

# minutes

Finance and Audit Committee



Please be advised that a **Finance and Audit Committee** commenced at **5.30pm** on **Monday 10 September 2018** in the council chambers at the administration building, 99 Shepperton Road, Victoria Park.

A handwritten signature in black ink, appearing to read "A Vuleta".

**ANTHONY VULETA**  
**CHIEF EXECUTIVE OFFICER**

**17 September 2018**

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(To be confirmed 22 October 2018)

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## 1. OPENING

Cr Oliver opened the meeting at 5.31pm.

## 2. ATTENDANCE

### Members:

#### Banksia Ward:

Cr C (Claire) Anderson  
Cr K (Karen) Vernon

#### Jarrah Ward:

Cr B (Brian) Oliver (Presiding Member)  
Cr J (Jennifer) Ammons Noble

#### Independent members:

Mr N (Neil) Formosa  
Mr J (Jonathon) Carley

#### Chief Financial Officer A/Chief Operations Officer Senior Governance Advisor

Mr N (Nathan) Cain  
Mr G (Gregor) Wilson  
Ms D (Danielle) Uniza

#### Secretary

Ms A (Amy) Noon

### 2.1 Apologies

Mr B (Ben) Killigrew

### 2.2 Approved leave of absence

Nil.

## 3. DECLARATIONS OF INTEREST

### Declaration of Financial Interests

Nil.

### Declaration of Proximity Interest

Nil.

### Declaration of Interest affecting impartiality

Nil.

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## 4. CONFIRMATION OF MINUTES

### RECOMMENDATION:

That the minutes of the Finance and Audit Committee meeting, held on 27 August 2018, be confirmed.

### ALTERNATE MOTION:

**Moved: Cr Vernon**

**Seconded: Cr Ammons Noble**

**That the minutes of the Finance and Audit Committee meeting, held on 27 August 2018 be confirmed, subject to the removal of the last two items relating to LGISWA Insurance, under the 'Further Comment' section of Item 8.1 Schedule of accounts for 31 July 2018.**

**The motion was put and**

**Carried (6:0)**

**In favour of the motion: Cr Vernon; Cr Anderson; Cr Ammons Noble; Cr Oliver; Mr N Formosa; and Mr J Carley**

**Reason: The items proposed for removal were asked after the meeting.**

## 5. TERMS OF REFERENCE

### 1. Name

Finance and Audit Committee

### 2. Purpose

The Town's Strategic Community Plan notes four components of the mission statement, namely –

- Social – To promote sustainable connected, safe and diverse places for everyone.
- Economic – To promote sustainable diverse, resilient and prosperous places for everyone.
- Environment – To promote sustainable liveable, healthy and green places for everyone.
- Civic leadership – To show leadership by communicating with, empowering and supporting people in the community.

The primary purpose of this committee shall be the civic leadership component of the Town's mission statement, which is to show leadership by communicating with, empowering and supporting people in the community.

### 3. Scope

The committee will primarily focus on the following key civic leadership strategic outcomes–

- Well thought out and managed projects that are delivered successfully.
- Appropriate information management that is easily accessible, accurate and reliable.

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- Innovative, empowered and responsible organisational culture with the right people in the right jobs.
- Finances are managed appropriately, sustainably and transparently for the benefit of the community.
- Visionary civic leadership with sound and accountable governance that reflects objective decision making.
- Legislative responsibilities are resourced and managed appropriately, diligently and equitably.

Wherever possible, the committee will seek opportunities to address the following additional strategic outcomes –

- Everyone receives appropriate information in the most efficient and effective way for them.
- Appropriate devolution of decision making and service provision to an empowered community.
- People have positive exchanges with the Town that inspires confidence in the information and the timely service provided.
- A community that is authentically engaged and informed in a timely manner.

#### **4. Deliverables**

The committee will –

- Provide strategic leadership in the development and regular review of policies and strategies that are inclusive, empowering and build capacity of the Town of Victoria Park community.
- Provide guidance and assistance to Council as to the carrying out its functions in relation to audits in compliance with the *Local Government Act 1995*.
- Ensure Council maintains its financial capacity to deliver programs and services.
- Provide advice to Council in relation to matters related to the scope of the committee.

Specifically the committee will ensure delivery of the following –

- Annual review of policies, strategies and plans related to the scope of the committee.
- Annual compliance audit.
- Annual risk management audit.

#### **5. Reporting**

Although any service area of the Town may report through this committee on matters associated with the primary purpose and scope, the following service areas of council are likely to predominantly feature –

- Customer Relations
- Financial Services
- Human Resources
- Information Systems
- Leadership and Governance
- Project Management

#### **6. Governance**

The committee is a Council-created committee formed under Subdivision 2 (Committees and their meetings) of the *Local Government Act 1995* and is governed by the provisions of the *Town of Victoria Park Standing Orders Local Law 2011* and the *Local Government Act*

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1995 and its regulations.

