



# **MINUTES**

## **Audit and Risk Management Committee Meeting Friday, 5 February 2021**

**Date: Friday, 5 February 2021**

**Time: 8.00am**

**Location: Zoom Videoconferencing**

**Liz Ledger  
Chief Executive Officer**

**DISCLAIMER**

Persons present at this meeting are cautioned against taking any action as a result of any Committee recommendations until such time as those recommendations have been considered by Council and the minutes of that Council meeting confirmed.

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**MINUTES OF TOWN OF CLAREMONT  
AUDIT AND RISK MANAGEMENT COMMITTEE MEETING  
HELD AT THE TOWN OF CLAREMONT, CLAREMONT COUNCIL CHAMBERS, 308 STIRLING  
HIGHWAY, CLAREMONT  
ON FRIDAY, 5 FEBRUARY 2021 AT 8.00AM**

**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

Cr Haynes welcomed staff and members of the Audit and Risk Management Committee and declared the meeting open at 8.02am.

**2 RECORD OF ATTENDANCE / APOLOGIES**

**PRESENT:**

Mayor Jock Barker

Cr Bruce Haynes

Cr Paul Kelly

Cr Peter Telford

Community Representative Marguerite Anklesaria

Community Representative Aiden Daly

**IN ATTENDANCE:**

Liz Ledger, Chief Executive Officer

Bree Websdale, Director Governance and People

Vicki Cobby, Manager Finance

**LEAVE OF ABSENCE:**

Nil

**3 DISCLOSURE OF INTERESTS**

Nil

**4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**COMMITTEE RESOLUTION 001/21**

**Moved: Mayor Jock Barker**

**Seconded: Cr Paul Kelly**

**That the minutes of the Audit and Risk Management Committee Meeting held on 30 October 2020 be confirmed.**

**CARRIED**



**5 PRESENTATION**

Nil

## 6 REPORTS OF THE CEO

### 6.1 UPDATE ON REGULATION 17 AUDIT RECOMMENDATIONS

**File Number:** GOV/00054, D-20-49877  
**Author:** Bree Websdale, Director Governance and People  
**Authoriser:** Liz Ledger, Chief Executive Officer  
**Attachments:**

1. Regulation 17 Audit Report
2. Complaints Management
3. Risk Management Policy
4. Legislative Compliance Policy
5. Public Interest Disclosure Policy
6. Fraud Prevention Policy
7. Corporate Purchasing Cards Policy
8. Purchasing Policy
9. Purchasing Policy (with tracking)
10. Bank Account Policy

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### PURPOSE

To provide the Audit and Risk Committee with a further update on the recommendations from the audit undertaken pursuant to Regulation 17 of the *Local Government (Audit) Regulations 1996*.

### BACKGROUND

*Local Government (Audit) Regulations 1996*, Regulation 17 prescribes a number of matters that are to be reviewed by a local governments Audit and Risk Management Committee. Regulation 17 provides:

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
  - (a) *risk management; and*
  - (b) *internal control; and*
  - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

A review was conducted by consultant, Avant Edge Consulting and a report produced dated 21 May 2020 (see attachment 1).

The report outlined 16 improvement opportunities for the Town. This report sets out progress of the Town on a number of the findings.

An update on progress achieved was reported to the committee on 30 October 2020.

### DISCUSSION

#### Policy Manual

One of the findings from Avant Edge Consulting was that the Town's policy manual was missing a number of key policies.

<b><i>Finding 14: Need to Update the Town Policy Manual</i></b>	<b><i>Recommendation</i></b>
<p>The policy manual does not provide appropriate policy guidance in regards to the following key processes:</p> <ul style="list-style-type: none"> <li>• Complaints Management</li> <li>• Risk Management</li> <li>• Cash Receipting and Banking</li> <li>• Legislative Compliance</li> </ul>	<p>The Town, via the Governance unit review the Town's Policy Manual to include the following processes and any other policies that have been identified as part of this review report that need to be included in the Town's Policy Manual.</p> <ul style="list-style-type: none"> <li>• Complaints Management</li> <li>• Risk Management</li> <li>• Cash Receipting and Banking.</li> <li>• Legislative Compliance.</li> </ul>

The report recommended and the following policies have now been drafted:

1. LG541- Complaints Management (See attachment 2).
2. LG534- Risk Management (See attachment 3).
3. LG539 -Legislative Compliance (See attachment 4).

<b><i>Finding 2: Need to Develop a Fraud Prevention Policy</i></b>	<b><i>Recommendation</i></b>
<p>The Town does not currently have in place a "Fraud Prevention Policy" or a "Whistle blower Policy. Such a policy would outline the importance and responsibility that all staff have in the Town have in ensuring that fraud is prevented through proper adherence and compliance with existing management controls".</p> <p>We understand that the Town is currently in the process of developing such policies</p>	<p>The Town develop a formal "Fraud Prevention Policy" and guidelines to empower staff prevent the occurrence of fraud and to report suspected fraud.</p> <p>The Town also give consideration to developing a "Whistle Blower Policy" and guidelines in order to protect staff confidentiality when staff need to report suspected fraudulent activity.</p>

The report recommended and the following policies have now been drafted:

4. LG536- Public Interest Disclosure (See attachment 5).
5. LG538- Fraud Prevention (see attachment 6).

A detailed review of the entire Policy manual is in progress to be presented to Council before 30 June 2021.

The following policies have been reviewed and where appropriate amended. These draft policies are provided to the Committee for their review and input prior to presentation to Council:

1. LG512 -Corporate Purchasing Cards (See attachment 7). This policy is largely unchanged (maybe just say what has changed).

2. LG509- Procurement, now called "Purchasing" policy (See attachment 8 and 9, a tracked and clean version are attached). This policy has been rewritten to make it more concise and easier for employees to read and understand. Additional exemptions have been provided including provision of services from WALGA and LGIS.
3. LG 530- Bank Accounts and Payments, now called "Bank accounts" policy (See attachment 10). This policy addresses bank accounts and signatories. This policy has been amended.

### Cash Handling

<b>Finding 12: Need Safer Process for Cash in Transit</b>	<b>Recommendation</b>
<p>The Town currently has cash receipting facilities at the Administration building, Library and the Aquatic Centre.</p> <p>We understand that all banking of cash and cheques is undertaken by staff at these centres and the Town does not use armed guard security services to collect and deliver cash and cheques to the Town's bank.</p>	<p>The Town reassess the potential risk associated with staff carrying cash to the bank versus the associated cost of using armed security services.</p>

A report on the cash handling processes of the Aquatic Centre was provided to this committee in the October 2020 meeting.

Since this time, Job Safety Analysis in relation to banking and cash handling has been undertaken for each of the Library Community Hub and the Town's Administration Building (reception/customer service desk). The peak risk ratings for each facility have been assessed as 4 with current controls in place; that being a Low Risk.

Many of the precautions, processes and security measures in place at the Aquatic Centre are also in place at both the Library and Main Administration desk. These include:

1. The Town has procedures for armed hold up and theft.
2. The reception area is secure with access doors able to be locked closed.
3. The reception areas are always staffed or otherwise closed to the public.
4. The till draw is closed when not in use.
5. Counting is undertaken behind closed doors or at times when closed to the public.
6. The counting is carried out on different days and times to minimise routine.
7. Staff are trained in cash handling.
8. Multiple duress alarms are in place and are monitored by external security companies.
9. Banking run times and days are varied.

### *Library and Community Hub*

The amount of cash takings and float at the Library are very low, mainly comprising late fees, lost book charges and photocopying payments. A secure coin box is in place for photocopy payments.

Existing CCTV covers the car park near the entrance to the Library. As part of this review, actions have been taken to install an additional camera to monitor the library entrance. There is no CCTV over the POS terminal. This is not considered a material risk given the extremely low levels of cash involved.

There are a minimum of two staff on duty during opening times.

### *Administration Building*

Cash levels at the Administration customer service desk are considered low. Takings are banked daily to minimise cash holdings.

Multiple existing CCTV cameras cover both entrances, external areas surrounding the administration lobby, the lobby and main desk. The reception area is in a highly visible location with moveable acrylic barriers between the public areas and the service staff.

Multiple front desk staff members are on duty during business hours. The secure doors to the Administration Building are locked outside of business hours.

The audit report stated *“Security over point of sale systems for the receipting of cash is essential not only for the safeguarding of cash but for the overall safety of staff who operate those systems. As such all point of sale systems where cash is receipted should be protected by CCTV cameras and duress alarms”*.

Both the Library and Administration building Customer Service desk have duress alarms in the reception areas. These alarms are regularly tested.

The Town has assessed the potential risk associated with staff carrying cash to the bank as a Low Risk versus the associated cost of using armed security services.

Additional measures to encourage payment via electronic and online methods could be investigated. This may result in not only lower levels of cash. Although older ratepayers tend to prefer to pay in person in cash. An eftpos machine could be provided for use at the library.

The Town is overall satisfied with the current arrangements and recommend they remain in place.

### **Financial Management Review**

<b>Finding 16.0. Need to Establish an Internal Audit Activity for the Town</b>	<b>Recommendation</b>
<p>The Town does not have in place a dedicated Internal Audit Activity which is able to undertake routine risk management, internal control and legislative compliance audits.</p> <p>Such an activity, should it be established, would be responsible for reporting their findings and recommendations directly to the Audit and Risk Management Committee assisting the Audit and Risk Management Committee in meeting their governance responsibilities.</p> <p>Although The town's annual financial statements auditors do undertake control assessments, these relate mainly to finance related processes and are limited only in relation to such processes impacting on the accuracy of the reported financial statement figures.</p> <p>The Internal Audit Activity can be established either as an inhouse function or outsourced to a reputable accounting/audit firms who specialise in providing Internal Audit services.</p>	<p>The Town CEO, through the Governance unit and the Audit and Risk Management Committee give consideration to the establishment of an Internal Audit Activity for the Town.</p> <p>Consideration be given to establishing a 3 year internal audit program, endorsed by the Audit and Risk Management Committee, made up of potential audits to be carried out based on the Town's identified strategic and operational risks.</p>

A Financial Management Audit is currently being undertaken by Moore Australia. This is an external audit but still relevant to Finding 16.

The Town is in the process of providing the requested information by Moore Australia.

Moore Australia will be attending the Town's office in early February 2021.

## **PAST RESOLUTIONS**

Audit and Risk Management Committee, 29 May 2020

### **COMMITTEE RESOLUTION 007/20**

That the Audit and Risk Management Committee with respect to the Review of Risk Management, Legislative Compliance and Internal Controls recommend Council to:

1. Note the Chief Executive Officer (CEO)'s Report (as per Attachment 1); and
2. Request the CEO to present the progress of the recommendations on a quarterly basis.

CARRIED

Audit and Risk Management Committee, 30 October 2020

### **COMMITTEE RESOLUTION 011/20**

That the Audit and Risk Management Committee notes the contents of this report

CARRIED

## **FINANCIAL AND STAFF IMPLICATIONS**

Resource requirements are in accordance with existing budgetary allocation.

## **POLICY AND STATUTORY IMPLICATIONS**

*Local Government (Audit) Regulations 1996*

## **COMMUNICATION / CONSULTATION**

There has been consultation with the relevant business units, executive team and Chief Executive Officer.

Apart from the consultant's undertaking the Financial Management Review, there has been no consultation outside of the Town administration required.

## **STRATEGIC COMMUNITY PLAN**

### **Leadership and Governance**

*We are an open and accountable local government; a leader in community service standards.*

- Demonstrate a high standard of governance, accountability, management and strategic planning.
- Continually assess our performance and implement initiatives that drive continuous improvement.

## **URGENCY**

Nil

**VOTING REQUIREMENTS**

Simple Majority decision of Council (*More than half the elected members present are required to vote in favour*).

**OFFICER RECOMMENDATION**

**That:**

1. The Audit and Risk Committee notes the contents of this report.

**COMMITTEE RESOLUTION 002/21**

**Moved:** Mayor Jock Barker

**Seconded:** Cr Paul Kelly

1. The Audit and Risk Committee notes the contents of this report.

**CARRIED**

**AUDIT & ASSURANCE SERVICES**

Liability limited by a scheme approved under Professional Standards Legislation

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21 May 2020

CEO  
Town of Claremont  
Number One Claremont  
308 Stirling Highway  
CLAREMONT WA 6010

Dear Ms Ledger

Please find attached our final review report on the Regulation 17 review of the Town of Claremont.

