



TOWN OF  
**VICTORIA PARK**



# Finance and Audit Committee

Minutes – 25 March 2019



**WE'RE OPEN**  
**VIC PARK**

To: His Worship the Mayor and Councillors

Please be advised that a Finance and Audit Committee was held at **5.30pm** on **Monday 25 March 2019** in the **Council Chambers**, Administration Centre at 99 Shepperton Road, Victoria Park.

**Cr Karen Vernon**  
**PRESIDING MEMBER**

28 March 2019

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## 1 OPENING

Cr Karen Vernon opened the meeting at 5.30pm.

## 2 ATTENDANCE

### **Banksia Ward**

Cr Ronhhda Potter  
Cr Karen Vernon (Presiding Member)

### **Jarrah Ward**

Cr Brian Oliver  
Cr Vicki Potter

### **Independent members**

Mr Jonathon Carley  
Mr Neil Formosa

### **Chief Executive Officer A/Chief Financial Officer Chief Operations Officer**

Mr Anthony Vuleta  
Mr Luke Ellis  
Mr Ben Killigrew

### **A/Manager Corporate Services Coordinator Governance**

Ms Ann Thampoe  
Ms Danielle Uniza

### **Secretary**

Ms Amy Noon

### 2.1 Apologies

Cr Claire Anderson

### 2.2 Approved Leave Of Absence

Cr Ammons Noble

## 3 DECLARATIONS OF INTEREST

### **Declaration of financial interests**

Nil.

### **Declaration of proximity interest**

Nil.

### **Declaration of interest affecting impartiality**

Nil.

## 4 CONFIRMATION OF MINUTES

### **COMMITTEE RESOLUTION**

**Moved:** Cr Brian Oliver

**Seconded:** Mr Jonathon Carley

**That the minutes of the Finance and Audit Committee held on 25 February 2019 be confirmed.**

**CARRIED (6 - 0)**

**For:** Cr Karen Vernon, Cr Brian Oliver, Cr Vicki Potter, Cr Ronhhda Potter, Mr Neil Formosa,  
Mr Jonathon Carley

**Against:** Nil.

## **5 PRESENTATIONS**

### **5.1 Deputations**

Nil.

## **6 METHOD OF DEALING WITH AGENDA BUSINESS**

### **COMMITTEE RESOLUTION**

**Moved:** Cr Vicki Potter

**Seconded:** Mr Neil Formosa

**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.**

**CARRIED (6 - 0)**

**For:** Cr Karen Vernon, Cr Brian Oliver, Cr Vicki Potter, Cr Ronhhda Potter, Mr Neil Formosa,  
Mr Jonathon Carley

**Against:** Nil.

## 7 REPORTS

### 7.1 CEO Review Of Systems And Procedures On Legislative Compliance

<b>Location</b>	Town-wide
<b>Reporting officer</b>	Danielle Uniza
<b>Responsible officer</b>	Anthony Vuleta
<b>Voting requirement</b>	Simple majority
<b>Attachments</b>	<ol style="list-style-type: none"><li>1. Regulation 17 of the Local Government (Audit) Regulations 1996 <b>[7.1.1]</b></li><li>2. Compliance Calendar 2019 - Draft <b>[7.1.2]</b></li><li>3. GRIEVANCE PROCEDURE MARCH 2019 <b>[7.1.3]</b></li><li>4. Audit Plan 2019 <b>[7.1.4]</b></li></ol>

#### Recommendation

That the Finance and Audit Committee recommends that Council:

1. Receives the results of the Chief Executive Officer's Review of systems and procedures relating to legislative compliance, in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*.
2. Endorses the 12 recommended further actions identified as part of the review.
3. Requests that the Chief Executive Officer provides a further report to the Finance and Audit Committee on the progress of recommended further actions by November 2019.

#### Purpose

To present findings and recommend further actions from the Chief Executive Officer (CEO)'s review of systems and procedures relating to legislative compliance, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996 (the Regulations).

#### In brief

- Regulation 17 of the Regulations require the CEO to conduct a review of systems and procedures relating to legislative compliance, risk management and internal controls on a triennial basis.
- To ensure that a thorough review is conducted, each area will be reviewed and reported on individually starting with legislative compliance, followed by internal controls and then risk management. All three areas will be reviewed in 2019. This report is a review on legislative compliance.
- In conducting a review of systems and processes relating to legislative compliance, the Town has used the Local Government Operational Guidelines No. 9 – Audit in Local Government (the Guidelines) to establish nine key areas of review.
- Of the nine areas reviewed, two areas have been deemed to have 'inappropriate' systems and processes, six areas are deemed to have some systems and processes in place that 'need improvement', and two areas have been deemed to be 'appropriate'. Eleven further actions have been identified.

