

MINUTES

Audit, Risk and Governance Committee Meeting

11 March 2019

Committee Members

Here within are the Minutes of the Audit, Risk and Governance Committee Meeting held Monday 11 March 2019 in the City of South Perth Council Chamber, Cnr Sandgate Street and South Terrace, South Perth.

As this Committee does not hold Delegated Powers or Duties in accordance with Section 5.23 of the Local Government Act the meeting was not open to the public.



GEOFF GLASS
CHIEF EXECUTIVE OFFICER

12 March 2019

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Audit, Risk and Governance Committee Meeting - Minutes

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 5.31pm and welcomed everyone in attendance including Mr Cameron Palassis, Partner from Paxon and Mr Patrick Arulsingham, Senior Director from the Office of the Auditor General.

2. ATTENDANCE

Elected Members

Mayor (Chair)
Mill Point Ward (Deputy Chair)
Moresby Ward

Sue Doherty
Councillor Ken Manolas (from 5.40pm)
Councillor Greg Milner

External Members

Ms Shona Zulsdorf
Mr Steve Vanstan

Officers

Chief Executive Officer
Director Corporate Services
Director Infrastructure Services
Manager Finance Services
Manager Governance
Manager Organisational Planning & Performance
Governance Coordinator
Senior Governance Officer

Mr Geoff Glass
Mr Colin Cameron
Mr Mark Taylor
Mr Andre Brandis
Ms Bernadine Tucker
Ms Vanessa Loncar
Ms Toni Fry
Ms Christine Lovett

2.1 APOLOGIES

Manning Ward
Mill Point Ward

Councillor Blake D'Souza
Councillor Cheryle Irons

2.2 APPROVED LEAVE OF ABSENCE

Nil.

3. DECLARATIONS OF INTEREST

Nil.

4. CONFIRMATION OF MINUTES

4.1 AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING HELD: 12 November 2018

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Greg Milner

Seconded: Mayor Sue Doherty

That the Minutes of the Audit, Risk and Governance Committee Meeting held 12 November 2018 be taken as read and confirmed as a true and correct record.

CARRIED (4/0)

5. PRESENTATIONS

Nil.

6. BUSINESS ARISING FROM PREVIOUS MEETING

Nil.

7. REPORTS

7.1 2017/18 OFFICE OF THE AUDITOR GENERAL FINAL REPORT

Location:	City of South Perth
Ward:	Not Applicable
Applicant:	City of South Perth
File Ref:	D-19-19236
Meeting Date:	11 March 2019
Author(s):	Vanessa Loncar, Manager Organisational Planning & Performance
Reporting Officer(s):	Colin Cameron, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report recommends that the Audit, Risks and Governance Committee and Council note the Office of the Auditor General Final Management Letter and Audit Findings for the 2017/18 Financial Year.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Sue Doherty
Seconded: Councillor Greg Milner

That the Audit, Risk and Governance Committee recommend to Council that it:

1. Note the Office of the Auditor General Final Management Letter to the CEO and Mayor for the 2017/18 Financial Year **Attachment (a)**,
2. Note the Office of the Auditor General Audit Findings for the 2017/18 Financial Year **Confidential Attachment (b)**, and
3. Accept all recommendations in the Audit Findings **Confidential Attachment (b)** and include these items in the audit register.

CARRIED (4/0)

Background

The 2017/18 Financial Statements provides our community with an open and accountable insight into how we have progressed our vision and strategic objectives outlined in our Strategic Community Plan 2017-2027, including our main achievements and challenges, our financial performance, and our key targets for the year ahead.

At the November 2018 Audit, Risk and Governance Committee (Committee) Meeting the Committee were presented with the 2017/18 Financial Statements Report along with the following attachments:

- 7.2 (a): Financial Statements;
- 7.2 (b): Draft Auditors Report; and
- 7.2 (c): Financial Management Letter.

Comment

Since the last committee meeting attachment 7.2 (b) Draft Auditors Report has been finalised, this has been included in this report as **Attachment (a)** Final Management letter to the CEO and Mayor for the 2017/18 Financial Year. The City has also received the accompanying audit findings. This has been included in this report as **Attachment (b)** Audit Findings for the 2017/18 Financial Year.

A summary of the audit findings are included below:

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Infrastructure	x		
2. Change Management		x	
3. Disaster Recovery and Business Continuity Plan		x	
4. Information Technology Policy, Procedures and Security		x	
5. Technology Allowance			x
6. Collier Park departing resident refund			x

Officers recommend all the recommendations be included in the Audit Register. All items included in the Audit Register will be reported at each subsequent Committee Meeting, including information relating to the progress of implementing the Agreed Management Actions, a percentage complete indicator and Officer Comments. As these issues are implemented, a recommendation will be included to close the item. Closed items will no longer be reported in the Audit Register to the Committee, but will be accessible by the Internal and External Auditors to review compliance.

Consultation

Nil.