As per Regulation 17(1), (2) and (3) of the Local Government (Audit) Regulations 1996, the CEO is required to undertake a review, at least once every 3 financial years, of the following processes:

- Risk Management;
- Internal Control;
- Legislative Compliance.

Our review report details our findings and recommendations which includes management comments in regards to our findings and recommendations.

We would like to thank your staff for their positive cooperation provided to us during the conduct of this review especially in light of the COVID 19 distancing restrictions which applied throughout this review process.

Yours sincerely

Santo Casilli FCPA MIA (Aust.)  
Director

**Avant Edge Consulting**

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Mobile: 0409 104 929 - Phone: 6118 2100; Email: [scasilli@avantedgeconsulting.com.au](mailto:scasilli@avantedgeconsulting.com.au);  
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## Town of Claremont

# Regulation 17 Review

21 May 2020

Final Review Report

(Review in Confidence)

Avant Edge Consulting  
Certified Practising Accountant

Liability limited by a scheme approved under Professional Standards Legislation

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## Executive Management Summary

As per Regulation 17(1), (2) and (3) of the *Local Government (Audit) Regulations 1996*, the Chief Executive Officer (**CEO**) is required to undertake a review, at least once every 3 financial years, of the following processes:

- Risk Management;
- Internal Control; and
- Legislative Compliance.

The Town of Claremont (**the Town**) uses Council First as its accounting system and has a Policy Manual (last updated 18 December 2018 but currently undergoing a review) governing its operational processes.

### SCOPE AND METHODOLOGY

Our review was conducted in accordance with ASAE 3500 – Assurance Engagement Other Than Audits or Reviews of Historical Financial Information.

The review undertook the following approach:

- Discussions were held with relevant staff to understand the processes and the management controls currently in place. Communications were held with the Manager Governance, Manager Finance and Manager Human Resources throughout the review process.
- Assessed the adequacy of key management controls currently in place over the risk management, accounts payable, cash receipting, payroll, staff recruitment and procurement functions and evaluated those controls to determine their appropriateness and also to identify areas for control process improvement.
- Due to the COVID 19 Government imposed social distancing rules and the subsequent closure of the Town's administration and out centres such as the Library and Aquatic Centre and staff working from home, all information was requested and received via email and via phone contact.

### OUR WORK PROGRAM

Our work incorporated the following areas for review as required under Regulation 17:

#### 1. RISK MANAGEMENT

- a. Governance Framework is in place and endorsed by the Audit and Risk Management Committee.
- b. A formal governance unit exists.
- c. Risk Management and governance policies are in place and have been endorsed by the Audit and Risk Management Committee/Council.
- d. An Operational and Strategic Risk Register is in place and is constantly reviewed and updated.
- e. Regular development of risk reports and actions to address risks are identified and actioned.

**Regulation 17 Review****Town of Claremont**

- f. Fraud Risk Identification and Prevention policies are in place including a Whistle Blower policy.
- g. An effective Audit and Risk Management Committee exists and proper Committee processes are followed.

**2. INTERNAL CONTROL**

- a. Delegation of Authority is in place, up to date and reviewed regularly.
- b. Proper and formal documented policies (guidelines and procedures) are in place and are kept up to date.
- c. Internal assessment of control processes exists e.g. via an internal audit function or by the Town's Governance area.
- d. Assessed the work undertaken by the Town's external Auditors re the review of the town's control environment.
- e. Proper segregation of duties and management controls exist in relation to the following key accounting processes:
  - o Accounts payable;
  - o Cash collection, receipting and reconciliation;
  - o General Ledger reconciliation and checking functions;
  - o Payroll;
  - o Staff recruitment and staff performance appraisals;
  - o Procurement.

**3. LEGISLATIVE COMPLIANCE**

- a. The Compliance Audit Return (CAR) is properly completed each year and any non-compliance matters are investigated promptly.
- b. Legislative compliance is monitored and regularly reviewed to ensure compliance.

**CONCLUSION**

Based on our assessment of the management controls and processes that exist at the Town in regards to the above 3 key areas of the Regulation 17 review, we noted a number of areas that require process improvement. We believe that management implementation of the process improvements that we have identified as part of our review will strengthen existing management controls currently in place and will also improve overall governance within the Town's operations.

We are happy to report that there were no high risk matters that would require immediate attention by the Town Management.

The matters raised in this report are only those which came to our attention during the course of performing our review and may not necessarily be a comprehensive statement of all the possible process improvement options that may be made in relation to the Risk Management, Internal Control and Legislative Compliance matters.

Our review report is provided to the Town in order for the Town to meet their statutory obligations under Regulation 17 and as such we do not encourage this report to be used for any other purpose.

In relation to the above areas that formed part of our review, we wish to provide a summary of our findings. Our proposed recommendations in regards to each finding, including management comments as to action to be taken against each of the findings and

recommendations, have been included in the “Detailed Findings and Recommendations” section of this report:

## **RISK MANAGEMENT**

The Town currently does have in place a final and endorsed Risk Management Framework which outlines the Town’s risk identification systems and policies and outlines how the Town will manage its risks. The Town has in place a risk management system (a process by which both strategic and operational risks are identified for ongoing management and review) via the establishment of an integrated risk register. However, the risk register was last updated in August 2018 and needs to be updated. The Town’s governance position became vacant in late 2018 with the new incumbent commencing early 2020.

The Town does not currently have in place a “Fraud Prevention Policy” and a “Whistle Blower Policy”. We understand these two policies are being drafted by the Town as they were identified as required as part of the policy manual review being undertaken. Such policies outline the importance and responsibility that all staff in the Town have in ensuring that fraud is prevented through proper adherence and compliance with existing management controls and that where fraud is suspected that it is reported for investigation.

## **INTERNAL CONTROL**

### ***Procurement***

The Town’s procurement process requires improvement. The following should be considered by management:

1. Monitoring the Town’s procurement process.

The Town’s procurement process is decentralised and as such all procurement decisions and actions are managed by the various operational areas based on their procurement needs. Although the Town’s procurement policy is outlined in the Town’s Policy Manual (LG509, “Procurement”) and in process maps, other than the policy there is no formal centralised procurement team or area whose sole role is to provide procurement guidance to the various operational areas nor is there any formal monitoring role set up to ensure proper procurement policy and processes are being consistently complied with.

As part of our review and our discussions with two contract managers we were unable to be satisfied that conflict of interest declarations were being provided by selection panel members at all times, supplier contracts were being effectively managed throughout the contract period and that RFQ or RFT processes were being properly complied with at all times when seeking quotations.

The current tender register is set up correctly but as procurement is not centralised it requires each operational area to complete and document each part of the procurement process as required under the Part 4 *Local Government (Functions and General) Regulations* 1996. However, on review, the tender register has not been completed in full by each operational area. We recommended that the Town follow up each operational area and establish whether these are instances of non-compliances or failure to complete the tender register.

In addition, we believe that consideration should also be given to include, even though these requirements may not be applicable to the Town, in the Towns Policy Manual (under the procurement policy) the requirements of Section 20(1) and (2) and 21A.

**Regulation 17 Review****Town of Claremont****2. Implementing end of contract supplier performance appraisals work procedures**

The establishment of Contract Management procedural guidelines is an important and essential element in ensuring that contracted suppliers comply with their contractual obligations, provide goods and services to a high quality and charge for such goods and services in accordance with the agreed and quoted price rate. Further, end of contract supplier performance appraisals allows the Town to evaluate the quality of services provided and to determine whether the supplier should be sought again for future work for the Town.

**3. Establishing work procedures**

The Town does not have in place formal written procurement work procedures that would provide greater guidance to officers within operational areas responsible for procurement of the Town's goods and services. For example, there are no work procedures or work guidelines governing contract management process relating to the need to ensure supplier insurances are sought annually for each of the contract terms, end of contract supplier performance appraisals, panel selection team members signing off the final tender assessments, the need for conflict of interest declarations to be signed by each panel member and the tender opening process.

The Town has recently required all staff to complete a WALGA training module on Procurement and staff have access to the WALGA procurement tool kit.

***Accounts Payable***

The Town's accounts payable process requires improvement. The following should be considered by management:

**1. Policies to reference work procedures**

The Town Policy Manual does not reference key accounts payable work procedures relating to new supplier creation and maintenance of supplier details as below:

- a. Creation of a new supplier process;
- b. Changing a supplier's legal name and bank account details process;
- c. Managing inactive suppliers;
- d. Independent checking of modifications made to the supplier database.

**2. Purchase Orders**

The Town is required to initiate an approved purchase order at the time a supplier is contracted to provide goods and services. Our review found that in many cases the purchase order is being initiated and approved at the stage the Town receives a supplier invoice for payment processing. Issuing of an approved purchase order at the time of receiving the supplier's invoice undermines the management control effect of using purchase orders. Purchase orders provide the necessary authorisation to commit the Town to a future payment and therefore its use is more effective at the time of awarding a supplier contract.

The Town Policy Manual should also make it clear as to when a purchase order should or should not be raised. Purchase Orders are an effective control mechanism for the approval of purchases relating to goods and services. However, purchase orders are not required for administrative type payments such as Synergy bills, Water Corporation bills, staff

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**Regulation 17 Review****Town of Claremont**

reimbursements etc. or for regular ongoing payments such as loan payments. In most cases these are ongoing operational day to day payments.

The Town's Policy Manual does not clearly provide for the process to follow where there is a purchase order/supplier invoice matching variance. Although, we understand, at present any variations between the approved \$ value of a purchase order and the matching supplier invoices requires further authorisation prior to payment, there is no variance tolerability. That is, should there be a variance of say 5% or up to \$100 between the purchase order approved value and the supplier invoice value, the invoice can be paid without further authorisation.

### 3. Creating Purchase Invoices process

When the Finance area is required to create a purchase invoice (loan repayments and other similar administrative type payments) which requires payment via a direct deposit, we understand that the Finance Officer creates a Direct Deposit Request Form which is signed by the Manager Finance and also by the Director Corporate & Compliance. If the direct deposit amount is over \$150,000 (as per the authority limits) the Form is also required to be authorised by the CEO. The purchase invoice is then created electronically and is again also required to be authorised by the Manager Finance and the Director Corporate & Compliance (based on their Delegated \$ limits) or the CEO if over \$150,000.

We assessed this process as part of our review and have formed a conclusion that the process is inefficient and incorporates too many unnecessary approval levels.

### ***Cash receipting***

The Town's cash receipting and control over cash handling process requires improvement. The following should be considered by management:

#### 1. Cash Receipting and security

The Town currently has cash receipting facilities at the Administration building, Library and the Aquatic Centre. We understand that all banking of cash and cheques is undertaken by staff at these centres and the Town does not use armed guard security services. We consider that staff carrying cash directly to the bank is highly risky and puts the Town staff under unnecessary risk during cash in transit.

Security over point of sale systems for the receipting of cash is essential not only for the safeguarding of cash but for the overall safety of staff who operate those systems. As such all point of sale systems where cash is receipted should be protected by CCTV cameras and duress alarms. During our review we were unable to physically visit the Library and the Aquatic Centre in order to sight the existence of these security features due to the closure of these sites as part of the COVID 19 social distancing restrictions. I have been advised that:

- The Library has two duress alarms at the point of sale. The CCTV is on the outside of the Library.
- The Aquatic Centre has a duress alarm in the reception office. The centre is also fitted with CCTV cameras on the main tills, safe and counting station. Further, the Town has applied for a grant to cover additional CCTV to cover the front and entrance of the Aquatic Centre.

We have recommended that the Town ensure that wherever cash is being receipted that there exists a working CCTV camera and duress alarms in place.

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Regulation 17 Review

Town of Claremont

## 2. Policy Manual

There are some key policies that are not included in the Town's Policy Manual. The policy manual does not provide appropriate policy guidance in regards to the following key processes:

- a. Complaints Management (We note the Town has a Customer Experience Charter);
- b. Risk Management;
- c. Cash Receipting and Banking; and
- d. Legislative Compliance.

**LEGISLATIVE COMPLIANCE**

## 1. Compliance Checklist

The Town has a comprehensive compliance calendar which is in the process of being updated by the Governance & Risk and Finance teams. This tracks all activities and actions required to ensure compliance with all legislative requirements associated with the *Local Government Act 1995*, the *Local Government (Functions & General) Regulations 1996* and the *Local Government (Audit) Regulations 1996*.