The committee will comprise a maximum of four (4) Elected Members (being two (2) Elected Member representatives from each of the Town's two (2) wards with five (5) Elected Members being appointed in a hierarchical order as alternate deputy members) and up to two (2) other persons (that may be co-opted from time-to-time for such period, or in relation to such matters, as determined, where that person's experience, skills or qualifications would enable him or her to make a contribution to the committee's functions).

In accordance with section 5.19 of the *Local Government Act 1995*, the quorum for a meeting of the committee is at least 50% of the number of offices (whether vacant or not) of members of the committee.

#### **7. Meeting arrangements**

The committee shall convene in accordance with the annual adopted meeting schedule.

#### **8. Authority**

The committee has no delegated power. The committee may only make recommendations to Council for a decision.

#### **9. Review**

The committee and committee terms of reference will be reviewed from time-to-time and immediately following each local government election.

### **6. PRESENTATIONS**

<b>6.1 Deputations</b>
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Nil.

### **7. METHOD OF DEALING WITH AGENDA BUSINESS**

**RESOLVED:**

**Moved: Cr Anderson**

**Seconded: Mr Carley**

**That clause 6.10 *Speaking Twice of the Town of Victoria Park Standing Orders Local Law 2011* be suspended for the duration of this meeting.**

**The motion was put and**

**Carried (6:0)**

**In favour of the motion: Cr Vernon; Cr Anderson; Cr Ammons Noble; Cr Oliver; Mr N Formosa; and Mr J Carley**

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**8. REPORTS****8.1 Schedule of accounts for 31 August 2018**

<b>File Reference:</b>	FIN/11/0001~09
<b>Appendices:</b>	Payment summary – August 2018
<b>Attachments:</b>	No

<b>Date:</b>	4 September 2018
<b>Reporting Officer:</b>	A. Thampoe
<b>Responsible Officer:</b>	N. Cain
<b>Voting Requirement:</b>	Simple majority
<b>Executive Summary:</b>	
<b>Recommendation - That the Finance and Audit Committee recommends that Council, acknowledges the Schedule of Accounts paid for the month ended 31 August 2018.</b>	
<ul style="list-style-type: none"> <li>• The accounts paid for 31 August 2018 as included in the appendices.</li> <li>• Direct lodgement of payroll payments to the personal bank accounts of employees are also included.</li> </ul>	

**TABLED ITEMS:**

Nil

**BACKGROUND:**

Council has delegated to the Chief Executive Officer the authority to make payments from the Municipal and Trust funds in accordance with the *Local Government (Financial Management) Regulations 1996*.

Under Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, where a local government has delegated to the Chief Executive Officer the exercise of its power to make payments from the Municipal fund or the Trust fund, each payment from the Municipal fund or the Trust fund is to be noted on a list compiled for each month showing:

- a) The payee's name;
- b) The amount of the payment;
- c) The date of the payment; and
- d) Sufficient information to identify the transaction.

That list should then be presented at the next Ordinary Meeting of the Council following the preparation of the list, and recorded in the minutes of the meeting at which it is presented.

**DETAILS:**

The list of accounts paid in accordance with *Regulation 13(1) of the Local Government (Financial Management) Regulations 1996* is contained within the Appendices, and is summarised as thus -

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<b>Fund</b>	<b>Reference</b>	<b>Amounts</b>
<b>Municipal Account</b>		
Automatic Cheques Drawn	608415 – 608423	42,270
Creditors – EFT Payments		2,463,001
Payroll		1,126,750
Bank Fees		8,304
Corporate MasterCard		5,930
		<b>3,646,255</b>
<b>Trust Account</b>		
Automatic Cheques Drawn	3595 – 3601	6,000
		<b>6,000</b>

**Legal Compliance:**

Section 6.10 (d) of the Local Government Act 1995 refers, ie.-

6.10. Financial management regulations

Regulations may provide for —

- (d) the general management of, and the authorisation of payments out of —
- (i) the municipal fund; and
  - (ii) the trust fund,
- of a local government.

Regulation 13(1), (3) & (4) of the Local Government (Financial Management) Regulations 1996 refers, ie.-

13. Lists of Accounts

- (1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —
- (a) the payee's name;
  - (b) the amount of the payment;
  - (c) the date of the payment; and
  - (d) sufficient information to identify the transaction.
- (3) A list prepared under subregulation (1) is to be —
- (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and
  - (b) recorded in the minutes of that meeting.

**Policy Implications:**

Nil

**Risk Management Considerations:**

Three risks have been identified as outlined.