#### Background

1. In 2013, regulation 17 of the Regulations were amended to include a requirement for the CEO to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal controls and legislative compliance on a biennial basis. In 2018, regulation 17 was

amended to change frequency of the review requirement from biennial to triennial.

2. In accordance with regulation 16 of the Regulations, a local government's audit committee is responsible for reviewing the CEO's report, before providing a copy of the report and the results of its review to Council.
3. The first and only review conducted by the Town was a full review of all three areas – legislative compliance, risk management and internal control. The result of this review was presented to the Finance and Audit Committee at its meeting held in November 2016, before being presented to Council at its meeting held on 13 December 2016 (attachment 7.1.1). This initial review found the Town's systems and processes relating to both risk management and legislative compliance to be 'appropriate and effective', and its systems and processes relating to internal controls to be in 'in its infancy'. No further actions were recommended as part of that review.
4. As the last review was conducted in 2016, the CEO is required to conduct a review of all three systems in 2019. While the initial review assessed the appropriateness and effectiveness of all three systems in one report, the approach to this review will be to assess, and report on, each system individually within the calendar year, starting with legislative compliance, to be followed by internal controls and then risk management. The reason for this staggered approach is to ensure that the CEO has an opportunity to review each area thoroughly.
5. While there is no mandatory or minimum requirement for conducting the review, as required by regulation 17, the Town has used the Guidelines as a basis for reviewing the 'appropriateness and effectiveness' of the Town's current systems and processes relating to legislative compliance. According to the Guidelines, issues that should be considered for inclusion in the CEO'S review, and are to be reviewed by the audit committee, relating to legislative compliance include:
  - a) Monitoring compliance with legislation and regulations
  - b) Reviewing the annual Compliance Audit Return and reporting to Council on the results of that review
  - c) Staying informed about how management in monitoring the effectiveness of its compliance and making recommendations for change as necessary
  - d) Reviewing whether the local government has procedures to receive, retain and treat complaints, including confidential and anonymous employee complaints
  - e) Obtaining assurance that adverse trends are identified and review management's plans to deal with these
  - f) Reviewing management disclosures in financial reports of the effect of significant compliance issues
  - g) Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee
  - h) Considering the internal auditor's role in assessing compliance and ethics risks in their plan
  - i) Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements
  - j) Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.
6. The 10 key areas identified above have been used in conducting the CEO's review of the appropriateness of procedures and systems relating to legislative compliance.

## **Strategic alignment**

<b>Civic Leadership</b>	
Strategic outcome	Intended public value outcome or impact
CL08 - Visionary civic leadership with sound and accountable governance that reflects objective decision-making.	The Town has a responsibility to its community to ensure that its current systems and processes are in line with legislative requirements, and industry best practice, to foster both good decision-making and better delivery of services to the community.
CL10 - Legislative responsibilities are resourced and managed appropriately, diligently and equitably.	By conducting a thorough review of the appropriateness of the Town's system and processes relating to legislative compliance, key areas that need further actioning and/or better resourcing to ensure appropriate management have been identified for consideration.

## Engagement

Internal Engagement	
Stakeholder	Comments
Finance	Comment was sought from Finance on Review Area 5 and Review Area 6.

## Legal compliance

[Regulation 16 of the Local Government \(Audit\) Regulations 1996](#)

[Regulation 17 of the Local Government \(Audit\) Regulations 1996](#)

## Risk management consideration

Risk and Consequence	Consequence rating	Likelihood rating	Overall analysis risk	Mitigation and Actions
<b>Compliance</b> While the Town's current systems relating to legislative compliance meet a basic practice standard, several factors such as staff turnover, administrative error, etc. can result in not meeting a compliance obligation.	Moderate	Likely	High	Completing the proposed further actions as a result of this review.
<b>Reputational</b> The Town will face reputational damage if a lack of appropriate oversight from	Major	Likely	High	Completing the proposed further actions as a result of this review.  Ensure the

the audit committee/ administration results in a significant non-compliance with the regulatory framework.				functions of the audit committee aligns with best practice standards.
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## Financial implications

Current budget impact	Sufficient funds exist within the annual budget to address this recommendation.
Future budget impact	At current, Town's governance system is deemed to be of a low maturity level with many areas needing much improvement to move from 'basic practice' to 'advanced practice'. Should the Town to move into a 'high maturity' framework, this may require further resourcing in the future.