The annual Compliance Audit Return (**CAR**) is undertaken by the Governance unit (in consultation with all relevant operational areas as required) and reported through the Audit and Risk Management Committee prior to being tabled at Council.

Although the CAR and the comprehensive compliance calendar are appropriate to assess legislative compliance, it does not cater for all the legislative areas that require compliance. We have recommended the Governance unit develop various legislative compliance program checklists which can be distributed to the relevant operational areas for them to undertake a self-compliance assessment, say on an annual basis. Once completed the legislative compliance program compliance checklists should be signed-off by the relevant Managers and their Director as evidence that they have undertaken the compliance checks.

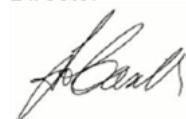
## 2. Internal Audit Activity

The Town does not have in place a dedicated Internal Audit Activity which is able to undertake routine internal control assurance work. Such an activity would be responsible for reporting their assurance findings and recommendations directly to the Audit and Risk Management Committee to provide comfort to the Committee in meeting their responsibilities and obligations. The establishment of an Internal Audit Activity would also allow the Town to meet its legislative obligations in regards to the *Local Government (Financial Management) Regulations 1996*, 5(2) (c) review and *Local Government (Audit) Regulation 1996*, Regulation 17 review requirements. The Internal Audit Activity can be established either as an inhouse function or outsourced via a reputable accounting/audit firm who specialise in providing Internal Audit services.

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Santo Casilli FCPA  
Director

21 May 2020



**Avant Edge Consulting**



## **Detailed Findings and Recommendations**

## Regulation 17 Review

## Town of Claremont

**Audited Area: Risk Management**  
**Audited Activity: Risk Management Process**

Finding	Implication	Recommendation	Management Comments
<b>1.0 Need to Update the Town's Risk Register</b>  The Town has in place a risk management system (a process by which both strategic and operational risks are identified for ongoing management and review) via the establishment of an integrated risk register. However, the risk register was last updated in August 2018 and is not fully completed and now requires updating.	<b>Risk:</b> <span style="border: 1px solid black; padding: 2px;">Medium</span>  <ul style="list-style-type: none"> <li>In the absence of an up to date and regularly reviewed risk register process the Town's risks would not be able to be effectively mitigated and any new risks identified.</li> <li>The integrated risk register in the absence of identified risk actions may not be effective in mitigating risk.</li> </ul>	We recommend that: <ul style="list-style-type: none"> <li>The Town's integrated risk register be updated and completed as soon as possible and regularly reviewed to ensure any new strategic and operational risks to the Town can be identified and appropriate actions put in place to mitigate such risks.</li> <li>Also, that the updated and completed integrated risk register should be presented at the Audit and Risk Management Committee for approval on an annual basis.</li> </ul>	<b>Responsibility:</b> Director Governance & People  <b>Management Comments:</b> Agree

## Regulation 17 Review

## Town of Claremont

**Audited Area:** Risk Management  
**Audited Activity:** Risk Management Policies

Finding	Implication	Recommendation	Management Comments
<p><b>2.0 Need to Develop a Fraud Prevention Policy</b></p> <p>The Town does not currently have in place a "Fraud Prevention Policy" or a "Whistle blower Policy. Such a policy would outline the importance and responsibility that all staff have in the Town have in ensuring that fraud is prevented through proper adherence and compliance with existing management controls.</p> <p>"</p> <p>We understand that the Town is currently in the process of developing such policies</p>	<p><b>Risk:</b> <span style="color: green;">Low</span></p> <ul style="list-style-type: none"> <li>In the absence of a fraud prevention policy and process the Town staff would not be empowered to report where possible fraud is suspected and reported for investigation.</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>the Town develop a formal "Fraud Prevention Policy" and guidelines to empower staff prevent the occurrence of fraud and to report suspected fraud.</li> <li>the Town also give consideration to developing a "Whistle Blower Policy" and guidelines in order to protect staff confidentiality when staff need to report suspected fraudulent activity.</li> </ul>	<p><b>Responsibility:</b>  Director Governance &amp; People  Director Corporate &amp; Compliance</p> <p><b>Management Comments:</b>  Agree</p>

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control****Audited Activity: Procurement**

Finding	Implication	Recommendation	Management Comments
<p><b>3.0 Need for Centralised Procurement Monitoring</b></p> <p>The Town's procurement process is decentralised and as such all procurement decisions and actions are managed by the various operational areas based on their procurement needs. Although the Town's procurement policy is outlined in the Town's Policy Manual, other than the Manual, there is no formal centralised procurement team or area to provide procurement guidance to the various operational areas nor is there any formal monitoring role set up to ensure proper procurement policy and processes are consistently complied with.</p> <p>we were also unable to conclude that all procurement activity at the Town is strictly adhering to a proper process in line with the Town's Policy Manual and or in line with the <i>Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996 requirements</i>.</p> <p>For example, we were unable to be satisfied of the following:</p> <ul style="list-style-type: none"> <li>• conflict of interest declarations was provided by selection panel members at all times,</li> </ul>	<p><b>Risk:</b> <span style="border: 1px solid black; padding: 2px;">Medium</span></p> <ul style="list-style-type: none"> <li>• No effective process in place to monitor whether goods and services procured from a supplier were properly procured via an RFQ or RFT process could lead to possible non-compliance or inconsistencies in the procurement process.</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>• the Town, via possibly the Governance area, give consideration to developing a "Supplier Expenditure &gt; \$50,000" report. This cumulative report should be obtained from the Council First system, each month, listing the names of all suppliers used by the Town that have accumulated greater than \$50,000 in payments from the supply of goods and services.</li> <li>• all suppliers with an accumulated amount greater than \$50,000 should be investigated to determine how such services were procured either via an RFQ, RFT or via a WALGA supplier panel in line with Town policy and legislative requirements.</li> <li>• that a "Procurement Quality Checklist" document be developed by the Town to be completed by each officer within each operational area responsible for procurement of the Towns goods and services via RFQ's and RFT's.</li> <li>• the Checklist should include a listing of all key procurement stages that are required to be complied with when procuring</li> </ul>	<p><b>Responsibility:</b> Executive Team</p> <p><b>Management Comments:</b></p> <p>Agree. This will require resources and training to perform this function effectively. Future action will depend on budget and resource availability.</p>

Regulation 17 Review		Town of Claremont	
Finding	Implication	Recommendation	Management Comments
<ul style="list-style-type: none"><li>supplier contracts were being effectively managed throughout the contract period,</li><li>RFQ's and RFT's were being properly advertised and enacted on a timely basis once supply contracts had ended.</li></ul>		goods and services via RFQ's and RFT's. The Checklist should be signed off by both the relevant procurement officer and the relevant Delegated officer as evidence that proper procurement process was followed in line with the Town's procurement policy and Local government Act and Regulation requirements	

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control**  
**Audited Activity: Procurement**

Finding	Implication	Recommendation	Management Comments
<b>4.0 Need for Contract Management Guidelines to be Established</b>  Although the Town's Policy Manual outlines the procurement policies, the Town Policy Manual does not reference any formal guidelines in regards to Contract Management process.	<b>Risk:</b> <span style="border: 1px solid black; padding: 2px;">Medium</span>  <ul style="list-style-type: none"> <li>no guarantee that contracted suppliers comply with their contractual obligations, provide goods and services to a high quality and charge for such goods and services in accordance with the agreed and quoted price rate.</li> </ul>	We recommend that: <ul style="list-style-type: none"> <li>contract management guidelines be developed and referenced within the Town Policy Manual.</li> <li>Incorporate end of contract supplier performance appraisals.</li> </ul>	<b>Responsibility:</b> Executive Team  <b>Management Comments:</b>  Agree that contractor management guidelines should be drafted.  Agree that contractor supplied performance appraisals should be conducted.

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control**  
**Audited Activity: Procurement**

Finding	Implication	Recommendation	Management Comments
<p><b>5.0 Need for Detailed Work Procedures and Guidelines to be Established.</b></p> <p>The Town does not have in place formal written procurement work procedures that would provide greater guidance to officers within operational areas responsible for procurement of the Town's goods and services.</p> <p>For example, there are no work procedures or work guidelines governing:</p> <ul style="list-style-type: none"> <li>• panel selection team signing off the final tender assessments and supplier recommendations,</li> <li>• signed conflict of interest declarations by each panel member,</li> <li>• tender opening process. We have recommended that the Town give consideration to creating formal written procedures and guidelines in regards to all elements of the procurement activity</li> </ul>	<p><b>Risk:</b> <span style="border: 1px solid black; padding: 2px;">Medium</span></p> <ul style="list-style-type: none"> <li>• inconsistency in the procurement practices adopted by various operational areas.</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>• the Town give consideration to creating formal written work procedures and guidelines in regards to all elements of the procurement activity</li> </ul>	<p><b>Responsibility:</b> Executive Team</p> <p><b>Management Comments:</b></p> <p>Agree, this will require dedicated resources. Future action is dependent on resourcing and budget availability.</p>

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control****Audited Activity: Procurement**

Finding	Implication	Recommendation	Management Comments
<p><b>6.0 Need for Tender Register Information to be Compliant.</b></p> <p>The current tender register does not comply with some of the information requirements as outlined under Part 4 of the Local Government (Functions and General) Regulations 1996.</p> <p>These include Sections 17(2) (c) (iii) and 17(2) (d) &amp; (e).</p> <p>17(2) (c) (iii) – relates to reporting a list of acceptable tenders that submitted a tender and were assessed as part of the tender process</p> <p>17(2) (d) &amp; (e) – relates to reporting in the tender register a copy of the notice of invitation to tender and the name of each tender whose tender has been opened.</p>	<p><b>Risk:</b> <span style="color: green;">Low</span></p> <ul style="list-style-type: none"> <li>non-compliance with Local Government (Functions and General) Regulations 1996</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>the Town investigate these non-compliances and ensure the tender register is adjusted accordingly in regards to the requirements of Sections 17(2) (c) (iii), 17(2) 9D) and (e).</li> <li>consideration should also be given to include Section 20(1) and (2) and 21A of Part 4 of the Local Government (Functions and General) Regulations 1996.</li> </ul>	<p><b>Responsibility:</b> Director Governance &amp; People</p> <p><b>Management Comments:</b> Agree an investigation of non-compliance is required and the register to be adjusted.</p>



## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control**  
**Audited Activity: Accounts Payable**

Finding	Implication	Recommendation	Management Comments
<p><b>7.0 Need for Accounts Payable Policies to be revamped and improved.</b></p> <p>The Town Policy Manual does not clearly reference key accounts payable work procedures relating to:</p> <ol style="list-style-type: none"> <li>Creation of a new supplier process</li> <li>Changing a supplier's legal name and bank account details process</li> <li>Managing inactive suppliers</li> <li>Independent checking of modifications made to the supplier database</li> </ol>	<p><b>Risk: Medium</b></p> <ul style="list-style-type: none"> <li>Provides for inconsistency in dealing with supplier creation and changes to supplier data base information</li> </ul>	<p>We recommend that the Town Policy Manual be updated to reference the following:</p> <ol style="list-style-type: none"> <li>work procedures for new supplier creation and changes to supplier legal name and bank account details</li> <li>New suppliers can only be created upon receipt of a "New Supplier Creation Approval Form" which details the supplier's legal name and trading name, ABN, bank account details and signed by the supplier.</li> <li>User access in Council First for creating a new supplier, should be restricted to only finance staff excluding bonds refund recipients) and to be approved by the Manager Finance and/or Director Corporate &amp; Compliance. Where the Manager Finance has created the new supplier then, for proper segregation of duties, the new supplier creation should be approved by the Director Corporate &amp; Compliance.</li> <li>All requests for change of a supplier's legal name and/or bank account must be provided in writing and signed, either from the supplier's email (clearly showing their company/business logo and/or name) or by post on the supplier's business letterhead and supported with evidence of new legal name and/or new bank account details</li> <li>as an additional control measure that the</li> </ol>	<p><b>Responsibility:</b> Director Corporate &amp; Compliance</p> <p><b>Management Comments:</b></p> <p>Agreed for points 1-4a including a new form to comply with segregation of duties prior to the Finance Team adding/amending.</p> <p>A supplier modification report is currently provided on a weekly basis on the EFT payment, reviewed by MF.</p>