Policy and Legislative Implications

Section 5.53(1) of the *Local Government Act 1995* requires a local government to prepare an annual report for each financial year. Section 5.53(2) of the *Local Government Act 1995* specifies that the Annual Report is to contain the financial report and auditor's statement for that financial year.

Financial Implications

Nil.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction: Leadership
Aspiration: A visionary and influential local government
Outcome: Good governance
Strategy: Empower effective and quality decision-making and governance

Attachments

- 7.1 (a): Final Management Letter to CEO and Mayor for the 2017/18 Financial Year
- 7.1 (b): Audit Findings for the 2017/18 Financial Year (*Confidential*)

At 5.40pm Councillor Ken Manolas arrived at the meeting prior to Item 7.2.

7.2 STRATEGIC INTERNAL AUDIT PLAN REVIEW

Location: City of South Perth
Ward: Not Applicable
Applicant: Council
File Ref: D-19-6844
Meeting Date: 11 March 2019
Author(s): Vanessa Loncar, Manager Organisational Planning & Performance
Reporting Officer(s): Colin Cameron, Director Corporate Services
Strategic Direction: Leadership: A visionary and influential local government
Council Strategy: 4.3 Good Governance

Summary

This report has been prepared for the Committee to consider progress against the Strategic Internal Audit Plan, review the Plan and make alterations, where necessary. The updated Strategic Internal Audit Plan will assist in establishing the annual work plans and annual budget.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Greg Milner
Seconded: Councillor Ken Manolas

That the Audit, Risk and Governance Committee recommend that Council adopt the Strategic Internal Audit Plan: 2018/2019 to 2022/23.

CARRIED (5/0)

Background

Internal audit should help reduce risk (where appropriate), improve the business, and provide assurance that appropriate governance, risk management and control arrangements are in place and working effectively. The Strategic Internal Audit Plan: 2017/18 to 2021/2022 (SIAP) was adopted by Council at its meeting held 26 June 2018.

Internal Audit, undertaken by Paxon is different to the External (Financial Statements) Audit undertaken by the Office of the Auditor General (OAG). The External Audit attests the values contained in the Annual Financial Statements and Notes, to a materiality level, for an external audience (the general public). However, given good systems and processes are required to produce Financial Statements, the OAG will consider the findings, improvements and reporting by the Internal Auditor (Paxon) as part of their analysis when undertaking their External (Financial Statements) Audit.

Although the SIAP is less than a year old, it is an appropriate time to undertake an Annual Review, to help facilitate the work plans and allocate the appropriate funds in the upcoming (2019/20) Budget. In considering any changes to the adopted SIAP, the Committee should give consideration to the Internal Audits that have been completed and the amendments to subsidiary legislation; the Local Government (Financial Management) Regulations 1996 and the Local Government (Audit) Regulations 1996, that came into effect on 27 June 2018.

The original SIAP: 2017/18 to 2021/2022 as well as an updated SIAP 2018/19 to 2022/2023 is included as an attachment.

Comment

The SIAP comprises three main components:

- Link between the Strategic Direction, Strategies, Key Risks and Proposed Audits
- Summary of the Strategic Internal Audit Plan
- Details of the Strategic Internal Audit Plan

In developing the plan, as well as this review, Management and Paxon Group have considered our financial constraints, various project timeframes (i.e. 1System project), organisational capacity to support the Internal Audit work, as well as developing and implementing the Audit findings/recommendations.

On 24 August 2017, amendments were passed by State Parliament to enable the WA Auditor General to be responsible for External (Financial Statements), Performance and other Special Local Government Audits.

Regulations supporting the legislative changes were also amended, effective 27 June 2018. One positive change was the harmonisation of Local Government (Audit) Regulations 1996: 17(2); with Local Government (Financial Management) Regulations 1996: 5(2)(c). Essentially these parts require the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures every **three years**. Prior to 27 June 2018, the Audit Regulations required a similar exercise to be undertaken every two calendar years, with the Financial Management Regulations once every four financial years. These changes have been considered in preparing the recommended SIAP.

The updated draft SIAP includes the Internal Audits completed in 2018/19, as well as the remaining scheduled for 2018/19. As it is good practice to have a rolling 5 year program, an additional year (2022/23) has been added for consideration.

In reviewing the SIAP, the Committee/Council may wish to have a greater emphasis placed on certain areas, or wish to alter the year in which an area will have an Internal Audit. In addition, the SIAP may be amended to allow for changes in circumstances or priorities. As described above, alterations to a plan should be mindful of financial constraints, various project timeframes and the organisational capacity to support the undertaking of Internal Audits and then develop/implement the Audit recommendations.

The updated Strategic Internal Audit Plan: 2018/19 to 2022/23 is provided for consideration.

Consultation

No external consultation has occurred.

Policy and Legislative Implications

The Internal Audit function is considered a business improvement process that will assist in compliance with the Local Government (Financial Management) Regulations 5 (CEO's duties as to financial management) and the Local Government (Audit) Regulations 17 (CEO to review certain systems and procedures).