## Analysis

7. The review has been based on current systems and procedures. It is to be noted that while several areas of improvement are already underway, the review has not considered those as they are not currently in place. An officer comment has been provided relating to each of the 10 review areas, as outlined in the Guidelines. Where it has been deemed that there is appropriate procedures and systems relating to an area of review, it is assessed with '*appropriate*', where there is some form of procedure/ system relating to an area of review, it is assessed with a '*needing improvement*', and where there is little to no evidence of procedures and systems relating to an area of review, it has been assessed with an '*inappropriate*'. The 10 areas of review have been assessed as follows:

8.

<b>Review Area 1:</b> Monitoring compliance with legislation and regulations	
Officer Comment	While the Town has continued to meet the minimum requirements for its statutory reporting obligations, the process in which such compliance is met is deemed to be lacking in structure. The Town's approach to meeting legislative compliance, particularly that relating to statutory reporting, has been based on knowledge of staff relating to requirements for their respective areas, and by conducting the Compliance Audit Return (CAR) on a quarterly basis. Bearing in mind that the requirement is that the CAR is completed on an annual basis, it is believed that completing this on a quarterly basis, as has been previous practice, does not add any further value. It is also to be noted that the CAR does not contain all of a local government's legislative requirements.
Assessment	Needing improvement
Recommended further action	(1) Implementation of attached 'Compliance Calendar' to formalise the Town's approach in monitoring compliance with legislation and regulations.
Supplementary Documents	Compliance Calendar (attachment 7.1.2)



9.

<b>Review Area 2:</b> Reviewing the annual Compliance Audit Return and reporting to Council on the results of that review	
Officer Comment	The 2018 annual Compliance Audit Return was last presented to the Finance and Audit Committee in January, and to Council in February. This has since been submitted to the Department of Local Government. While previous approach to completing the Compliance Audit Return was conducted through a 'yes/no' response format, the approach taken this year was to add depth to the review by requiring responding officers to provide evidence of compliance, which was then reviewed by Governance prior to submitting its report to the Finance and Audit Committee.
Assessment	Appropriate
Recommended further action	None.
Supplementary Documents	<a href="#">2018 Compliance Audit Return</a> – Endorsed by Council at its February 2018 Ordinary Council Meeting

10.

<b>Review Area 3:</b> Staying informed about how management in monitoring the effectiveness of its compliance and making recommendations for change as necessary	
Officer Comment	As the scope of the Finance and Audit Committee has been centred on vetting the Town's financial statements, there has been little work conducted in monitoring the effectiveness of the Town's compliance, and making recommendations for change. That said, as the Town does not currently have an appropriate compliance management system in place, it is difficult to conduct this function.
Assessment	Needing improvement
Recommended further action	(2) Ensuring that a monthly report on the 'Compliance Calendar' is generated for the Finance and Audit Committee, and distributed to its members for oversight purposes.
Supplementary Documents	Compliance Calendar (attachment 7.1.2)

11.

<b>Review Area 4:</b> Reviewing whether the local government has procedures to receive, retain and treat complaints, including confidential and anonymous employee complaints.	
Officer Comment	The Town has a Grievance Procedure which deals with receiving, retaining and treating complaints where it relates to the Town's employees.

	<p>Complaints from the Town's customers are dealt with through the Customer Service Charter. There is no procedure in place for complaints relating to Elected Members.</p> <p>The Town's Complaints Officer is currently the Chief Executive Officer, and there is no formally appointed Public Interest Disclosure (PID) officer.</p>
Assessment	Needing improvement
Recommended further action	<p>(3) Development of a policy and/or procedure for complaints relating to elected members</p> <p>(4) Appointment of a PID officer</p>
Supplementary Documents	Grievance Procedure (attachment 7.1.3)

12.

<b>Review Area 5:</b> Obtaining assurance that adverse trends are identified and review management's plans to deal with these	
Officer Comment	At current, the Town tracks adverse trends relating to its key financial indicators in its Long Terms Financial Plan. If a key financial indicator has not met the Department of Local Government's ratio thresholds for three consecutive years, it is considered an adverse trends. In this sense, no adverse trends have been identified in the Town's financial indicators. A minor concern exists with the Town's current ratio (a liquidity ratio comparing our current assets to our current liabilities) but this is not deemed to be an adverse trend.
Assessment	Appropriate
Recommended further action	None.
Supplementary Documents	<a href="#">Long Term Financial Plan</a>

13.