## Regulation 17 Review

## Town of Claremont

Finding	Implication	Recommendation	Management Comments
		Town establish from Council First system, a monthly "Supplier Modification Report" which lists all modifications/changes that have occurred to a supplier, in a given month, which should be independently checked on a sample basis and signed off by the Director Corporate & Compliance	

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control****Audited Activity: Procurement/Accounts Payable**

Finding	Implication	Recommendation	Management Comments
<b>8.0 Need to Ensure Proper Use of Purchase Orders.</b>  <p>The Town is required to initiate an approved purchase order at the time a supplier is contracted to provide goods and services.</p> <p>Our review found that in most cases the purchase order is being initiated and approved at the stage the Town receives a supplier invoice for payment processing.</p> <p>Purchase orders provide the necessary authorisation to commit the Town to a future payment and therefore its use is more effective at the time of awarding a supplier contract.</p>	<p><b>Risk:</b> <span style="border: 1px solid black; padding: 2px;">Medium</span></p> <ul style="list-style-type: none"> <li>Issuing of an approved purchase order at the time of receiving the supplier's invoice undermines the management control effect of using purchase orders and the proper authorisation of purchase orders at the time a supplier is contracted.</li> <li>Increases the possibility of fraudulent action.</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>the Town clarify its policy and guidelines in regards to the proper use and approval of purchase orders to ensure that all purchase orders are initiated and approved at the date a supplier quote is accepted and/or a supplier contract for the supply of goods and services is enacted.</li> <li>A copy of the approved purchase order should be issued to the supplier at date of accepting their quote clearly stating that the supplier is required to state the purchase order number on their invoices.</li> </ul>	<p><b>Responsibility:</b> Director Corporate &amp; Compliance</p> <p><b>Management Comments:</b></p> <p>Agree. LG509 Procurement Policy is currently under review due to recent legislative changes.</p> <p>Finance procedures to be reviewed and updated.</p>

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control****Audited Activity: Procurement/Accounts Payable**

Finding	Implication	Recommendation	Management Comments
<p><b>9.0 Purchase Orders not Required for Administrative Type Payments.</b></p> <p>The Town Policy Manual should make it clear as to when a purchase order should or should not be raised.</p> <p>Purchase Orders are an effective control mechanism for the approval of purchases relating to goods and services. However, we do not consider that purchase orders are required for administrative type payments such as Synergy bills, Water Corporation bills, staff reimbursements etc or for regular ongoing payments such as loan payments. In most cases these are ongoing operational day to day payments.</p> <p>We understand that purchase orders are at times also being requested by Finance for these administrative type payments.</p>	<p><b>Risk:</b> <span style="color: green;">Low</span></p> <ul style="list-style-type: none"> <li>Raising of purchase orders for day to day administrative type payments do not provide any additional control benefit.</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>the Town Policy Manual also include, as part of the policy in regards to proper use of purchase orders, clarification as to types of administrative payments where purchase orders are not required for the payment of such invoices.</li> </ul>	<p><b>Responsibility:</b> Director Corporate &amp; Compliance</p> <p><b>Management Comments:</b></p> <p>Agree. To be implemented into Finance Procedures.</p>

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control****Audited Activity: Procurement/Accounts Payable**

Finding	Implication	Recommendation	Management Comments
<p><b>10.0 Need to Establish Purchase Order/Invoice Matching Variance Tolerance Levels.</b></p> <p>The Town's Policy Manual does not clearly provide for the process to follow for the matching of an approved purchase order and a supplier invoice nor where there is a purchase order/supplier invoice matching variance.</p> <p>Although, we understand, at present any variations that is determined between the approved \$ value of a purchase order and the matching supplier invoice \$ value requires further authorisation prior to payment, there is no variance tolerability.</p> <p>That is, should there be a variance of say 5% or up to \$100 between the purchase order approved value and the supplier invoice value, the invoice can be paid without further authorisation.</p>	<p><b>Risk:</b> <span style="color: green;">Low</span></p> <ul style="list-style-type: none"> <li>provides a more efficient process based on risk management principles.</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>In order to make the process more efficient, the Town should give consideration to establishing a suitable \$ and % variance that if met as part of the matching process, would not require further approval prior to payment.</li> <li>The Town Policy Manual should also clearly incorporate this variance policy and ensure the following processes are also clearly defined:</li> <li>Matching process between purchase order and supplier invoice</li> <li>Approval of supplier invoice variations</li> </ul>	<p><b>Responsibility:</b> Director Corporate &amp; Compliance.</p> <p><b>Management Comments:</b></p> <p>Agree and to be explored with new system. Preference for this to be incorporated into a Finance Work Procedures as opposed to a policy.</p> <p>Process of purchase order and invoice to be updated in existing Finance Procedures.</p>

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control**  
**Audited Activity: Accounts Payable**

Finding	Implication	Recommendation	Management Comments
<p><b>11.0 Need to Address Overuse of Authorisation Controls when Creating Purchase Invoices.</b></p> <p>When the Finance area is required to create a purchase invoice (loan repayments and other similar administrative type payments) which requires payment via a direct deposit, we understand that the Finance Officer creates a Direct Deposit Request Form which is signed by the Manager Finance and also by the Director Corporate &amp; Compliance. If the direct deposit amount is over \$150,000 (as per the authority limits) the Form is also required to be authorised by the CEO. The purchase invoice is then created electronically and is again also required to be authorised by the Manager Finance and the Director Corporate &amp; Compliance (based on their Delegated \$ limits) or the CEO if over \$150,000. After subsequent approvals have been given the purchase invoice is included in the payment run, which again requires approval by the Manager Finance or the Director Corporate &amp; Compliance (based on their Delegated \$ limits as cheque signatories) or the CEO if over \$150,000. We assessed this process as part of our review and have formed a conclusion that the process is inefficient and incorporates too many unnecessary approval levels.</p>	<p><b>Risk:</b> <span style="color: green;">Low</span></p> <ul style="list-style-type: none"> <li>Inefficient and unnecessary over use of authorisation control.</li> </ul>	<p>We recommend that the town give consideration to adopting the following authorisation process when dealing with creation of purchase invoices:</p> <ul style="list-style-type: none"> <li>Requesting Officer - creates direct deposit request form</li> <li>Supervisor/Manager of Requesting Officer - authorises the direct deposit request form which gives authority for the Finance Officer to create a purchase invoice, regardless of the \$ amount.</li> <li>Finance Officer - creates the purchase invoice in Council First system</li> <li>Relevant position - provides electronic authorisation of the purchase invoice in Council First system based on financial authority levels.</li> </ul>	<p><b>Responsibility:</b> Director Corporate &amp; Compliance</p> <p><b>Management Comments:</b></p> <p>Agree need to simplify this process and the Town will implement this new suggested process into its internal work procedures as well as disseminate to all staff.</p>

## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control****Audited Activity: Cash Handling**

Finding	Implication	Recommendation	Management Comments
<p><b>12.0. Need Safer Process for Cash in Transit</b></p> <p>The Town currently has cash receipting facilities at the Administration building, Library and the Aquatic Centre.</p> <p>We understand that all banking of cash and cheques is undertaken by staff at these centres and the Town does not use armed guard security services to collect and deliver cash and cheques to the Town's bank.</p>	<p><b>Risk:</b> <span style="border: 1px solid black; padding: 2px;">Medium</span></p> <ul style="list-style-type: none"> <li>staff carrying cash directly to the bank is highly risky and puts the Town staff under unnecessary potential risk during cash in transit.</li> </ul>	<p>We recommend that</p> <ul style="list-style-type: none"> <li>the Town reassess the potential risk associated with staff carrying cash to the bank versus the associated cost of using armed security services.</li> </ul>	<p><b>Responsibility:</b> Director Corporate &amp; Compliance</p> <p><b>Management Comments:</b></p> <p>Agree. Risks to be considered by the Town as against cost implications.</p>



## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control**  
**Audited Activity: Cash Handling**

Finding	Implication	Recommendation	Management Comments
<p><b>13.0 Use of CCTV and Duress Alarms</b></p> <p>Security over point of sale systems for the receipting of cash is essential not only for the safeguarding of cash but for the overall safety of staff who operate those systems.</p> <p>As such all point of sale systems where cash is receipted should be protected by CCTV cameras and duress alarms.</p> <p>During our review we were unable to physically visit the Library and the Aquatic Centre in order to sight the existence of these security features due to the closure of these sites as part of the COVID 19 social distancing restrictions nor were we able to determine whether these devices, if fitted, were operational.</p>	<p><b>Risk:</b> <span style="color: green;">Low</span></p> <ul style="list-style-type: none"> <li>Inactive or non-existent CCTV and duress alarms could put Town staff at risk.</li> </ul>	<p>We recommend that</p> <ul style="list-style-type: none"> <li>the Town ensure that wherever cash is being receipted that there exists a working CCTV camera and duress alarms in place.</li> </ul>	<p><b>Responsibility:</b> Director Corporate &amp; Compliance</p> <p><b>Management Comments:</b></p> <p>Agree. Risks to be considered by the Town as against cost implications.</p>



## Regulation 17 Review

## Town of Claremont

**Audited Area: Internal Control****Audited Activity: General**

Finding	Implication	Recommendation	Management Comments
<b>14.0. Need to Update the Town Policy Manual</b>  The policy manual does not provide appropriate policy guidance in regards to the following key processes: <ul style="list-style-type: none"> <li>○ Complaints Management</li> <li>○ Risk Management</li> <li>○ Cash Receipting and Banking</li> <li>○ Legislative Compliance</li> </ul> The Town does have in place a Customer Experience Charter.	<b>Risk:</b> <span style="border: 1px solid green; padding: 2px;">Low</span>  <ul style="list-style-type: none"> <li>• Inappropriate guidelines for staff to follow.</li> </ul>	We recommend that <ul style="list-style-type: none"> <li>• the Town, via the Governance unit review the Town's Policy Manual to include the following processes and any other policies that have been identified as part of this review report that need to be included in the Town's Policy Manual.               <ul style="list-style-type: none"> <li>○ Complaints Management</li> <li>○ Risk Management</li> <li>○ Cash Receipting and Banking</li> <li>○ Legislative Compliance</li> </ul> </li> </ul>	<b>Responsibility:</b> Director Governance & People  <b>Management Comments:</b>  Agree. Review of Policy Manual is in progress

## Regulation 17 Review

## Town of Claremont

**Audited Area: Legislative Compliance****Audited Activity: Compliance**

Finding	Implication	Recommendation	Management Comments
<p><b>15.0. Need to Develop a Legislative Compliance Checklist</b></p> <p>The Town's current legislative compliance program could be improved. The Town currently relies on the annual Compliance Audit Return (CAR) and the Comprehensive Compliance Register to identify and monitor compliance.</p> <p>Although the (CAR) and the Comprehensive Compliance Register are appropriate to assess legislative compliance, it does not cater for all the legislative areas that require compliance under the Local government Act 1995, the Local Government (Functions &amp; General) Regulations 1996 and the Local Government (Audit) Regulations 1996.</p>	<p><b>Risk:</b> <span style="border: 1px solid black; padding: 2px;">Medium</span></p> <ul style="list-style-type: none"> <li>The Town may not be complying with legislative compliance without formal detection.</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>the Governance unit give consideration to develop various legislative compliance program checklists which can be distributed to the applicable operational areas for them to undertake a self-compliance assessment, say on an annual basis of their compliance level.</li> <li>Once completed the legislative compliance program compliance checklists should be signed-off by the relevant operational Managers and their Director as evidence that they have undertaken the compliance checks and that any non-compliance matters have been actioned and returned to the governance area.</li> </ul>	<p><b>Responsibility:</b> Director Governance &amp; People</p> <p><b>Management Comments:</b> To be considered further</p>

## Regulation 17 Review

## Town of Claremont

**Audited Area: Legislative Compliance****Audited Activity: Audit Function**

Finding	Implication	Recommendation	Management Comments
<p><b>16.0. Need to Establish an Internal Audit Activity for the Town</b></p> <p>The Town does not have in place a dedicated Internal Audit Activity which is able to undertake routine risk management, internal control and legislative compliance audits. Such an activity, should it be established, would be responsible for reporting their findings and recommendations directly to the Audit and Risk Management Committee assisting the Audit and Risk Management Committee in meeting their governance responsibilities. Although The town's annual financial statements auditors do undertake control assessments, these relate mainly to finance related processes and are limited only in relation to such processes impacting on the accuracy of the reported financial statement figures. The Internal Audit Activity can be established either as an inhouse function or outsourced to a reputable accounting/audit firms who specialise in providing Internal Audit services.</p>	<p><b>Risk:</b> <span style="border: 1px solid black; padding: 2px;">Medium</span></p> <ul style="list-style-type: none"> <li>In the absence of an effective Internal Audit Activity, the Town is unable to obtain assurance that management controls continue to operate satisfactorily, the Towns policies continue to be effective and complied with and that the Town's risks are being properly identified and managed.</li> </ul>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>The Town CEO, through the Governance unit and the Audit and Risk Management Committee give consideration to the establishment of an Internal Audit Activity for the Town.</li> <li>Consideration be given to establishing a 3 year internal audit program, endorsed by the Audit and Risk Management Committee, made up of potential audits to be carried out based on the Town's identified strategic and operational risks.</li> </ul>	<p><b>Responsibility:</b> CEO, Director Governance &amp; People and Audit and Risk Management Committee</p> <p><b>Management Comments:</b> To be considered further</p>

## Regulation 17 Review

Town of Claremont

**Appendix A – Risk Criteria Matrix**

The following risk criteria were used to assess level of risk on findings included in the Review Report.