Financial Implications

The Internal Audit function has a budget of \$35,000 for the 2018/19 financial year and it is anticipated that a budget of a similar amount is to be adopted each year. In addition to the payments to Paxon Group, there is a significant cost (officer time) in assisting the Auditors during the Audit, then designing/implementing recommendations and regular reporting of the progress against the plan.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#)

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Empower effective and quality decision-making and governance

Attachments

7.2 (a): Draft Strategic Internal Audit Plan

7.3 INTERNAL AUDIT - REVIEW OF PROCUREMENT TRANSACTIONS

Location:	City of South Perth
Ward:	Not Applicable
Applicant:	Council
File Ref:	D-19-3428
Meeting Date:	11 March 2019
Author(s):	Vanessa Loncar, Manager Organisational Planning & Performance
Reporting Officer(s):	Colin Cameron, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report tables the Internal Audit report relating to the Review of Procurement Transactions. This report includes details relating to the Procurement Audit, presented to the Committee in September 2018, as well as information contained in Auditor General's Report – Local Government, released in October 2018. Whilst the City was not included in the Auditor General's Report, it is good practice to consider these findings in relation to the City of South Perth.

The Review of Procurement Transactions report contains findings with similar themes, therefore these have been grouped into four separate items, as described in Part 5.5 - Combined Management Comments.

The audit includes strengths, weaknesses, rating, issues, risk ratings, recommendations and management comments. It is recommended that each issue be accepted, added to the City's Audit Register, with commentary on progress of resolution of issues to be reported at each Committee Meeting.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Ken Manolas

Seconded: Ms Shona Zulsdorf

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Note the Internal Audit – Review of Procurement Transactions report contained in **Confidential Attachment (a)**, and
2. Accept all recommendations contained in Section 5.1 to 5.4 in the Internal Audit – Review of Procurement Transactions, noting that four separate items, as described in Part 5.5 - Combined Management Comments, be added to the Audit Register.

CARRIED (5/0)

Background

The five year Strategic Internal Audit Plan was approved by Council in February 2018 and Internal Audits commenced in March 2018. The first Internal Audit Report – Rates, was presented to the Committee for consideration in June 2018. The Internal Audit Report – Review of Procurement Transactions is presented for consideration.

Comment

The Internal Audit Report – Review of Procurement Transactions, is a confidential report to be used for internal purposes to assist in improving business processes and systems. The report includes the strengths, weaknesses, rating, issues, risk ratings, recommendations and management comments.

Paxon were finalising their report when the Auditor General's (AG) released a report on Local Government Procurement (October 2018). The AG audited the Procurement of the Shire/Town/City of Bassendean, Dalwallinu, Fremantle, Greater Geraldton, Harvey, Kalgoorlie/Boulder, Karratha and Stirling. Although South Perth was not included in this audit, it is considered good practice to consider these findings in relation to the City of South Perth. Officers requested Paxon undertake this review when finalising the Review of Procurement Transactions. Paxon's review of the AG report is contained with in Section 6 (attached) of their report.

This Paxon Report is very detailed, building on from the higher level report titled Procurement Audit, presented to the Committee in September 2018. The Review of Procurement Transactions Audit Report contains findings with similar themes, therefore these have been grouped into four separate items, as described in Part 5.5 - Combined Management Comments. It is recommended that these four items be added to the Audit Register.

All items included in the Audit Register will be reported at each subsequent Committee Meeting, including information relating to the progress of implementing the Agreed Management Actions, a percentage complete indicator and Officer Comments. As these issues are implemented, a recommendation will be included to close the item. Closed items will no longer be reported in the Audit Register to the Committee, but will be accessible by the Internal and External Auditors to review compliance.

Included in this Agenda is the Compliance Audit Return for the 2018 calendar year, that includes questions regarding Tenders for Providing Goods and Services, relating to compliance of the *Local Government Act 1995* and Regulations. This Internal Audit Report – Review of Procurement Transactions has findings over multiple years, however the findings in relation to Tenders are prior to 2018. There are findings for 2018, however these relate to the amounts lower than a Tender (Quotations), compliance relating to Policy and Management Practice, rather than the Act and Regulations.

Consultation

No external consultation has been undertaken.

Policy and Legislative Implications

The Internal Audit function is considered a business improvement process that will assist in compliance with Regulation 5 of the Local Government (Financial Management) Regulation 1996 (CEO's duties as to financial management) and regulation 7 of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures).

