



MINUTES

of the

FINANCE AND AUDIT COMMITTEE MEETING

Held at 11:00AM

on

15 MAY, 2019

in the

Councillor's Conference Room

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1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Chairman declared the meeting open at 11.21am welcoming those present.

2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

IN ATTENDANCE:

Deputy Mayor Allan Pendal
Cr Gary Brown
Cr Glenn Wilson
Cr Pam O'Donnell

MEMBERS OF STAFF:

Mr John Walker	Chief Executive Officer
Ms Ivana Castle	Chief Financial Officer
Ms Xandra Curnock	Financial Accountant
Ms Karen Theaker	Governance officer

VISITORS:

0

PRESS:

0

APOLOGIES – ELECTED MEMBERS:

Mayor John Bowler
Cr Laurie Ayers

APOLOGIES – MEMBERS OF STAFF:

Nil.

LEAVE OF ABSENCE:

Nil.

3 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil.

4 DECLARATIONS OF MEMBERS' AND OFFICERS' INTEREST

4.1 INTEREST AFFECTING IMPARTIALITY CITY OF KALGOORLIE-BOULDER CODE OF CONDUCT

Nil.

4.2 FINANCIAL INTEREST LOCAL GOVERNMENT ACT SECTION 5.60A

Nil.

4.3 PROXIMITY INTEREST LOCAL GOVERNMENT ACT SECTION 5.60B

Nil.

5 CONFIRMATION OF MINUTES

MOVED BY: CR WILSON

SECONDED BY: CR BROWN

Minutes of Finance and Audit Committee Meeting held on 6 March 2019

That the minutes of the **Finance and Audit Committee** meeting held on 6 March 2019 be confirmed as a true record of that meeting.

**CARRIED
(4/0)**

6 REPORTS OF OFFICERS

6.1 CHIEF EXECUTIVE OFFICER

6.1.1 FINANCIAL HARDSHIP POLICY FOR DEBTORS

Responsible Officer:	Ivana Castle Chief Financial Officer
Author:	Jocelyn Power Rates Coordinator
Disclosure of Interest:	Nil

VOTING REQUIREMENTS

Simple

OFFICER RECOMMENDATION

That the Committee recommend Council:

1. Receive and review the final draft of policy CORP-F-011 Finance Hardship Policy for Debtors; and
2. Receive an update on the progress of rates collection for the 2018/19 financial year, where the total revenue collected for rates and service charges is \$38,160,445 (87.27%) and uncollected is \$5,565,207 (12.73%).

COMMITTEE RESOLUTION

MOVED BY: CR O'DONNELL

SECONDED BY: CR WILSON

That the Committee recommend Council:

1. Adopt the final draft of policy CORP-F-011 Financial Hardship Policy for Debtors; and
2. Note the progress of rates collection for the 2018/19 financial year, where the total revenue collected for rates and service charges is \$38,160,445 (87.27%) and uncollected is \$5,565,207 (12.73%).

**CARRIED
(4/0)**

EXECUTIVE SUMMARY

The purpose of this report is to present to the Committee for review a final draft of policy CORP-F-011 Finance Hardship Policy for Debtors. The policy was redrafted to align to policy DS-SWM-003 Financial Hardship Policy for Water Services (January 2019).

To provide a progress report on rates collection for the 2018/19 financial year, where the total revenue collected for rates and service charges is \$38,160,445 (87.27%) and uncollected/overdue is \$5,565,207 (12.73%).

COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles to ensure a financially stable local government.

BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

REPORT**Financial Hardship Policy for Debtors:**

Policy CORP-F-011 Financial Hardship Policy for Debtors is now in final draft format. The policy was redrafted to align with policy DS-SWM-003 Financial Hardship Policy for Water Services. The policy will be presented to the All Purpose Committee to consider when the City undertakes its bi-annual policy review in August 2019.

This Financial Hardship Policy for Debtors outlines how the City will assist residential ratepayers and sundry debtors experiencing financial hardship.

The purpose of the policy is to:

- enable a residential ratepayer liable for rates and service charges, who is experiencing financial hardship, to make application for assistance relating to any unpaid rates or service charges levied on their residential property under the *Local Government Act 1995*;
- enable a person liable for outstanding sundry debtor charges, who are experiencing financial hardship, to make application for assistance relating to any unpaid charges billed through the City's sundry debtors system;
- ensure all debtors are treated fairly and consistently with respect and compassion when the City is considering their circumstances in recognising financial hardship;
- provide a roadmap for day to day operations and give guidance for decision making to ensure compliance;
- directly align the policy framework to policy DS-SWM-003 Financial Hardship Policy for Water Services which is a mandatory requirement under the City's Water License; and
- directly align the policy with policy CORP-F-009 Debt Collection Policy and procedural document, Debt Management Guidelines.

Rates Collection

The amount of rates collected as at 9 May 2019 is \$38,160,445, representing 87.27% of rates accounts paid in full. This compares to 88.73% collected for the same period in 2017/18.

Uncollected Rates

The amount of uncollected rates as at 9 May 2019 is \$5,565,207, representing 12.73% of outstanding rates accounts (both current and rates arrears). This compares to 11.27% uncollected for the same period in 2017/18.

Table 1 Rates Collection Summary

Rating Year	Rates Collected \$	Rates O/Standing \$	% Collected	% Uncollected
17/18	\$38,799,695	\$4,925,958	88.73%	11.27%
18/19	\$38,160,445	\$5,565,207	87.27%	12.73%

COMMENT

The relevant documents, i.e. Financial Hardship Policy for Debtors and related application form is included as attachments to this report.

STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

ATTACHMENTS

CORP-F-011 Financial Hardship Policy for Debtors

Financial Hardship Application

6.2 CHIEF FINANCIAL OFFICER

6.2.1 INTERNAL AUDIT UPDATE MAY 2018/19

Responsible Officer:	Ivana Castle Chief Financial Officer
Author:	Xandra Curnock Financial Accountant
Disclosure of Interest:	Nil

VOTING REQUIREMENTS

Simple

OFFICER RECOMMENDATION

That the Committee recommend Council receive the audit report from Paxon Group for the following internal audits completed in May 2019:

1. Service Provision to the Community; and
2. Workplace Injury, death or disease due to poor safety culture/practices.

COMMITTEE RESOLUTION

MOVED BY: CR BROWN
SECONDED BY: CR WILSON

That the Committee recommend Council receive the audit report from Paxon Group for the following internal audits completed in May 2019 in confidence:

1. Service Provision to the Community; and
2. Workplace Injury, death or disease due to poor safety culture/practices.

CARRIED
(4/0)

EXECUTIVE SUMMARY

The purpose of this report is to circulate the final audit reports to the Committee for the internal audit assignments as allocated at Ordinary Council Meeting on 27 August 2018; Service Provision to the Community and Workplace Injury, death or disease due to poor safety culture/practices. The aim of this engagement is to provide independent audit opinion of operational and strategic processes identified in the City Risk Register, and report to the Finance and Audit Committee on a quarterly basis.

The draft reports were received on 26 February 2019, the documents have been reviewed by the City's Executive and agreed management actions have been included.

This internal audit engagement is a critical step in support of the City's greater strategic vision for good governance.

COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles to demonstrate a transparent and inclusive local government.

BUDGET IMPLICATIONS

There are no budget implications resulting from the recommendation of this report. A budget allocation has been provided in the 2018/19 financial year.

REPORT

At Ordinary Council Meeting 27 August 2018, Council agreed to the following schedule of assignments for the City's internal auditor, Paxon Group:

1. Service Provision to the Community; and
2. Workplace Injury, death or disease due to poor safety culture/practices.

These assignments were recommended by the Finance and Audit Committee and were drawn from the City's risk register.

Auditors were on site and met with management and staff from the 14th to the 18th of January 2019. All requested information was delivered, some of which was provided post the site visit. Subsequently, the draft reports were provided to the City on the 26th of February, which have since been reviewed by City's Executives and finalised.

City executive comments to auditor findings are included in the document.

STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

CONFIDENTIAL ATTACHMENTS

Workplace Risk & Safety Culture Audit Report
Service Provision to the Community Audit Report

6.2.2 FINANCIAL MANAGEMENT REVIEW 2019

Responsible Officer:	Ivana Castle Chief Financial Officer
Author:	Xandra Curnock Financial Accountant
Disclosure of Interest:	Nil

VOTING REQUIREMENTS

Simple

OFFICER RECOMMENDATION / COMMITTEE RESOLUTION

MOVED BY: CR WILSON
SECONDED BY: CR BROWN

That the Committee recommend Council receive the Financial Management Review.

CARRIED
(4/0)

EXECUTIVE SUMMARY

The purpose of this report is to update the Committee on the outcome of the Financial Management Review for period ending May 2019. The aim of this engagement is to meet regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, identify weakness in controls and procedures and improve these accordingly.

COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles to demonstrate a transparent and inclusive local government.

BUDGET IMPLICATIONS

There are no budget implications resulting from the recommendation of this report.

REPORT

Please refer to attached finalised report summarising and detailing findings from the review performed.

The report contained the following non-compliance issues:

Financial Reports

Annual report did not contain information in relation to complaints made in accordance with Section 5.53 2(hb) of the *Local Government Act 1995*.

Compliance Audit Return

Certain sections were incorrectly responded to.

STATUTORY IMPLICATIONS

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations* 1996 requires the CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every three (3) financial years) and report to the local government the results of those reviews.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

ATTACHMENTS

Financial Management Review - May 2019

6.2.3 CITY OF KALGOORLIE-BOULDER OPERATIONAL RISK REGISTER

Responsible Officer:	John Walker Chief Executive Officer
Author:	Michelle Todd Manager Governance and Legal Services
Disclosure of Interest:	Nil

VOTING REQUIREMENTS

Simple

OFFICER RECOMMENDATION

That the Committee recommend to Council the update on the Operational Risk Register be received.

COMMITTEE RECOMMENDATION

MOVED BY: CR O'DONNELL
SECONDED BY: CR WILSON

That the Committee recommend Council note the progress on updating the Operational Risk Register which will be presented at the next Finance and Audit Committee meeting in August.

CARRIED
(4/0)

EXECUTIVE SUMMARY

On 11 March 2019, Council resolved for the Operational Risk Register to be received at the next Finance and Audit Committee. The Management Team are conducting an extensive review of the Risk Register and as such is not in a position to be returned to the Finance and Audit Committee for recommendation to Council.

COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles to demonstrate a transparent and inclusive local government.

BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

REPORT

The Management Team are in the process of making significant changes to the Operational Risk Register in the interests of improving the City's Risk Management processes.

It is expected the Register will be returned to the next Finance and Audit Committee.

STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report. It is not a legislative requirement for the Operational Risk Register to be provided to Council and is done so in the interests of maintaining an informed Council.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

7 CONFIDENTIAL ITEMS

Nil.

8 CLOSURE

There being no further business, the Chairman, Deputy Mayor Allan Pendal, thanked those present for their attendance and declared the meeting closed at 12:04pm.