**Risk Assessment Matrix****Likelihood of Risk:**

Rating	Description	Frequency
1	<b>Rare</b> – May occur, only in exceptional circumstances	< once in 15 years
2	<b>Unlikely</b> – Could occur at some time	At least once in 10 years
3	<b>Possible</b> – Should occur at some time	At least once in 3 years
4	<b>Likely</b> – Will probably occur in most circumstances	At least once per year
5	<b>Almost Certain</b> – Expected to occur in most circumstances	> once per year

**Consequence of Risk:**

Description	Health	Financial Loss	Operation	Compliance	Reputation	Project
1. Insignificant	No injuries or illness	<\$50,000	Little Impact	Minor breach of policy, or process requiring approval or variance	Unsubstantiated, low impact, low profile or no news item.	Small variation to cost, timeliness, scope or quality of objectives and required outcomes.
2. Minor	First Aid treatment	\$50,000 to \$250,000	Inconvenient Delays	Breach of policy, process or legislation requiring attention of minimal damage control	Substantiated, low impact, low news profile.	5-10% increase in time or cost or variation to scope objective requiring approval
3. Moderate	Medical treatment required	\$250,000 to \$1 million	Significant delays to major deliverables	Breach requiring internal investigation, treatment or moderate damage control	Substantiated, public embarrassment, moderate impact, moderate news profile.	10-20% increase in time or cost or variation to scope objective requiring Senior Management approval
4. Significant	Death or extensive injuries	\$1 million to \$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in tangible loss and damage to reputation	Substantiated, public embarrassment, moderate impact, high news profile and 3 <sup>rd</sup> party actions.	20-50% increase in time or cost or significant variation to scope objective requiring restructure of project and Senior Management or Council approval
5. Severe	Multiple deaths or sever permanent disabilities	>\$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in significant tangible loss and damage to reputation	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, 3 <sup>rd</sup> party actions.	>50% increase in time or cost or inability to meet project objectives requiring the project to be abandoned or redeveloped

**Risk Exposure:**

Risk = Likelihood x Consequence

Score	Level of Risk	Score	Level of Risk	Score	Level of Risk
1 - 8	<b>Low</b>	9 - 19	<b>Medium</b>	20 - 25	<b>High</b>

	<b>LG540</b> <b>COMPLAINTS MANAGEMENT</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Office of the Chief Executive  <b>Relevant Council Delegation</b> Nil

### Purpose

The purpose of this policy is:

1. Demonstrate the Town of Claremont's (**Town**) commitment to receiving, acknowledging and resolving complaints in order to improve service provision.
2. To develop a structured and systematic approach to dealing with complaints.
3. To provide guidance and set out expectations in relation to the Town's complaints management approach.

### Definition

Complaint means an expression of dissatisfaction with the Town, a level of service, a lack of promised service or response, or the conduct of a person employed by or representing the Town, which is not anonymous, made to the Town through its Elected Members, Chief Executive Officer or any of its employees in writing or verbal, where a response or resolution is explicitly or implicitly expected.

### Policy

The Town Code of Conduct and Customer Experience Charter detail expectations in relation to employee behavior and levels of service.

The Town will support and promote a culture where complaints are seen as opportunities to learn and improve service delivery.

The Town's approach to managing complaints will be as follows:

- Complaints will remain confidential wherever possible and respectful of a person's privacy.
- Complaints are to be processed within the time frames specified in the Customer Experience Charter.
- Focused on the complainant with visible and accessible contact points provided for complaints.
- Accountable and transparent.

- Responsive and empathetic.
- Objective, fair and neutral.
- Outcome focused and ensure the complainant is involved in the process.
- Free of reprisals against any person involved in the complaint management process.
- The complainant will be kept aware of the progress of a complaint throughout the complaints process; where a complaint has come via an Elected Member, the Town will ensure that the Elected Member is made aware of the progress or outcome of the complaint.
- All correspondence relating to a complaint will be recorded within the Town's records management system.

The Town may refuse to investigate a complaint or may respond to the complainant outside of the Customer Experience Charter timeframes:

- If in the opinion of the Chief Executive Officer a complaint is trivial, frivolous and/or vexatious.
- The complainant is abusive, aggressive, rude, angry, harassing and/or hostile.

The substance of a complaint will dictate the resources allocated by the Town to the complaint.

The Town may determine to take one of the following courses of action:

- Take no further action and advise the complainant of the reason/s.
- Resolve the complaint by use of appropriate strategies such as, but not limited to, mediation, informal discussion or negotiation.
- Discontinue the assessment in circumstances where it becomes evident that the matter should be referred to another body or person and advise the complainant accordingly.

If a complainant is not satisfied with the way that the Town has handled their initial complaint then they may apply for an internal review of the complaint. The reviewing officer will be senior to the initial officer and will reconsider the decision reached, taking all relevant matters into account.

### Legislation

Nil


### Relevant Procedures, Policies and Other Documents

Code of Conduct  
Customer Experience Charter  
Online Complaint Form

### Policy Adoption and Amendment History

Adopted/Reviewed/ Modified	Date of Meeting	Council Meeting Resolution Number
Adopted (New)		



	<b>LG534</b> <b>RISK MANAGEMENT</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Governance and People  <b>Relevant Council Delegation</b> Nil

### Purpose

The purpose of this policy is to articulate the Town of Claremont's (**the Town**) commitment to:

1. Identifying and responding to potential risks so that impacts can be minimised and opportunities realised.
2. Ensuring that the Town achieves its strategic and corporate objectives efficiently, effectively whilst following and upholding good corporate governance principles.

### Definitions

Risk is defined as the "effect of uncertainty on objectives".

Risk Management is defined as "co-ordinated activities to direct and control an organisation with regard to risk".

Integrated Risk Management Framework is defined as "set of components that provide the foundations and organisational arrangements for designing, implementing, reviewing and continually improving risk management throughout the organisation".

### Policy

The Town will implement a coordinated approach to managing risks by:

- Implementing an integrated risk management framework based on the AS/NZ ISO 31000.
- Ensuring risk management functions are resourced appropriately to meet the size and scale of the Town's operations.
- Ensuring the Town's strategic and operational planning activities are aligned with the Integrated risk management framework.
- Embedding risk management activities across the Town's operations.
- Requiring all identified risks to be assessed according to the Town's integrated risk management framework to ensure consistency and informed decision making. Where operational requirements

- require alternative risk assessment criteria these cannot exceed the Town's risk aptitude and are to be noted within the individual risk assessment.
- Encouraging and supporting a culture of risk based decision making directed towards the effective management of potential opportunities and reduction of potential impacts of risk.
  - Implementing regular risk review and periodic reporting to the CEO and Audit and Risk Management Committee.

### Legislation

*Local Government (Audit) Regulations 1996*

### Relevant Procedures, Policies and Other Documents

AS/NZS ISO 31000:2018 Risk Management – Guidelines

Integrated Risk Management Framework (Internal)

Integrated Risk Register (Internal)

### Policy Adoption and Amendment History

Adopted/Reviewed/ Modified	Date of Meeting	Council Meeting Resolution Number
Adopted (New)		



	<b>LG539</b> <b>LEGISLATIVE COMPLIANCE</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Governance and People  <b>Council Delegation</b> Nil

### Purpose

The purpose of this policy is to outline the Town of Claremont's (**the Town**):

1. Commitment to complying with all legislative requirements contained within the *Local Government Act 1995*, corresponding Local Government Regulations and other legislation applicable to all areas of its operations.
2. Support for the development of systems and processes to assist with legislative compliance and the creation of a compliance culture.

### Policy

The Town will strive for legislative compliance by:

- Providing sufficient resources relative to the size and scale of the Town's operations.
- Ensuring at least an annual review of the compliance management calendar to ensure the key legislative provisions are current.
- Periodic refining of the compliance management calendar to ensure it accurately records the employee or business unit who is responsible for compliance and the measures undertaken to achieve compliance.
- Integration of compliance requirements into day-to-day operations.
- Encouraging and support a culture of compliance and continuous improvement.
- Provide induction and ongoing education and training to ensure employees understand their compliance obligations.
- Providing employees with the resources, training and development programs to identify and remain up to date with new legislation.
- Periodic internal auditing of compliance activities.
- Regular reporting on key compliance obligations and compliance activities to management team, executive team, committees and Council.
- Establish a mechanism for reporting non-compliance.
- Creating and improving processes to detect non-compliance.
- Identifying and where possible remedying instances of non-compliance.
- Review instances of non-compliance to assess how the systems of compliance can be improved.

**Legislation**


*Local Government Act 1995* and all associated Regulations  
Various legislation

**Relevant Procedures, Policies and Other Documents**

Compliance Management Calendar  
Code of Conduct  
Australian Standard AS 19600-2015: Compliance Management Systems- Guidelines  
Risk Management Policy  
Integrated Risk Management Framework

**Policy Adoption and Amendment History**

Adopted/Reviewed/ Modified	Date of Meeting	Council Meeting Resolution Number
Adopted (New)		

	<b>LG536</b> <b>PUBLIC INTEREST DISCLOSURE</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Governance and People  <b>Council Delegation</b> Nil

### Purpose

The purpose of this policy is to demonstrate the Town of Claremont's (**the Town**) commitment to developing, implementing and maintaining a governance program for public interest disclosures (**PIDs**).

### Policy

The Town is committed to the aims and objectives of the *Public Interest Disclosure Act 2003* and will:

- Ensure it has at least one designated PID Officer who is qualified to or will be provided training to undertake that role.
- Assist those making disclosures to understand their rights and responsibilities and the available protection under the *Public Interest Disclosure Act 2003*.
- Cultivate a culture that does not tolerate corruption or other improper conduct.
- Encouraging Elected Members and employees to disclose information about suspected wrongdoing through awareness and training initiatives.

### Legislation

*Public Sector Management Act 1994*

*Public Interest Disclosure Act 2003*

*Corruption and Crime Commission Amendment (Misconduct) Act 2014*

### Relevant Procedures, Policies and Other Documents

Code of Conduct

Public Interest Disclosure Lodgement Form

Integrated Risk Management Framework (Internal)


Governance Framework

LG534 Strategic and Operational Risk Register

LG538 Fraud Prevention Policy

**Policy Adoption and Amendment History**

<b>Adopted/Reviewed/ Modified</b>	<b>Date of Meeting</b>	<b>Council Meeting Resolution Number</b>
Adopted (New)		

	<b>LG538</b> <b>FRAUD PREVENTION</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Governance and People  <b>Council Delegation</b> Nil

### Purpose

The purpose of this policy is to articulate the Town of Claremont's **(the Town)**:

1. Commitment to integrity and zero tolerance of fraud, corruption and bribery in all forms.
2. Support for the development of systems and processes to obstruct fraudulent activities, ensure adequate oversight, separation of duties, detection, identification and reporting of breaches.
3. Requirement that all Elected Members, committee members and employees are accountable and behave with integrity, ethically and honestly when performing their duties and during their interactions with stakeholders.