Financial Implications

The Internal Audit function has a budget of \$35,000 for the 2018/19 financial year and it anticipated that a budget of a similar amount is to be adopted each year. Staff effort to undertake the improvements and report on progress has not been estimated.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Empower effective and quality decision-making and governance

Attachments

7.3 (a): Internal Audit Report - Procurement (*Confidential*)

7.4 AUDIT REGISTER - PROGRESS REPORT

Location:	City of South Perth
Ward:	Not Applicable
Applicant:	Council
File Ref:	D-19-13706
Meeting Date:	11 March 2019
Author(s):	Vanessa Loncar, Manager Organisational Planning & Performance
Reporting Officer(s):	Colin Cameron, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report provides an update on the progress of actions included in the Audit Register. The Audit Register includes all (open) audit findings that have previously been accepted by the Committee. It is recommended the Audit Risk and Governance Committee review and accept the Audit Register Progress Report.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf
Seconded: Mr Steve Vanstan

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Note the progress recorded against each item within the Audit Register in **Confidential Attachment (a)**; and
2. Approve all items marked as Completed (100%) in the Audit Register, to be registered as closed and no longer reported.

CARRIED (5/0)

Background

The attached confidential Audit Register lists Internal and external Audit findings and describes the progress of implementing the improvement, as well as a percentage of completion. This report has been prepared for consideration/noting the progress of completed since the last meeting.

Comment

A summary of the audit register is as follows:

Status	Number	Range
Not yet commenced	4	9%
Progressed	18	10% to 95%
Completed	5	100%
Total	27	

It is requested to note the progress and Officer comments. In addition, it is recommended all Completed (100%) items in the Audit Register be registered as closed. All closed items will not form part of the Audit Register report for future meetings. The closed items are available for the Internal and External Auditors and Committee/Council to review.

Consultation

No external consultation has occurred.

Policy and Legislative Implications

The Internal Audit function is considered a business improvement process that will assist in compliance with Regulation 5 of the Local Government (Financial Management) Regulation 1996 (CEO's duties as to financial management) and Regulation 7 of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures).

Financial Implications

The Internal Audit function has a budget of \$35,000 for the 2018/19 financial year and it is anticipated that a budget of a similar amount is to be adopted each year. Staff effort to undertake the improvements and report on progress has not been estimated.

The External Audit function has a budget of \$50,000 for the 2018/19 financial year and it is anticipated that a budget of a similar amount is to be adopted each year. Staff effort to undertake the improvements and report on progress has not been estimated.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Empower effective and quality decision-making and governance

Attachments

7.4 (a): City of South Perth Audit Register (*Confidential*)

7.5 ANNUAL REVIEW OF COUNCIL DELEGATIONS

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-19-10397
Meeting Date:	11 March 2019
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Geoff Glass, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

The City has a statutory obligation under the *Local Government Act 1995* to review its Delegations each financial year. The Terms of Reference of the Audit Risk and Governance Committee include responsibility for reviewing the City's delegations.

A review of the Council Delegations has been completed and is now presented for consideration of the Committee and referral to Council for adoption.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Greg Milner

Seconded: Mayor Sue Doherty

That the Audit, Risk and Governance Committee recommends to Council to:

1. Accept the new and amended delegations contained in **Attachment (a)**.
2. Revoke Delegation 664A, 664B, 664C, 665A, 665B, 665C.

**ABSOLUTE MAJORITY REQUIRED
CARRIED (5/0)**

Background

Section 5.42 of the *Local Government Act 1995* (the Act) provides that a council may delegate to the Chief Executive Officer the exercise of any of its powers or the discharge of any of its duties under the Act, other than those referred to in section 5.43.

The purpose of this review is to consider the operational effectiveness of the current delegations, whether they remain relevant and appropriate and whether legislative amendments or organisational changes necessitate any revisions to the text.

Comment

All Delegations have been reviewed. The following Delegations require minor amendments, such as formatting for consistency and clearly referencing the power to delegate under the associated Act:

- DC370 Approve or Refuse Granting of a Building Permit
- DC371 Approve or Refuse Granting of a Demolition Permit

- DC115 Granting Fee Waiver – City Reserves and Facilities
- DC373 Approve or Refuse an Extension of the Duration for Occupancy Permits or Building Approval Certificates
- DC374 Appoint Authorised Officers for the purpose of the Building Act 2011
- DC372 Grant or Refuse to Grant Occupancy Permits or Building Approval
- DC511 Partial Closure of a Thoroughfare for Repair or Maintenance
- DC601 Preparation of Long Term Financial Plan, Annual Budget & Annual Financial Report
- DC375 Issue or Revoke Building Orders
- DC607 Acceptance of Tenders/E-Quotes/Common Use Agreements
- DC607B Non Acceptance of Tenders
- DC603 Investment of Surplus Funds
- DC609 Leases and Licences
- DC612 Disposal of Surplus Property
- DC608 Acceptance of Contract Variations Relating to Tenders Approved by Council
- DC616 Write off Debts
- DC642 Appointment of Acting CEO
- DC685 Inviting Tenders or Expressions of Interest
- DC686 Granting Fee Concessions – Development Applications
- DC679 Administer the City’s Local Laws
- DC690 Town Planning Scheme 6

The following Delegations require major changes. A small summary explaining the changes has been provided below:

DC664A Dogs – Limitation as to numbers

DC664B Dogs – Dangerous Dog Declaration

DC664C Dogs – Registration

These three delegations have been combined into one Delegation – **DC664 Dog Act**, and references the ability to perform any power or duty of the local government under the *Dog Act 1976*. This one Delegation will make it easier for referencing and reviewing.