<b>Review Area 6:</b> Reviewing management disclosures in financial reports of the effect of significant compliance issues	
Officer Comment	There have been no management disclosures made in financial reports, as no significant compliance issues have been identified. That said, no process currently exists to ensure inclusion of disclosures in financial reports should a significant compliance issue arise.
Assessment	Inappropriate
Recommended	(5) Development of process which triggers the inclusion of a management

further action	disclosure in the event that a significant compliance issue is identified.
Supplementary Documents	None.

14.

<b>Review Area 7:</b> Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee	
Officer Comment	There is currently no internal audit program or internal auditor within the Town; further detail is provided in the response to Review Area 7. The audit plan by the Town's external auditors, outside of financial management, includes auditing the Town's compliance requirements as per the <i>Local Government Act 1995</i> ; however, it does not include auditing of any ethics risks outside of those that relate to fraudulent activities.
Assessment	Needing improvement
Recommended further action	As presented under Review Area 7 below.
Supplementary Documents	Audit Plan 2019 (attachment 7.1.4)

15.

<b>Review Area 8:</b> Considering the internal auditor's role in assessing compliance and ethics risks in their plan	
Officer Comment	There is currently no internal auditor within the Town. The only internal audit conducted relates to a process audit of the Town's records management which was presented to the Finance and Audit Committee at its meeting held in August 2017. No internal audits have been conducted that relate to either compliance or ethics risks. Considering the Town was/is subject to several performance audits to be conducted by the Office of the Auditor General (OAG), it is pertinent that focus is given to an internal audit program.
Assessment	Inappropriate
Recommended further action	(6) Develop and internal audit program with a focus on assessing areas of risk, strategic significance, and ethics/integrity issues (7) Ensure the internal audit program is appropriately resourced
Supplementary Documents	<a href="#">Item 8.2 Internal Audit Report Performance of Audit of Records Management Plan</a> – Presented to the Finance and Audit Committee at its September 2017 Meeting

16.

<b>Review Area 9:</b> Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements
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Officer Comment	There is currently no formal system in place that monitors other relevant external legislation and regulatory requirements outside of receiving notifications from State Law Publisher regarding amended and changing legislation that may have an impact on the Town. While relevant officers are notified regarding changes to legislation, there is no follow-up or monitoring of completion of the required further actions are conducted.
Assessment	Needing improvement
Recommended further action	(8) Development of a process to capture relevant changes to external legislation and regulatory requirements, which includes the tasking of necessary actions to relevant officers and ensuring completion. (9) A report containing relevant changes and ensuing action to be generated and distributed to the Finance and Audit Committee to ensure appropriate oversight, as required.

17.

<b>Review Area 10:</b> Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.	
Officer Comment	While there are no known issues of audit committee members misusing their position, it is to be noted that there has been no formal induction process specific to audit committee members, particularly the recently appointed independent committee members. It is to be further noted that the current Terms of Reference for the Finance and Audit Committee are in need of review to ensure alignment with best practice standards.
Assessment	Inappropriate
Recommended further action	(10) Development of a formal induction process for audit committee members, with a particular focus on expected conduct and roles. (11) Review the Terms of Reference for the Finance and Audit Committee to ensure it is in line with legislative and regulatory requirements.
Supplementary Documents	None

18. A summary of the Town's assessment against the 10 review areas are as follows:

Review Area	Assessment	No. Further Action	Status
1	Needing improvement	1	In progress
2	Appropriate	0	N/A
3	Needing improvement	1	In progress
4	Needing improvement	2	In progress
5	Appropriate	0	N/A
6	Inappropriate	1	Not started
7	Needing improvement	0	N/A
8	Needing improvement	2	Not started
9	Inappropriate	2	In progress
10	Needing improvement	2	In progress
<b>Total No. of Further Actions</b>		<b>11</b>	

19. Due to the large number of further actions to be completed resulting from this review, it has been recommended that the Finance and Audit Committee provides the Town at least six months before seeking a further report regarding the status of actions identified.

### Relevant documents

[A Guide to Local Government Auditing Reforms \(DLGSC\)](#)

[Local Government Operational Guidelines No. 9 – Audit in Local Government \(DLGSC\)](#)

### Further consideration

The Committee requested that the report on the CEO's review of systems and processes relating to legislative compliance be presented as an attachment to the April 2019 Ordinary Council Meeting.