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<b>Risk &amp; Consequence</b>	<b>Consequence + Rating</b>	<b>Likelihood = Rating</b>	<b>Overall Risk Analysis</b>	<b>Mitigation/Actions</b>
<b>Compliance:</b> Council not accepting Schedule of Accounts	Moderate	Unlikely	Moderate	Provide reasoning and detailed explanations to Council to enable informed decision making.
<b>Financial Impact:</b> Misstatement or significant error in Schedule of Accounts	Major	Unlikely	Moderate	Daily and monthly reconciliations. Internal and external audits.
<b>Financial Impact:</b> Fraud and illegal acts	Catastrophic	Rare	Moderate	Stringent internal controls. Internal audits. Segregation of duties

**Strategic Plan Implications:**

CL6 – Finances are managed appropriately, sustainably and transparently for the benefit of the community.

CL 10 – Legislative responsibilities are resourced and managed appropriately, diligently and equitably.

**Financial Implications:**Internal Budget:

Nil

Total Asset Management:

Nil

**Sustainability Assessment:**External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

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**COMMENT:**

All accounts paid have been duly incurred and authorised for payment as per approved purchasing and payment procedures and it is therefore recommended that the Committee recommend to the Council to accept and confirm the payments, as included in the appendices.

In anticipation that the Committee will ask questions about the schedule of accounts, please note that these questions and answers will be included in the appropriate Elected Members Briefing Session agenda and Ordinary Council Meeting agenda.

**FURTHER COMMENT:**

The members of the Finance and Audit Committee discussed the report at length, seeking further information on a number of payments made in August 2018. The following list represents the questions and answers associated with the request for further information.

- What do the following charges relate to?
  - City of Armadale - Printing - \$1,981.00  
*The City of Armadale provide printing services to the Town. These relate to promotional material that includes posters, flyers and banners.*
  - City of Wanneroo - Rates - \$26,267.76  
*This relates to the payment of rates for the Town's portion of rates for Tamala Park of which Council is a one-twelfth owner.*
  - Gizmo Cats - Training - \$1,400.00  
*This payment was for a performance for National Science Week at the Town's library. The standard description has been updated to 'Event performance and activity'.*
  - Holyoake - Health Services - \$5,500.00  
*Holyoake were engaged to provide employee drug and alcohol awareness sessions.*
  - Josh Byrne Design & Drafting - \$12,081.30  
*This payment is in relation to a progress claim for the development of detailed design and specifications for stages two and three of the G.O Edwards upgrade, as per the approved capital works program.*
  - LG Professionals - LG Services - \$8,525.00  
*This payment is the Town's fee for being involved in the Australasian Local Government Performance Excellence Program, a program that allows the Town to benchmark against other local governments.*

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- Mr A Alqaragholi - Art and Events - \$11,000.00  
*This is the final payment for the replacement of the stolen public artwork at Duncan Reserve.*
  - Mr A Bennett - Training - \$1,062.00  
*This payment is for teaching services provided at the Digital Hub for home schooled children and their parents.*
  - Mr T Doyle - Rates - \$1,278.00  
*This payment was a refund for overpaid rates. The standard description has been updated to 'Refund – Rates'.*
  - Progility - Software & IT - \$17,292.00  
*This payment was for the yearly renewal of advanced antivirus and data protection software and support.*
  - The Trustee for Upbeat - Event Performance and Activity - \$22,000  
*This was a milestone payment for end-to-end delivery of the 2018 Summer Street Party.*
  - The Vic Park Collective - Event Performance and Activity - \$5,000  
*The Vic Park Collective received a milestone payment for the delivery of the Urban Forest Strategy. The description has been updated to read Environmental Services.*
  - Town Team Movement - Sponsorship - \$8,250  
*The Town is a presenting partner of the 2018 Town Team Movement Conference: (Re)Connecting Communities through Leadership and Activation. This is the fee charged for sponsorship.*
  - Legal services
    - Cornerstone
      - \$4,455 - Legal matters in relation to environmental services and planning prosecutions (2 x invoices).
      - \$1,441 - Legal matters in relation to environmental services.
    - Jackson McDonald
      - \$343 - Provision of required legal annual audit certificate.
    - Kort Gunning
      - \$660 - Provision of required legal annual audit certificate.
    - McLeods
      - \$7,212 - Legal matters in relation to planning prosecutions (3 x invoices).
      - \$1,371 - Legal matter in relation to memorandum of understanding.
      - \$3,171 - Legal matters in relation to leasing.
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- \$154 - *Provision of required legal annual audit certificate.*
  
- What do we use the CAMMS subscriptions from CA Technology for?  
*This is for the supply of annual software licences relating to Corporate Performance Management and other ancillary software services.*
  
- Why was Curtin University paid for sponsorship?  
*This payment was for sponsorship of the Curtin Ignition program. The Town paid for two scholarships for community members.*
  