DC665A Cats – Registration

DC665B Cats – Approval to Breed Cats

DC665C Cats – Recover Costs

These three delegations have been combined into one Delegation – **DC665 Cat Act**, and references the ability to perform any power or duty of the local government under the *Cat Act 2011*. This one Delegation will make it easier for referencing and reviewing.

DC678 Appointment of Authorised Officers

This Delegation has been amended to remove reference to the *Dog Act 1976* and the *Cat Act 2011* as these are contained in the new delegations mentioned above. Reference to the *Bush Fires Act 1954* has been removed and a separate delegation provided. Reference to the *Control of Vehicles (Off Road Areas) Act 1978* and the *Caravan Parks and Camping Grounds Act 1995* has been removed and will be the subject of a separate report to the Audit, Risk and Governance Committee.

New Delegation - DC684 Sealed Documents

The City of South Perth Standing Orders Local Law 2002 gave the CEO, or an employee authorised by the CEO, the ability to affix the Common Seal to any document that needed the Common Seal to be legally effective and to sign the Sealed Document on behalf of the City. Section 9.49A(4) of the *Local Government Act 1995* provides that a local government may, by resolution, authorise the CEO to execute Sealed Documents. In accordance with this section, it is more appropriate to have a delegation for this function rather than it be contained within a local law.

New Delegation – DC677 Bush Fires Act

As mentioned in DC678 above, it is recommended that the delegation for performing the functions of the local government under the *Bush Fires Act 1954* be a separate delegation. This is because the power to delegate is contained within the *Bush Fires Act 1954*, whereas the delegation for DC678 has the delegation power under the *Local Government Act 1995*. Therefore, it is considered more appropriate to properly reference the statutory reference and powers and duties in a separate delegation.

New Delegation – DC401 Graffiti Vandalism Act

The *Graffiti Vandalism Act 2016* deals with graffiti vandalism on public property and regulates the cleaning of graffiti, immunity when entering land and removing graffiti, and local government powers. These powers include the ability to issue a notice requiring the removal of graffiti and the other additional powers when a notice is given. It is recommended that a Delegation be given to the Chief Executive Officer to perform any power or duty of the 'local government' under the *Graffiti Vandalism Act 2016* so that issues involving graffiti can be resolved quickly.

The proposed new Delegations and the amended Delegation can be viewed in **Attachment (a)**.

Consultation

Consultation has occurred with officers of each of the relevant Departments.

Policy and Legislative Implications

Section 5.46(2) of the *Local Government Act 1995* requires all delegations to be reviewed at least once each financial year.

Financial Implications

Nil.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction: Leadership
Aspiration: A visionary and influential local government
Outcome: Good governance
Strategy: Empower effective and quality decision-making and governance

Attachments

7.5 (a): Council Delegations

7.6 APPOINTMENT OF AUTHORISED PERSONS

Location:	Not Applicable
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-19-15364
Meeting Date:	11 March 2019
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Geoff Glass, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report is for authorised persons to be appointed under the *Control of Vehicles (Off-road Areas) Act 1978* and the *Caravan Parks and Camping Grounds Act 1995* rather than via a delegation.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Sue Doherty

Seconded: Mr Steve Vanstan

That the Audit, Risk and Governance Committee recommends to Council that:

1. the following classes of persons be appointed for the purpose of section 38 of the *Control of Vehicles (Off-road Areas) Act 1978*:
 - Coordinator Ranger Services
 - Senior Ranger
 - Ranger
2. the following classes of persons be appointed for the purpose of section 17 and 23 of the *Caravan Parks and Camping Grounds Act 1995*:
 - Coordinator Environmental Health
 - Environmental Health Officer
 - Coordinator Rangers
 - Senior Ranger
 - Rangers

CARRIED (5/0)

Background

The *Control of Vehicles (Off-road Areas) Act 1978* prohibits the use of vehicles in certain places and controls the use of vehicles in off-road areas. The *Caravan Parks and Camping Grounds Act 1995* regulates caravanning and camping within the District.

A review of the City's delegations has determined that the *Control of Vehicles (Off-road Areas) Act 1978* and the *Caravan Parks and Camping Grounds Act 1995* are not delegations, but rather authorisations. Under both legislation, the 'authorised person' or class of person must be appointed by Council.

Comment

The appointment of authorised officers or classes of officers under the *Control of Vehicles (Off-road Areas) Act 1978* will ensure the designation of persons specified will be authorised to perform their role in a timely manner under the Act. Authorising designations of persons will also remove the need to seek a Council decision each time a new person is employed.

Additionally, the appointment of authorised officers or classes of officers under section 17 and 23 of the *Caravan Parks and Camping Grounds Act 1995* will ensure the day to day operations of the Act can be carried out and infringements issued.