### Policy

To support this vision the Town will implement a coordinated approach to manage risks of fraud by:

- Assessing fraud risks across its business.
- Support the development of systems and processes to obstruct fraudulent activities, ensure adequate oversight, separation of duties, detection, identification and reporting of breaches.
- Developing a Fraud and Corruption Control Plan and reviewing it at least every 2 years.
- Developing and implementing a periodic fraud awareness and prevent training program for employees and Elected Members.
- Ensuring that all conflicts of interest and financial interests are disclosed, recorded and assessed.
- Creating a strong ethical culture that sets the standard of behaviour, including the identification of fraud risks and reporting mechanisms and obligations to act accordingly.
- Ensuring clear internal processes and systems to report any potential fraud, including anonymous reporting.
- Investigating all identified or suspected fraudulent or corrupt conduct.
- Ensuring appropriate reporting, disciplinary action, prosecution and recovery actions are initiated by the Town.
- Collecting and analysing information received about potential fraud to identify any trends or emerging issues.
- Maintaining policies and procedures to verify the identity and integrity of employees, contractors and suppliers.

This policy, in conjunction with the Code of Conduct, the Integrated Risk Management Framework and the Public Interest Disclosure policy aligns with the Town's corporate culture and values to prevent, detect and respond to potential or actual fraud and misconduct and minimise risks to the Town, its people and its assets.

### Legislation

*Local Government Act 1995*  
*Local Government (Rules of Conduct) Regulations 2007*  
*Local Government (Financial Management) Regulations 1996*  
*Local Government (Audit) Regulations 2007*  
*Local Government (Administration) Regulations 2007*  
*Local Government (Functions and General) Regulations 1996*

### Relevant Procedures, Policies and Other Documents

Code of Conduct  
Integrated Risk Management Framework  
LG536 Public Interest Disclosure Policy  
Gifts and Entertainment Policy  
LG509 Purchasing Policy  
LG512 Corporate Purchasing Cards

Human Resources recruitment and selection guidelines

### Policy Adoption and Amendment History

Adopted/Reviewed/ Modified	Date of Meeting	Council Meeting Resolution Number
Adopted (New)		

	<b>LG512</b> <b>Corporate Purchasing Cards</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Office of the Chief Executive  <b>Relevant Council Delegation</b> Nil

### Purpose

The purpose of the policy is to provide guidance on the issue and control of the use of the Corporate Purchasing Cards to ~~for~~ employees of the Town of Claremont ~~(the Town)~~.

### Policy

In respect to the issue and use of Corporate Purchasing Cards:

- Council has authorised the responsibility of the issue of Corporate Purchasing Cards to the Chief Executive Officer (CEO).
- The CEO can authorise the issue of cards to Directors and other officers as required.
- Purchasing limits in respect to these Corporate Purchasing Cards will be determined by the CEO. A monthly spend per card limit and an individual transaction limit will be determined for each card holder.
- Corporate Purchasing Cards are to be used only for business related expenditure.
- The use of Corporate Purchasing Cards ~~the cards~~ does not negate the requirement to comply with the Town's purchasing policy.
- Custodians of Corporate Purchasing cards are entirely responsible for the use of that e-card, including authorised delegates. No other officer may use the card.
- Cardholders cannot incur and certify their own expenditure when arranging payment of the monthly invoice to the card supplier.  
~~— The CEO and Directors are authorised to use their respective his card for the purpose of business entertainment.~~
- Cardholders must not obtain personal benefit from the use of the cards, including receipt of frequent flyer points or other reward schemes.
- The CEO is to establish procedures for the use of Corporate Purchasing Cards to ensure adequate control is exercised over their use and that expenditure incurred on such cards is included in the monthly schedule of accounts for payment to be reviewed by Council.

### Legislation

Local Government Act 1995, s. 6.5(a) and s 2.7(2)(a)

*Local Governance (Financial Management) Regulations 1996 s.11(1)(a)*

#### **Relevant Procedures, Policies and Other Documents**

Corporate Purchasing Cards Procedure.

#### **Policy Adoption and Amendment History**

<b>Adopted/Reviewed/ Modified</b>	<b>Date of Meeting</b>	<b>Council Meeting Resolution Number</b>
Adopted	19/02/2013	28/13
Reviewed	10/12/2013	360/13
Reviewed	09/12/2014	203/14
Reviewed	15/12/2015	226/15
Reviewed	13/12/2016	206/16
Reviewed	18/12/2018	228/18
Reviewed		





	<b>LG509 PURCHASING</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Office of the Chief Executive  <b>Relevant Council Delegation</b> Nil

### Purpose

The purpose of this policy is to demonstrate the Town of Claremont's (**the Town**) commitment to ensuring that all purchasing activities:

1. Achieve best value for money.
2. Are compliant with all relevant legislation and regulatory obligations.
3. Mitigate probity risk, by establishing consistent and demonstrated processes that promote transparency and fairness.

### Definitions

Act means the *Local Government Act 1995*.

Purchase Value Threshold means the actual or expected value of a contract over the full contract period, including any options.

Pre-qualified panel of suppliers includes a supplier approved through the WALGA preferred supply program or State Government CUA.

Regulations means the *Local Government (Functions and General) Regulations 1996*.

RFT means Request for Tender.

RFQ means Request for Quotation.

WALGA means Western Australian Local Government Association.

### Policy

The Town is committed to delivering best practice in purchasing activities that aligns with the principles of transparency, probity and good governance. The following principles must be observed through all stages of purchasing:

- All purchasing practices shall comply with all relevant legislation.

- All Town's Policies and the Code of Conduct must be followed.
- Purchasing is to be carried out to deliver the most advantageous outcome for the Town.
- Purchasing is to be carried out in accordance with approved budget provisions.
- All processes, evaluations and decisions shall be transparent, free from bias, merit based and fully documented in accordance with applicable policies, practices and procedures, and audit requirements.
- All employees of the Town must act in an honest and professional manner at all times which supports the standing of the Town. Full accountability shall be taken by employees for all purchasing decisions.
- Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.
- With respect to RFQ and RFTs all employees are expected to demonstrate due diligence in seeking quotations. The number of quotations obtained, the contract conditions and level of evaluation required should be determined by having regard to the type and nature of the purchase and the associated risk, and not purely the purchase value as set out in the purchasing threshold table.
- Employees must only undertake purchasing activities within their authorised limit.

### Purchasing Thresholds and Practices

The table below prescribes the minimum purchasing process that must be followed:

Purchase Value Threshold (excluding GST)	Purchasing Requirements
\$1,000 to \$5,000	Obtain at least <b>two (2)</b> oral or written quotation.
Over \$5,000 and up to \$15,000	Obtain at least <b>two (2)</b> oral or written quotations from suppliers following issue of a brief outlining the specified requirement.
Over \$15,000 and up to \$50,000	Obtain at least <b>three (3)</b> written quotations from suppliers following issue of a brief outlining the specified requirement.
Over \$50,000 and up to \$250,000	A formal RFQ process must be followed in accordance with the Act and the Regulations.  At least <b>three (3)</b> written quotations must be obtained.  RFQ from a pre-qualified suppliers are not required to be invited using a RFQ, however at least three (3) written quotes are still required to be obtained.
Over \$250,000	A formal RFT process must be followed in accordance with the Act and the Regulations subject to the exceptions in Regulation 11(2) and as set out within this policy.

**Purchasing exemptions under \$250,000**

The following exemptions where the Town is not required to undertake a competitive purchasing process and where the total value of the purchase does not exceed \$250,000 include:

- Emergency Purchases.
- Purchases where there is a sole source of supply.
- Services of WALGA and LGIS.
- Services of government entities including, but not limited to Federal, State, Local government entities, and Government Trading Enterprises (GTE's).
- Newspaper advertising (or online equivalent).
- Advance / Prior Payment of Services (for example: accommodation, travel services, entertainment, conferences, seminars, Memberships, Subscriptions, training courses).
- Annual Services / Software maintenance / Support Fees.
- Fuels and Oils.
- Provision of utility services.
- Reimbursements.
- Purchases for maintenance of equipment from Original Equipment Manufacturer (OEMs) and where warranty provisions may be void.
- Purchases of urgent or unique nature or where exceptional circumstances arise and it is considered in the best interest of the Town, an exemption may be granted by the CEO. When exercised Council is to be advised.

**Emergency Purchases**

An emergency purchase is defined as an unanticipated and unbudgeted purchase which is required in response to an emergency situation as provided for in the Act. An emergency purchase does not relate to purchases not planned due to time constraints.

**Sole Source of Supply**

Where the purchasing requirement is over the value of \$5,000 and of such a unique nature that it can only be supplied from one supplier, the purchase is permitted without the requirement to obtain quotes, undertake a tender or quotation process. This is only permitted in circumstances where the Town is satisfied and can provide evidence that there is only one source of supply for those goods, services or works. The Town must use its best endeavours to determine if the sole source of supply is genuine by exploring if there are any alternative sources of supply. Once determined, the justification for the Sole Source of Supply must be endorsed by the relevant Director, prior to a contract being entered into.

**Panels of Pre-qualified Suppliers**

The Town may consider creating a Panel of Pre-qualified Suppliers ("Panel") when a range of similar goods and services are required to be purchased on a continuing and regular basis and it is advantageous to use multiple suppliers. Should the Town determine that a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 of the Regulations.

**Expressions of Interest**

Expressions of Interest (EOI) may be considered in situations where the project is of a significant value or contains significant complexity of project delivery that may solicit responses from a considerable range of industry providers. In these cases, the Town may conduct an EOI process, preliminary to any request for Tender process, where the procurement requirement is:

- Unable to be sufficiently scoped or specified;
- Open to multiple options for how the purchasing requirement may be obtained, specified, created or delivered;
- Subject to a creative element; or
- To establish a procurement methodology that allows for an assessment of a significant number of tenderers leading to a shortlisting process based on non-price assessment criteria.

EOI processes are to be conducted in line with Part 4, Division 2 of the Regulations.

**Purchasing Principles****Value for Money**

'Value for Money' is determined when the consideration of price, risk, timeliness, environmental, social and qualitative factors are assessed to determine the most advantageous outcome to be achieved for the Town.

The Town will apply value for money principles when assessing purchasing decisions and acknowledges the lowest price may not always be the most advantageous. Other factors including qualitative and risk criteria will also be given consideration into the decision.

An assessment of the best value for money outcome for any purchasing process should consider:

- All relevant Total Costs of Ownership ('TCO') and benefits including transactional costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.
- The technical merits of the goods or services being offered.
- Financial viability and capacity to supply without risk of default.
- A strong element of competition in the allocation of orders or the awarding of contracts.
- The safety requirements associated with both the product design and specification offered by suppliers and the evaluation of risk when considering purchasing goods and services from suppliers.

**Sustainable Procurement and Corporate Social Responsibility**

Where appropriate, the Town shall endeavour to provide an advantage to suppliers demonstrating that they minimise environmental and negative social impacts and embrace sustainable business practices and Corporate Social Responsibility. These considerations must be balanced against value for money outcomes.

**Anti-Avoidance**

The Town or its employees shall not, at any stage, seek to enter into two or more contracts or create

multiple purchase order transactions of a similar nature for the purpose of "splitting" the value of the purchase or contract in order to reduce the value of the consideration of the purchase below a particular purchasing threshold.

#### **Local Economic Benefit**

Under the State Government's Buy Local Policy, Government Agencies and Local Governments, including the Town, are encouraged to maximise participation of local and small businesses in the supply of goods, services and works. As much as practicable, the Town will:

- Where appropriate, consider buying practices, procedures and specifications that do not unfairly disadvantage local businesses.
- Consider indirect benefits that have flow on benefits for local suppliers (i.e. servicing and support).
- Ensure that procurement plans address local business capability and local content.
- Explore the capability of local businesses to meet requirements and ensure that Requests for Quotation and Tenders are designed to accommodate the capabilities of local businesses.
- Avoid bias in the design and specifications for Requests for Quotation and Tenders – all Requests must be structured to encourage local businesses to bid.
- Provide adequate and consistent information to potential suppliers.