- What were Links Modular Software paid for?  
*This was a milestone payment in relation to the new leisure facility management software, as per the approved capital works program.*
  
- What is the payment to Maia Financial for?  
*This supplier provides leased equipment to various areas within the Town. Most of these lease payments occur quarterly. This particular payment includes invoices for public Wi-Fi, printers and desktop computer leases.*
  
- What were Powerlux paid for?  
*The payment relates to lighting, as per the approved capital works program. It was specifically for two invoices, one for the installation of lighting as part of the ROW 51 upgrade and the other for the lighting upgrade of the Carlisle Reserve carpark.*
  
- Why did the Town pay Reino International?  
*Reino International are contracted to provide equipment and associated licenses for the Town's parking machines. A payment of \$23,760 is for our annual auto issue licenses. This software is required in order to perform mobile infringing. A payment of \$41,615 was for the six month license fee for the PEMS software program – a software suite which allows for a wide variety of reporting and data to be obtained from the parking machines.*
  
- Why did the Town pay Thinkfield?  
*This payment relates to a six monthly payment for mystery shopping services. Thinkfield provide market research services that include onsite visit, telephone call and email mystery shopping.*
  
- Has there been an increase in the use of agency staff over this period? If yes, which service areas?  
*Human Resources has noticed a slight increase in short-term agency staff use due to positions requiring to be filled due to staff leave requirements. Invoices during August relate to the following service areas and may be a combination of filling vacant positions and covering positions due to annual leave:*
  - *Hays: Parks and Reserves*
  - *LO GO: Waste Services, Planning Services*

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- *Michael Page: Customer Relations, Building Services and Information Technology*
- *Flexi Staff: Street Operations*
- *Directions is not in relation to a vacant position. This is a traineeship agreement.*
  
- What is a milestone payment?  
*A milestone payment is generally made when a supplier meets the requirements that have been set as part of a payment schedule.*
  
- Where do Thinkfield provide mystery shopping services?  
*Thinkfield undertake physical mystery shopping at the Town's library, administration building, Aqualife and Leisurelife. They also make phone calls in to the organisation at all locations.*
  
- Was the software updated, completed by Reino International, covered under warranty? Was it related to the recent issue regarding 15 minutes free parking being provided instead of 30 minutes?  
*Reino International maintain the systems behind the parking machines. This is a regular charge for this service. The recent issue was caused by a software programming error. We will not be charged to fix this error.*
  
- Why are we paying for teaching services to be administered at the Digital Hub and why do we facilitate this service?  
*The teaching service provided at the Digital Hub is a science-based education component for up to 10 home-schooled children.*

*This service has been provided by the Town for a number of years and was originally delivered by volunteers and employees of the Town. The capabilities of these staff have now been exhausted and it has been necessary to engage a specialist trainer.*

*The delivery of this service is currently under review.*

#### RECOMMENDATION/S:

That the Finance and Audit Committee recommends to Council that pursuant to Regulation 13 of the *Local Government (Financial Management) Regulations 1996 (as amended)*, Council confirm:

1. The accounts paid for 31 August 2018 as included in the appendices; and
2. Direct lodgement of payroll payments to the personal bank accounts of employees.

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(To be confirmed 22 October 2018)

**ALTERNATE MOTION:**

**Moved: Cr Anderson**

**Seconded: Cr Ammons Noble**

**That the Finance and Audit Committee recommends to Council that pursuant to Regulation 13 of the *Local Government (Financial Management) Regulations 1996 (as amended)*, Council confirm:**

- 1. The accounts paid for 31 August 2018 as included in the appendices, subject to minor amendments being made to the descriptions of payments to the following:
  - 1.1 Gizmo Cats – description changed to read event performance and activity;**
  - 1.2 Mr T Doyle – description changed to read refund – rates; and**
  - 1.3 The Vic Park Collective – description changed to read environmental services; and****
- 2. Direct lodgement of payroll payments to the personal bank accounts of employees.**

**The motion was put and**

**Carried (6:0)**

**In favour of the motion: Cr Vernon; Cr Anderson; Cr Ammons Noble; Cr Oliver; Mr N Formosa; and Mr J Carley**

(To be confirmed 22 October 2018)

**9. MOTION FOR WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

*(required 3 ½ business days prior to the meeting, in writing to the CEO.)*

Nil.

**10. MEETING CLOSED TO PUBLIC**

**10.1 Matters for which the meeting may be closed**

Nil.

**10.2 Public reading of resolutions that may be made public**

Nil.

**11. CLOSURE OF COMMITTEE MEETING**

There being no further business, Councillor Oliver closed the meeting at 5.53pm.

I confirm these minutes to be a true and accurate record of the proceedings of the Council.

Signed:.....Cr Oliver

Dated this:.....Day of .....2018