Consultation

Rangers and Environmental Health Officer's were consulted.

Policy and Legislative Implications

Section 38 of the *Control of Vehicles (Off-road Areas) Act 1978*.

Section 17 and 23 of the *Caravan Parks and Camping Grounds Act 1995*.

Financial Implications

Nil.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Empower effective and quality decision-making and governance

Attachments

Nil

7.7 ANNUAL POLICY REVIEW

Location:	City of South Perth
Ward:	Not Applicable
Applicant:	City of South Perth
File Ref:	D-19-18891
Meeting Date:	11 March 2019
Author(s):	Christine Lovett, Governance Officer
Reporting Officer(s):	Bernadine Tucker, Manager Governance
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

The City has a statutory obligation under the *Local Government Act 1995* to review its policies each financial year. The Terms of Reference of the Audit, Risk and Governance Committee include responsibility for reviewing the City's policies.

The annual review of the following Council Policies held within the Environment (Built and Natural) and Leadership strategic directions are now presented for the consideration of the Committee and referral to Council for adoption.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Ms Shona Zulsdorf
Seconded: Councillor Greg Milner

That the Audit Risk and Governance Committee recommends to Council that it:

1. Notes that the following policies having been reviewed with 'no changes' being proposed:
 - P204 Chemical Use
 - P205 Tree Preservation
 - P206 Urban Forest
 - P207 Natural Areas
 - P209 Shade Structures
 - P210 Street Verges
 - P211 Water Sensitive Urban Design
 - P213 Phytophthora Management
 - P357 Right of Way (ROW) Maintenance and Development
 - P401 Graffiti Management
2. Adopts the following revised policy:
 - P203 Ground Water Management
3. Adopts the following new policy
 - P624 Media Communications
4. Revokes Policy P662 Advertising on Banner Poles

CARRIED (5/0)

Background

In line with contemporary organisational models, the policy framework aligns policies and delegations to the City's Strategic Directions.

During the review process, policies are considered by the custodian department having the relevant technical expertise in relation to the policy content and subsequently by the Executive Management Team (EMT) representing each of the City's Directorates.

The policy review centres on the continuing relevance of the policy and the need to update it in light of any change in the legislative or operating environment. The policy review may identify a need to revise the policy or it may determine that no change is needed. The nature of the change, whether minor or major, is noted in the Comment section below. Minor changes usually consist of minor typographical or grammatical corrections or revisions due to minor legislative amendments. Major change will consist of significant revision to the content of the policy due to changes in the operational environment or because of more substantial legislative change.

Comment

Minor Changes

The Policies listed below are considered to have only minor administrative changes and no change to content needed therefore they are not included as attachments.

Strategic Direction – Environment

P204	Chemical Use
P205	Tree Preservation
P206	Urban Forest
P207	Natural Areas
P209	Shade Structures
P210	Street Verges
P211	Water Sensitive Urban Design
P213	Phytophthora Management
P357	Right of Way (ROW) Maintenance and Development
P401	Graffiti Management

Major Changes

The policy listed below and at **Attachment (a)** is considered to have major changes to content. The content changes have been highlighted in red. A small summary explaining the changes has been provided.

*Strategic Direction – Environment***P203 Ground Water Management**

This policy has been amended to further enhance the protection of groundwater in the superficial aquifer as a result of applications for development.

Development applications incorporating basement construction are required to submit:

- Dewatering and Acid Sulphate Soils (ASS) management plans and
- An independent review of water quality preservation plans by a competent groundwater professional

In addition, infiltration of dewatering water is not encouraged because of the high likelihood of deleterious impacts, unless the proponent can demonstrate that infiltration will pose no risk.

New Policy

The policy listed below and at **Attachment (b)** is a new policy, a small summary explaining the policy has been provided.

*Strategic Direction – Leadership***P624 Media Communications**

The City of South Perth (the City) is committed to open and transparent communication and to being fully accountable. We aim to communicate with our community and provide the media with information about projects and initiatives in a timely manner.

The objectives of this policy are to:

- Provide guidance to the Mayor, Councillors and the City's administration for a coordinated approach to communicating with the media in a consistent, accurate and professional manner to enable fair and accurate reporting of City business
- Promote a positive and professional image of the City
- Keep the community informed about City business through the various media channels
- Ensure that all communication is consistent, accurate and in the best interests of the City
- Provide guidance on speaking with and responding to the media.

Revoke Policy

The policy listed below and at **Attachment (c)** is to be revoked. A small summary explaining the reason has been provided.

Strategic Direction – Leadership**P642 Advertising on Banner Poles**

This policy is to be revoked as advertising by commercial or community organisations is no longer in practice on City Banner Poles.

Consultation

Consultation has occurred with Officers of each of the relevant City Departments.

Policy and Legislative Implications

The reviewed and new Policies are consistent with the *Local Government Act 1995* and other City documents.