#### **Legislation**

*Local Government Act 1995*

*Local Government (Functions and General) Regulations 1996*

*State Records Act 2000 (WA)*

#### **Relevant Procedures, Policies and Other Documents**

Purchasing Practice Guide

#### **Policy Adoption and Amendment History**

<b>Adopted/Reviewed/ Modified</b>	<b>Date of Meeting</b>	<b>Council Meeting Resolution Number</b>
Adopted	862/99	26/10/1999
Reviewed	536/03	16/12/2003
Reviewed	202/07	17/07/2007
Modified	210/10	05/10/2010
Modified	23/12	06/03/2012
Reviewed	360/13	10/12/2013
Reviewed	203/14	09/12/2014
Reviewed	226/15	15/12/2015
Modified	121/16	02/08/2016
Reviewed	206/16	13/12/2016
Modified	228/18	18/12/2018
Reviewed		

	<b>LG509 PURCHASING</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Office of the Chief Executive  <b>Relevant Council Delegation</b> Nil

#### Purpose

The ~~objectives purpose~~ of this policy ~~are is~~ to ~~demonstrate the Town of Claremont's (the Town)~~ ~~commitment to ensure~~ that all purchasing activities:

1. ~~Achieve demonstrate that~~ best value for money ~~is attained for the Town.~~
2. ~~Are~~ compliant with ~~all~~ relevant ~~legislatio~~legislation and ~~regulatory obligations~~n.s., including the Act and Regulations
3. ~~are recorded in compliance with the State Records Act 2000 and associated records management practices and procedures of the Town;~~
- 4.3. ~~Mitigate~~ probity risk, by establishing consistent and demonstrated ~~administrative~~ processes that promote ~~openness, transparency and~~ fairness, and ~~equity to all potential suppliers;~~

#### Definitions

Act means the Local Government Act 1995.

Purchase Value Threshold means the actual or expected value of a contract over the full contract period, including any options.

Pre-qualified panel of suppliers includes a supplier approved through the WALGA preferred supply program or State Government CUA.

Regulations means the Local Government (Functions and General) Regulations 1996.

RFT means Request for Tender.

RFQ means Request for Quotation.

WALGA means Western Australian Local Government Association.

#### Policy



The Town is committed to delivering best practice in ~~the purchasing of goods, services and works activities~~ that aligns with the principles of transparency, probity and good governance, ~~and compliance with the~~ The following principles, ~~standards and behaviours~~ must be observed ~~and enforced~~ through all stages of ~~the purchasing process to ensure the fair and equitable treatment of all parties:~~

- ~~All~~ All purchasing practices shall comply with ~~all~~ relevant legislation, ~~regulations, and requirements~~
  - ~~consistent with~~ All Town's ~~P~~olicies and the Code of Conduct ~~must be followed.~~
  - ~~Purchasing is to be undertaken on a competitive basis where all potential suppliers are treated impartially, honestly and consistently.~~
  - ~~Purchasing is to be carried out to deliver the most advantageous outcome for the Town.~~
  - Purchasing is to be carried out in accordance with approved budget provisions.
  - All processes, evaluations and decisions shall be transparent, free from bias, ~~merit based~~ and fully documented in accordance with applicable policies, practices and procedures, and audit requirements.
  - ~~All Elected members and employees~~ of the Town must act in an honest and professional manner at all times which supports the standing of the Town. Full accountability shall be taken ~~by Elected Members and employees~~ for all purchasing decisions, ~~and the efficient, effective and proper expenditure of public monies based on achieving value for money.~~
  - Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.
  - ~~With respect to RFQ and RFTs all employees are expected to demonstrate due diligence in seeking quotations. The number of quotations obtained, the contract conditions and level of evaluation required should be determined by having regard to the type and nature of the purchase and the associated risk, and not purely the purchase value as set out in the purchasing threshold table.~~
  - ~~Employees must only undertake purchasing activities within their authorised limit.~~
- ~~any information provided to the Town's by a supplier shall be treated as commercial in confidence and should not be released unless authorised by the supplier or relevant legislation.~~  
~~Procurement processes and practices to be complied with are defined within this Policy and Policy and the Town's prescribed procurement procedures.~~

#### **Ethics and Integrity**

##### **Code of Conduct**

~~All officers and employees of the Town undertaking purchasing activities must have regard for the Town Code of Conduct and its requirements and shall observe the highest standards of ethics and integrity.~~

#### **Purchasing Thresholds and Practices**

The table below prescribes the ~~minimum~~ purchasing process that ~~the Town must be followed:~~

Purchase Value Threshold (excluding GST)	Purchasing Requirements
Up to \$1,000	Obtain at least <del>one (1)</del> oral or written quotation <del>from a suitable supplier, either from a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement (CUA); or the open market.</del>
Over \$1,000 and <del>\$1,000</del> up to \$5,000	Obtain at least two oral or written quotation from a suitable supplier, <del>either from a pre-qualified supplier on the WALGA Preferred Supply</del>

	<p>Program or State Government CUA; or the open market;  Obtain at least <del>two one (2)</del> oral or written quotation, either from a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement (CUA);  OR  Obtain at least two oral or written quotations from a suitable supplier from the open market;</p>
Over \$5,000 and up to \$15,000	Obtain at least <del>three two (2)</del> oral or written quotations from suppliers following <del>issue of</del> a brief outlining the specified requirement; either from a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or the open market.
Over \$15,000 and up to \$50,000	Obtain at least <del>three (3)</del> written quotations from suppliers following <del>issue of</del> a brief outlining the specified requirement; either from a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or the open market.
Over \$50,000 and up to \$150,000	<p>A formal RFQ process must be followed in accordance with the Act and the Regulations.</p> <p><del>Obtain at least three (3) written quotations must be obtained.</del></p> <p>from suppliers by formal invitation under a Request for Quotation, following issue of a Request for Quotation outlining the specified goods or services required; either from a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or the open market; following completion of public advertising; Submissions as received are to contain containing price and detailed response to the specification of goods and services as required. The procurement decision is to be based on pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definition stated within this Policy. Quotations within this threshold may be obtained from: a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or from the open market.</p> <p><del>RFQ Requests for quotation from a pre-qualified panel of suppliers (whether administered through the WALGA preferred supply program or State Government CUA) are not required to be invited using a RFQ request for Quotation form, however at least three (3) written quotes are still required to be obtained.</del></p>

Over \$150,000	Where the purchasing requirement is not tender-exempt arrangement as listed under section 5.7 of this Policy, or any other relevant legislation, the Town is to conduct a public Request for Tender process in accordance with Part 4 of the Local Government (Functions and General) Regulations 1996, this Policy and the Town's relevant tender procedures. The procurement decision arising from this Request for Tender is to be based on pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definitions as stated within this Policy.
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Over \$250,000	A formal RFT process must be followed in accordance with the Act and the Regulations subject to the exceptions in Regulation 11(2) and as set out within this policy. Where the purchasing requirement is not tender-exempt arrangement as listed under section 5.7 of this Policy, or any other relevant legislation, the Town is to conduct a public Request for Tender process in accordance with Part 4 of the Local Government (Functions and General) Regulations 1996, this Policy and the Town's relevant tender procedures. The procurement decision arising from this Request for Tender is to be based on pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definitions as stated within this Policy.
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**Purchasing exemptions under \$250,000**

The following exemptions where the Town is not required to undertake a competitive purchasing process and where the total value of the purchase does not exceed \$250,000 include:

- Emergency Purchases;
- Purchases where there is a sole source of supply;
- Services of WALGA and LGIS;
- Services of government entities including, but not limited to Federal, State, Local government entities, and Government Trading Enterprises (GTE's);
- Newspaper advertising (or online equivalent);
- Advance / Prior Payment of Services (for example: accommodation, travel services, entertainment, conferences, seminars, Memberships, Subscriptions, training courses);
- Annual Services / Software maintenance / Support Fees;
- Fuels and Oils;
- Provision of utility services;
- Reimbursements.

- Purchases for maintenance of equipment from Original Equipment Manufacturer (OEMs) and where warranty provisions may be void;
- Purchases of urgent or unique nature or where exceptional circumstances arise and it is considered in the best interest of the Town, an exemption may be granted by the CEO. When exercised Council is to be advised.

#### Emergency Purchases

An emergency purchase is defined as an unanticipated and unbudgeted purchase which is required in response to an emergency situation as provided for in the Act. In such instances, quotes and tenders are not required to be obtained prior to the purchase being undertaken.

An emergency purchase does not relate to purchases not planned due to time constraints. Every effort must be made to anticipate purchases required by the Town in advance and to allow sufficient time to obtain quotes and tenders, whichever may apply.

#### Sole Source of Supply

Where the purchasing requirement is over the value of \$5,000 and of such a unique nature that it can only be supplied from one supplier, the purchase is permitted without the requirement to obtain quotes, undertake a tender or quotation process. This is only permitted in circumstances where the Town is satisfied and can provide evidence that there is only one source of supply for those goods, services or works. The Town must use its best endeavours to determine if the sole source of supply is genuine by exploring if there are any alternative sources of supply. Once determined, the justification for the Sole Source of Supply must be endorsed by the relevant Director, prior to a contract being entered into.

#### 2.4 Preferred Supplier

The status of preferred suppliers will be subject to a non-exclusive Supply Agreement with a supplier who has demonstrated an ability to satisfy the Town's requirements, provides best value for money and appointment by the Town would be in the best interest of the Town. All Supply Agreements of \$20,000 or less per annum shall be approved by the relevant Director in accordance with their authorisation limit. Agreement greater than \$20,000 per annum must be approved in writing by the Chief Executive Officer.

#### Panels of Pre-qualified Suppliers

The Town may consider creating a Panel of Pre-qualified Suppliers ("Panel") when a range of similar goods and services are required to be purchased on a continuing and regular basis and it is advantageous to use multiple suppliers. Should the Town determine that a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 of the Regulations.

#### Expressions of Interest

Expressions of Interest (EOI) may be considered in situations where the project is of a significant value or contains significant complexity of project delivery that may solicit responses from a considerable range of industry providers. In these cases, the Town may conduct an EOI process, preliminary to any request for Tender process, where the procurement requirement is:

- Unable to be sufficiently scoped or specified;

- Open to multiple options for how the purchasing requirement may be obtained, specified, created or delivered;
- Subject to a creative element; or
- To establish a procurement methodology that allows for an assessment of a significant number of tenderers leading to a shortlisting process based on non-price assessment criteria.

EOI processes are to be conducted in line with Part 4, Division 2 of the Regulations.

### Purchasing Principles

#### **Value for Money**

##### 1.1 Policy

'Value for Money' is determined when the consideration of price, risk, timeliness, environmental, social and qualitative factors ~~that~~ are assessed to determine the most advantageous outcome to be achieved for the Town.

The Town will apply value for money principles when assessing purchasing decisions and acknowledges the lowest price may not always be the most advantageous. Other factors including qualitative and risk criteria will also be given consideration into the decision. As such, purchasing decisions must be made with greater consideration than simply obtaining the lowest price, but must also to incorporate also incorporate qualitative and risk factors into the decision.

##### 1.2 1.3 Application

An assessment of the best value for money outcome for any purchasing process should consider:

- All relevant Total Costs of Ownership ('TCO') and benefits including transaction~~al~~ costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.
  - The technical merits of the goods or services being offered. ~~in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality, including but not limited to an assessment of levels and currency of compliances, value adds offered, warranties, guarantees, repair and replacement policies, ease of inspection, ease of after sales service, ease of communications etc.~~
  - Financial viability and capacity to supply without risk of default. ~~(competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history)~~
  - A strong element of competition in the allocation of orders or the awarding of contracts. ~~This is achieved by obtaining a sufficient number of competitive quotations wherever practicable~~
  - The safety requirements associated with both the product design and specification offered by suppliers and the evaluation of risk when considering purchasing goods and services from suppliers.
2. ~~purchasing of goods and services from suppliers that demonstrate sustainable benefits and good corporate social responsibility, and~~  
~~providing opportunities for businesses within the Town's boundaries to be given the opportunity to quote for providing goods and services wherever possible.~~

#### **Sustainable Procurement and Corporate Social ~~Responsible Directorate~~ Responsibility**



The Town is committed to providing a preference to suppliers that demonstrate sustainable business practices and high levels of 'Corporate Social Responsible Directorate' ('CSR'). Where appropriate, the Town shall endeavour to provide an advantage to suppliers demonstrating that they minimise environmental and negative social impacts and embrace sustainable business practices and Corporate Social Responsibility (CSR). Sustainable and CSR considerations must be balanced against value for money outcomes in accordance with the Town's sustainability objectives.

