practice Review Status Update, as at 5 August 2016; 2. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 5 August 2016; and 3. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 5 August 2016.	Moved by Ms Pangahas, seconded by Councillor Blanco (his position at the time) and carried unanimously 5/0.
06/09/2016	That the Audit, Risk and Governance Committee receive the following reports: 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 31 August 2016; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 31 August 2016; and 3. Monthly Risk Register Report as at 31 August 2016.	Moved by Cr Whitwell, seconded by Councillor Melville and carried 5/1.
08/11/2016	That the Audit, Risk and Governance Committee receive the following reports: 1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 31 October 2016; 2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 31 October 2016; and 3. Monthly Risk Register Report as at 31 October 2016.	Moved by Councillor Whitwell, seconded by Mayor Blanco and carried 3/2.
06/12/2016	That the Audit, Risk and Governance Committee receive the following reports: 1. Monthly Status of Audit, Risk and Governance	Motion lost 2/4 to receive the reports.

	<p>Committee Decisions, as at 28 November 2016;</p> <p>2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 28 November 2016; and</p> <p>3. Monthly Risk Register Report as at 29 November 2016.</p>	
07/02/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <p>1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 27 January 2017;</p> <p>2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 27 January 2017; and</p> <p>3. Monthly Risk Register Report as at 27 January 2017.</p>	Moved Councillor Arif, seconded Councillor Whitwell and carried 6/0.
07/03/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <p>1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 24 February 2017;</p> <p>2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 24 February 2017; and</p> <p>3. Monthly Risk Register Report as at 24 February 2017.</p>	Moved Councillor Tavo, seconded Councillor Whitwell and carried 5/1.
02/05/2017	<p>That the Audit, Risk and Governance Committee receive the following reports:</p> <p>1. Monthly Status of Audit, Risk and Governance Committee Decisions, as at 24 April 2017;</p> <p>2. Monthly Audit, Risk and Governance Committee Decision Completion Report, as at 24 April 2017; and</p> <p>3. Monthly Risk Register Report as at 24 April 2017.</p>	Moved Councillor Newbery, seconded Mayor Blanco and carried 3/2 by the Mayors casting vote.
04/07/2017	<p>That the Audit, Risk and Governance Committee accept the following reports:</p> <p>1. Bi-monthly Status of Audit, Risk and Governance Committee Decisions, as at 21 June 2017;</p> <p>2. Bi-monthly Audit, Risk and Governance Committee Decision Completion Report, as at 21 June 2017; and</p> <p>3. Bi-monthly Risk Register Report as at 21 June 2017.</p>	Moved Councillor Melville, seconded Councillor Whitwell and carried 6/0.

Engagement and Communications

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

LEGISLATION AND POLICY IMPLICATIONS

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

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

FINANCIAL IMPLICATIONS

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

STRATEGIC AND RISK IMPLICATIONS

Environmental

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

Economic

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

Social

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

Financial

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

Strategic

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

Risk

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

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Do not adopt Officer's Recommendation

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

CONCLUSION

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

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

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

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

Attachments:

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

OFFICER RECOMMENDATION

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

SIMPLE MAJORITY VOTE REQUIRED

EXECUTIVE SUMMARY

The guidelines to the Town of Port Hedland Funding and Donations Policy 6/003 state the Chief Executive Officer is to submit quarterly reports to the Audit, Risk and Governance Committee detailing all funding and donations that have been made since the previous quarter. Attachment 1 lists \$60,360 of funding and donations paid for the period 1 April 2017 to 30 June 2017. This is the revised final total. The ARG agenda item for the meeting held on 4 July 2017 was due for submission prior to the period ending 30 June 2017. At this point in time five applications were pending approval and payment. These have since been approved and paid.

DETAIL

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

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

Engagement and Communications

Internal Consultation included:

- Acting Director Corporate & Performance.

External Consultation included:

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

LEGISLATION AND POLICY IMPLICATIONS

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

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

Providing attachment 1 ensures compliance with this policy.

FINANCIAL IMPLICATIONS

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

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

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

STRATEGIC AND RISK IMPLICATIONS*Environmental*

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

Economic

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

Social

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

Financial

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

Strategic

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

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

Risk

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

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Do not adopt Officer's Recommendation

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

CONCLUSION

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



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



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

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



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

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

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

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

Attachments:

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

OFFICER RECOMMENDATION

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

SIMPLE MAJORITY VOTE REQUIRED

EXECUTIVE SUMMARY

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

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

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

BACKGROUND

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

“MOVED: CR ARIF

SECONDED: MS PANGAHAS

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

CARRIED 6/0”

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

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

CONSULTATION

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

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

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

LEGISLATIVE IMPLICATIONS

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

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

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

STRATEGIC IMPLICATIONS

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

SUSTAINABILITY IMPLICATIONS*Environmental*

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

Economic

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

Social

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

Risk

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

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

OPTIONS*Option 1*

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

CONCLUSION

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

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

12.1.5 Outcome of Paxon Group Audits

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

Attachments:

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

OFFICER RECOMMENDATION

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

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

2. Note that the Town has given due consideration to all of the findings listed in the above mentioned audits; and
3. Note that all items considered as requiring action have been listed as part of the Town's Business Improvement Plan which is regularly submitted to the ARG for consideration.

SIMPLE MAJORITY VOTE REQUIRED

EXECUTIVE SUMMARY

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

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

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

DETAIL

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

Review of the Appointment of the Executive Officer in 2015

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

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

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

Port Hedland International Airport Long-Term Lease

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

Review of Procurement Process (January 2016 to August 2016)

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

Engagement and Communications

- Executive Leadership Team
- Acting Manager Finance
- Paxon Group

LEGISLATION AND POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

STRATEGIC AND RISK IMPLICATIONS*Environmental*

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

Economic

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

Social

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

Financial

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

Strategic

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

- Deliver high quality corporate governance accountability and compliance.

Risk

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

OPTIONS

Option 1 - Adopt Officer's Recommendation

Option 2 – Amend Officer's Recommendation

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

CONCLUSION

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

Item 13 Motions of Which Previous Notice Has Been Given

Item 14 New Business of an Urgent Nature

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

Item 16 Closure

16.1 Date of Next Meeting

The next Audit, Risk and Governance Committee Meeting will be held on Tuesday 7 November 2017, commencing at 5:30pm.

16.2 Closure

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