Financial Implications

Nil.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Empower effective and quality decision-making and governance

Attachments

7.7 (a):	Major Change
7.7 (b):	New Policy
7.7 (c):	Policy to be revoked

7.8 2018 COMPLIANCE AUDIT RETURN

Location:	Not Applicable
Ward:	All
Applicant:	Not Applicable
File Ref:	D-19-5051
Meeting Date:	11 March 2019
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Geoff Glass, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report provides the City's response to the Department of Local Government, Sport and Cultural Industries 2018 Compliance Audit Return.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Sue Doherty
Seconded: Councillor Ken Manolas

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Adopt the attached Department of Local Government, Sport and Cultural Industries Compliance Audit Return for the period 1 January 2018 to 31 December 2018.
2. Authorise the certification to be jointly completed by the Mayor and Chief Executive Officer in accordance with Regulation 15 of the Local Government (Audit) Regulations 1996.

CARRIED (5/0)

Background

The City is required to carry out an annual audit of statutory compliance in accordance with Regulation 14 of the Local Government (Audit) Regulations 1996. The Department of Local Government, Sport and Cultural Industries distributed a Compliance Compliance Audit Return for the period 1 January 2018 to 31 December 2018 which focused on those areas considered high risk in accordance with the *Local Government Act 1995* and associated regulations.

Comment

The 2018 Compliance Audit Return contained the following compliance categories:

- Commercial Enterprises by Local Governments;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;
- Finance;

- Integrated Planning and Reporting;
- Local Government Employees;
- Official Conduct; and
- Tenders for Providing Goods and Services.

Each section of the 2018 Compliance Audit Return was completed by the relevant business unit.

Consultation

The 2018 Compliance Audit Return was circulated to the relevant Business Unit Managers.

Policy and Legislative Implications

In accordance with Regulation 14 of the Local Government (Audit) Regulations 1996 the completed 2018 Compliance Audit Return is to be reviewed and the results presented to Council. Following Council's adoption, the 2018 Compliance Audit Return must be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2019.

Financial Implications

Nil.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2017-2027](#):

Strategic Direction:	Leadership
Aspiration:	A visionary and influential local government
Outcome:	Good governance
Strategy:	Empower effective and quality decision-making and governance

Attachments

7.8 (a): 2018 Compliance Audit Return

7.9 1SYSTEM IMPLEMENTATION

Location:	City of South Perth
Ward:	Not Applicable
Applicant:	Council
File Ref:	D-19-7282
Meeting Date:	11 March 2019
Author(s):	Jeff Jones, Manager Information Systems
Reporting Officer(s):	Colin Cameron, Director Corporate Services
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This third report has been prepared to update the Committee on the 1System project. As in previous reports, milestones have been completed in line with the detail Project Management Plan, in terms of time, budget and quality. User Acceptance Testing is in progress, this phase will determine if the City is ready for the implementation estimate date of 1 July 2019, for Phase 1 of the Project. Detailed planning of Phase 2 and 3 has progress and will be concluded in April in time for the 2019/20 Budget deliberations.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Sue Doherty
Seconded: Councillor Greg Milner

That the Audit, Risk and Governance Committee note the progress report of the 1System Project.

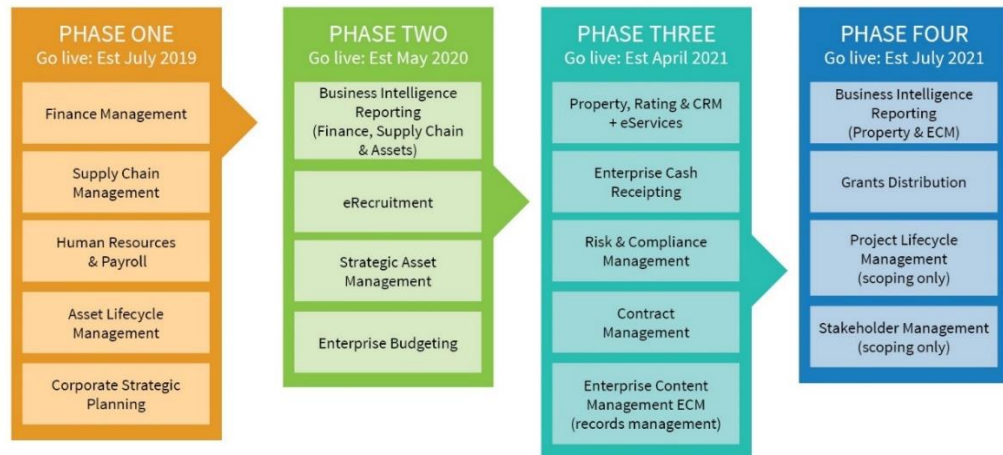
CARRIED (5/0)

Background

In March 2018, Council resolved to implement the Information Systems Strategy, authorise the CEO to finalise the contract with TechnologyOne Ltd and report the progress of the “1System” implementation to each Audit Risk and Governance Committee meeting. This is the third progress report prepared to provide the Committee with an update of the 1System Project.