#### Purchasing Requirements

##### Legislative and Regulatory Requirements

The requirements that must be complied with by the Town, including purchasing thresholds and processes, are prescribed within the Regulations, this Policy and associated purchasing procedures in effect at the Town.

##### Policy

Purchasing that is \$1250,000 or below in total value (excluding GST) must be in accordance with the purchasing requirements under the relevant threshold as defined under section 35.6 of this Purchasing Policy.

Purchasing that exceeds \$2150,000 in total value (excluding GST) must be put to public Tender when it is determined that a regulatory Tender exemption, as stated under 35.7 of this Policy is not deemed to be suitable, unless otherwise stipulated in relevant legislation.

##### Purchasing Value Definition

Determining purchasing value is to be based on the following considerations:

Exclusive of Goods and Services Tax (GST);

The actual or expected value of a contract over the full contract period, including all options to extend; or the extent to which it could be reasonably expected that the Town will continue to purchase a particular category of goods, services or works and what total value is or could be reasonably expected to be purchased. A best practice suggestion is that if a purchasing threshold is reached within three years for a particular category of goods, services or works, then the purchasing requirement under the relevant threshold (including the tender threshold) must apply.

Must incorporate any variation to the scope of the purchase and be limited to a 10% tolerance of the original purchasing value.

##### Anti-Avoidance

The Town or its employees/officers shall not, at any stage, seek to enter into two or more contracts or create multiple purchase order transactions of a similar nature for the purpose of "splitting" the value of the purchase or contract in order to reduce the value of the consideration of the purchase below a particular purchasing threshold.

##### 2.1 Officer Authorised to Purchase Goods/Services

Officers who are authorised to procure goods and/or services on behalf of the Town are only to authorise such goods and/or services to make purchases within their limit.

The policy does not give staff the authority to acquire or authorise the acquisition of order goods and services above their limit, except by prior arrangement with a suitably the authorised officer.

Only the issuing of a purchase order number, other than payment by corporate purchase card, is confirmation that the purchase has been authorised by the Town of Claremont.

3.6 Other Purchasing exemptions under \$250,000

The following exemptions where the Town is not required to undertake a competitive purchasing process (as detailed in 3.7 of this Policy) and where the total value of the purchase does not exceed \$250,000 include:

- Services of WALGA and LGIS;
- Services of government entities including, but not limited to Federal, State, local government entities, and Government Trading Enterprises (GTE's);
- Where for various reasons it is considered in the best interest of the Town to undertake procurement activities which are not provided for by this policy, an officer may:
  - Recommend to the CEO reasons to undertake unique or urgent expenditure in accordance with relevant approved operating procedures;
  - CEO to evaluate the recommendation for unique and urgent expenditure in accordance with relevant approved operating procedures; and
  - Details of the procurement activity are to be reported to Council at the next available meeting;
- Advertising;
- Annual Memberships / Subscriptions;
- Annual Services / Software maintenance / Support Fees;
- Fuels and Oils;
- Provision of utility services; and
- Purchases for maintenance of equipment from Original Equipment Manufacturer (OEMs) and where warranty provisions may be void.

The raising of a purchase order does not apply to those circumstances where:

- The acquisition of goods and services are obtained from a sole supplier,
- The value of the goods and services is not possible to confirm until receipt of an invoice.

Examples of such circumstances include (but are not limited to):

- Motor Vehicle licensing, registration and stamp duties
- Postal charges (Australia Post),
- Insurance excesses
- Utility fees and charges
- Where purchase by corporate purchasing card is not available, and reimbursement of expenses to officer is required
- Refunds

#### Local Economic Benefit

Under the State Government's Buy Local Policy, Government Agencies and Local Governments, including the Town, are encouraged to maximise participation of local and small businesses in the supply of goods, services and works. As much as practicable, the Town will:

- Where appropriate, consider buying practices, procedures and specifications that do not unfairly disadvantage local businesses.
- Consider indirect benefits that have flow on benefits for local suppliers (i.e. servicing and support).

- Ensure that procurement plans address local business capability and local content.
- Explore the capability of local businesses to meet requirements and ensure that Requests for Quotation and Tenders are designed to accommodate the capabilities of local businesses.
- Avoid bias in the design and specifications for Requests for Quotation and Tenders – all Requests must be structured to encourage local businesses to bid.
- Provide adequate and consistent information to potential suppliers.

#### Tendering Exemptions

An exemption to publicly invite tenders may apply in the following instances:

1. the purchase is obtained from a pre-qualified supplier under the WALGA Preferred Supply Program or State Government Common Use Arrangement
2. the purchase is from a Regional Local Government or another Local Government

Where the purchasing requirement is over the value of \$1,000 and of such a unique nature that it can only be supplied from one supplier, the purchase is permitted without the requirement to undertake a tender or quotation process. This is only permitted in circumstances where the Town is satisfied and can provide evidence that there is only one source of supply for those goods, services or works. The Town must use its best endeavours to determine if the sole source of supply is genuine by exploring if there are any alternative sources of supply. Once determined, the justification for the Sole Source of Supply must be endorsed by the relevant Director, prior to a contract being entered into.

From time to time, the Town may publicly invite an expression of interest to effectively determine that one sole source of supply still genuinely exists in respect to the provision of any good or service.

3. the purchase is acquired from a person registered on the WA Aboriginal Business Directory, as published by the Small Business Development Corporation, where the consideration under contract is worth \$250,000 or less and represents value for money.
4. the purchase is acquired from an Australian Disability Enterprise and represents value for money.

2.2 if any of the other exclusions under Regulation 11 of the Regulations apply.  
3.8 Inviting Tenders Under the Tender Threshold

2.3 Where considered appropriate and beneficial, the Town may consider publicly advertising Tenders in lieu of undertaking a Request for Quotation for purchases under the tender threshold. This decision should be made after considering the benefits of this approach in comparison with the costs, risks, and timeliness of the outcome and compliance requirements and also whether the purchasing requirement can be met through the WALGA Preferred Supply Program or State Government CUA.

2.4 If a decision is made to undertake a public Tender for contracts expected to be



*To this extent, a qualitative weighting may be afforded in the evaluation of quotes and tenders where suppliers are located within the boundaries of the Town, or substantially demonstrate a benefit or contribution to the local economy.*

#### **4. Purchasing From Disability Enterprises**

*Pursuant to Part 4 of the Local Government (Functions and General) Regulations 1996, the Town is not required to publicly invite tenders if the goods or services are to be supplied from an Australian Disability Enterprise, as registered on. This is contingent on the demonstration of value for money.*

*Where possible, Australian Disability Enterprises are to be invited to quote for supplying goods and services under the tender threshold. A qualitative weighting may be afforded in the evaluation of quotes and tenders to provide advantages to Australian Disability Enterprises.*

#### **5. Purchasing From Aboriginal Businesses**

*Pursuant to Part 4 of the Local Government (Functions and General) Regulations 1996, the Town is not required to publicly invite tenders if the goods or services are to be supplied from a person registered on the Aboriginal Business Directory published by the Small Business Development Corporation on where the expected consideration under contract is worth*

*\$250,000 or less. This is contingent on the demonstration of value for money.*

*Where possible, Aboriginal businesses are to be invited to quote for supplying goods and services under the tender threshold. A qualitative weighting may be afforded in the evaluation of quotes and tenders to provide advantages to Aboriginal-owned businesses, or businesses that demonstrate a high level of aboriginal employment.* [Legislation](#)

Local Government Act 1995

Local Government (Functions and General) Regulations 1996

State Records Act 2000 (WA)

#### **Relevant Procedures, Policies and Other Documents**

Purchasing Practice Guide

#### **Policy Adoption and Amendment History**

Adopted/Reviewed/ Modified	Date of Meeting	Council Meeting Resolution Number
Adopted	862/99	26/10/1999
Reviewed	536/03	16/12/2003
Reviewed	202/07	17/07/2007
Modified	210/10	05/10/2010
Modified	23/12	06/03/2012
Reviewed	360/13	10/12/2013
Reviewed	203/14	09/12/2014
Reviewed	226/15	15/12/2015
Modified	121/16	02/08/2016
Reviewed	206/16	13/12/2016
Modified	228/18	18/12/2018
Reviewed		

	<b>LG530</b> <b>Bank Accounts and Payments</b>
<b>Key Focus Area</b> Leadership and Governance	<b>Responsible Directorate</b> Office of the Chief Executive  <b>Relevant Council Delegation</b> DA9 Payment of Accounts

### Purpose

The purpose of this policy is to:

1. ~~1. Ensure the Town of Claremont (the Town) is compliant with the Local Government Act 1995 by maintaining which requires the operation of~~ separate bank accounts for monies held in the Municipal Fund, Trust Fund and in the Reserve Fund. ~~Reserve Accounts.~~
2. Provide guidance on the opening and management of all bank accounts.

### Policy

With respect to the Municipal Fund (Municipal Account and Reserve Account) and Trust Fund (Trust Account) which are required to be maintained:

1. Two signatories are required for all payments, (cheques or electronic funds transfer) ~~from the above Bank Accounts~~. The signatories ~~for the above accounts~~ shall be:
  - a. Chief Executive Officer (CEO),
  - ~~a-b.~~ Any member of the Executive team, including Director Governance and People (DGP),  
Director Infrastructure (DI) and Director Planning and Development (DPD)  
~~Director Corporate and Governance (EMCG)~~  
~~Director People and Places~~
  - ~~b-c.~~ Manager Finance (MF); and/or
  - ~~c-d.~~ Other officers authorised in writing by the Chief Executive Officer.
2. The following limits are established in respect of ~~cheque~~ signatories:

<u>Amount for a single vendor or a single invoice (whichever is higher)</u>	Primary Signatory	Secondary Signatory
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Up to \$75,000	DCG, MF	DPP, DI, DPD
\$75,000 Up to \$150,000	DCG MF, CEO	DPP, DI, DPD, MF DGP, DI, DPD
Greater than \$150,000	CEO	DCG, DPP, DI, DPD, MF DGP, DI, DPD, MF

Any officer with a higher authorisation limit can sign for a lesser amount.

In the absence, or non-availability, of an officer with a higher authorisation limit, an officer with the next highest limit is authorised to sign.

3. Any officers nominated in writing by the Chief Executive Officer to act in the position of an authorised signatory are eligible to sign for payments in accordance with that position. This includes a Director acting as Chief Executive Officer.

3.4. Electronic Funds Transfer (EFT) Payments may be used as follows:

- Municipal Account. For the payment of supplier invoices for goods and services received, payroll, transfer to ~~R~~reserve accounts, refund of bonds, and investment of funds in accordance with Council's Town's Investment Policy LG511.
- Trust Account. For refund of bonds or deposits held in trust, and investment of funds in accordance with Council's Town's Investment Policy.
- Reserve Account. For investment of funds in accordance with Council's Town's Investment Policy and transfer to the Municipal account.

## Payments

### Weekly Cheque or Electronic Fund Transfer (EFT) Production

A cheque or EFT production run will be performed weekly, or as required for the payment of all accounts.

### Credit Card

The Chief Executive Officer and other officers nominated in writing by the Chief Executive Officer are authorised to make credit card payments direct from the Municipal Account in accordance with Council's Town's Corporate Credit Card Policy LG512.

## Presentation of Accounts

4.5. A list of all payments ~~made will be prepared~~ and submitted to Council ~~meeting~~ each month at an Ordinary Council Meeting showing for each account paid in that month, details such as the payee's name, amount of the payment, date of the payment, sufficient information to identify the transaction, and the account from which the payment is made.

### Legislation

*Local Government Act 1995*, Section 5.42 and sections 6.6 – 6.11

### Relevant Procedures, Policies and Other Documents

[Accounts payable procedure](#)

[Payment listing and report procedure](#)

### Policy Adoption and Amendment History

Adopted/Reviewed/ Modified	Date of Meeting	Council Meeting Resolution Number
Adopted	164/16	18/10/16
Reviewed	206/16	13/12/2016
Reviewed	228/18	18/12/2018
Reviewed		



**7 OTHER BUSINESS**

**8 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PRESIDING PERSON OR BY DECISION OF MEETING**

**9 FUTURE MEETINGS OF COMMITTEE**

To be advised

**10 DECLARATION OF CLOSURE OF MEETING**

There being no further business, the presiding member declared the meeting closed at 8.32am.

.....  
**CHAIRPERSON**