Comment

The project will be delivered over four phases over the next three years.



This project phasing was finalised in June 2018, taking into account the known (then) TechnologyOne road map for module release in their new platform CiAnywhere in the Cloud. The release dates have since changed and officers are developing a revised phasing to establish the 2019/20 Budget. The revision of the project phasing is being undertaken with TechnologyOne as well as the City of Canning. The approach for Phase 1 was to adopt the Canning configuration, as Canning have been operating since May 2018.

The approach of adopting Canning configuration has been successful for Phase 1, but may need to be altered (in full or part) for Phase 2 and beyond as once Phase 1 is complete, the CoSP will have effectively caught up with Canning. Phase 2 and beyond is likely to be a combination of CoSP and Canning working together on the same modules, and/or different implementation timeframes for some modules. Both CoSP and Canning are committed to sharing resources and knowledge to leverage off each other, improve productivity and reduce costs.

In terms of the progress of Phase 1, the detailed Project Management Plan for Phase 1, with over 1200 lines of activities has been summarised into the following milestones:



The 1System Project is performing in accordance with the Project Management Plan in terms of time, budget and quality. However, the User Acceptance Testing (UAT) process will determine if the City is ready and able to 'go live' on 1 July 2019. Another major effort during this period that may impact on the 'go live' date is data migration, which has added complexity due to the different systems/multiple sources of truth. The scheduled 'go live' date is the preferred date, however our existing systems can continue into the new financial year, if the UAT process determined that the 'go live' date should be altered.

Consultation

Officers work closely with the City of Canning, who went live with the first phase of their TechnologyOne system implementation in May 2018. The City of South Perth have an MOU with the City of Serpentine Jarrahdale to assist their implementation and officers have also provided information to many other Cities that are likely to follow, or have commenced on the same path.

Policy and Legislative Implications

1System Project will be managed in accordance with the *Local Government Act 1995* and Regulations, *State Records Act 2000*, as well as various policies and management practices relating to financial and project management.

Financial Implications

The 1System Project is in accordance with the Project Plan Budget (adopted 2018/19 Budget) with sufficient contingency available to meet contract variations.

Strategic Implications

This report is aligned to the Council's [Strategic Community Plan 2017-2027](#). 4.3 Good governance (A) Empower effective and quality decision-making and governance.

Attachments

Nil

8. OTHER RELATED BUSINESS

Nil.

9. CLOSURE

The Chair thanked everyone for their attendance and declared the meeting closed at 6.32pm.

RECORD OF VOTING

- 4.1 Audit, Risk and Governance Committee Meeting Held: 12 November 2018**
For: Mayor Sue Doherty, Councillor Greg Milner, Ms Shona Zulsdorf and Mr Steve Vanstan
Absent: Councillor Ken Manolas
- 7.1 2017/18 Office of the Auditor General final report**
For: Mayor Sue Doherty, Councillor Greg Milner, Ms Shona Zulsdorf and Mr Steve Vanstan
Absent: Councillor Ken Manolas
- 7.2 Strategic Internal Audit Plan review**
For: Mayor Sue Doherty, Councillor Greg Milner, Councillor Ken Manolas, Ms Shona Zulsdorf and Mr Steve Vanstan
- 7.3 Internal Audit - Review of Procurement Transactions**
For: Mayor Sue Doherty, Councillor Greg Milner, Councillor Ken Manolas, Ms Shona Zulsdorf and Mr Steve Vanstan
- 7.4 Audit Register - Progress Report**
For: Mayor Sue Doherty, Councillor Greg Milner, Councillor Ken Manolas, Ms Shona Zulsdorf and Mr Steve Vanstan
- 7.5 Annual Review of Council Delegations**
For: Mayor Sue Doherty, Councillor Greg Milner, Councillor Ken Manolas, Ms Shona Zulsdorf and Mr Steve Vanstan
- 7.6 Appointment of Authorised Persons**
For: Mayor Sue Doherty, Councillor Greg Milner, Councillor Ken Manolas, Ms Shona Zulsdorf and Mr Steve Vanstan
- 7.7 Annual Policy Review**
For: Mayor Sue Doherty, Councillor Greg Milner, Councillor Ken Manolas, Ms Shona Zulsdorf and Mr Steve Vanstan
- 7.8 2018 Compliance Audit Return**
For: Mayor Sue Doherty, Councillor Greg Milner, Councillor Ken Manolas, Ms Shona Zulsdorf and Mr Steve Vanstan

7.9

1System Implementation

For:

Mayor Sue Doherty, Councillor Greg Milner, Councillor Ken Manolas, Ms Shona Zulsdorf and Mr Steve Vanstan

These Minutes were confirmed at the next Audit, Risk and Governance Committee Meeting yet to be determined.

Signed: _____

Presiding Member at the meeting at which the Minutes were confirmed