### COMMITTEE RESOLUTION

**Moved:** Cr Vicki Potter

**Seconded:** Cr Ronhhda Potter

**That the Finance and Audit Committee recommends that Council:**

1. **Receives the results of the Chief Executive Officer's Review of systems and procedures relating to legislative compliance, in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*.**
2. **Endorses the 12 recommended further actions identified as part of the review.**
3. **Requests that the Chief Executive Officer provides a further report to the Finance and Audit Committee on the progress of recommended further actions by November 2019.**

**CARRIED (6 - 0)**

**For:** Cr Karen Vernon, Cr Brian Oliver, Cr Vicki Potter, Cr Ronhhda Potter, Mr Neil Formosa, Mr Jonathon Carley

**Against:** Nil.

## 7.2 Schedule Of Accounts For February 2019

<b>Location</b>	Town-wide
<b>Reporting officer</b>	Ann Thampoe
<b>Responsible officer</b>	Graham Pattrick
<b>Voting requirement</b>	Simple majority
<b>Attachments</b>	1. Payment Summary - February 2019 <b>[7.2.1]</b>

### Recommendation

That the Finance and Audit Committee recommends that Council:

1. Confirms The accounts for 28 February 2019, as included in the attachment, pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996.
2. Confirms The direct lodgement of payroll payments to the personal bank accounts of employees, pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996.

### Purpose

To present the payments made from the municipal fund and the trust fund for the month ended 28 February 2019.

### In brief

- Council is required to confirm payments made from the municipal fund and the trust fund each month, under Section 13 of the Local Government (Financial Management) Regulation 1996.
- The information required for Council to confirm the payments made is included in the attachment.

### Background

1. Council has delegated 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.
2. 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 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
  - d) sufficient information to identify the transaction
3. 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.

4. The list of accounts paid in accordance with Regulation 13 of the Local Government (Financial Management) Regulation 1996 is contained within the attachment, and is summarised below.

Fund	Reference	Amounts
<b>Municipal Account</b>		
Automatic Cheques Drawn	608519 – 608540	39,880
Creditors – EFT Payments		3,158,651
Payroll		1,066,323
Bank Fees		10,578
Corporate MasterCard		4,554
		<b>4,279,986</b>
<b>Trust Account</b>		
Automatic Cheques Drawn		12,964
		<b>12,964</b>

### Strategic alignment

<b>Civic Leadership</b>	
Strategic outcome	Intended public value outcome or impact
CL06 - Finances are managed appropriately, sustainability and transparently for the benefit of the community.	The monthly payment summary listing of all payments made by the Town during the reporting month from its municipal fund and trust fund provides transparency into the financial operations of the Town.
CL10 – Legislative responsibilities are resourced and managed appropriately, diligently and equitably.	The presentation of payment listing to Council is a requirement of Regulation 13 of Local Government (Finance Management) Regulation 1996.

### Legal compliance

[Section 6.10\(d\) of the Local Government Act 1995](#)

[Regulation 13 of the Local Government \(Financial Management\) Regulation 1996](#)

### Risk management consideration

Risk and Consequence	Consequence rating	Likelihood rating	Overall risk analysis	Mitigation and Actions
<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	Major	Unlikely	Moderate	Daily and monthly

significant error in Schedule of Accounts				reconciliations. Internal and external audits.
<b>Financial impact</b> Fraud and illegal acts	Catastrophic	Rare	Moderate	Stringent internal controls. Internal audits. Segregation of duties.

## Financial implications

Current budget impact	Sufficient funds exist within the annual budget to address this recommendation.
Future budget impact	Not applicable.

## Analysis

- All accounts paid have been duly incurred and authorised for payment as per approved purchasing and payment procedures. It is therefore requested that the Committee recommend that Council confirm the payments, as included in the attachments.

## Relevant documents

[Procurement Policy](#)

## Further consideration

The members of the Finance and Audit Committee sought further information on a number of payments made in February 2019. The following list represents the questions and answers associated with the request for further information.

### *Bang The Table - Software and IT Solutions*

This payment relates to the yearly subscription for our online engagement software "Your Thoughts".

### *Civica – Software and IT Solutions*

This relates to the implementation of online Building and Planning Applications modules within our software system "Authority".

### *Core Business Australia – Audit Services Engineering*

This payment relates to a strategic asset management workshop for staff and council. The description has been updated to better reflect the nature of the payment to "Conference and Workshop Enrolment".

### *Data #3 – Software and IT Solutions*

This relates to multiple invoices which include software configuration for DocAssembler agenda and minute's system and continued work for the desktop renewal project and deployment system for a standard operating environment.



*DBS Fencing – Fencing*

DBS Fencing provided services in relation to fencing at Kensington Bushland and Kent Street sand pit.

*Dienst Consulting – Software and IT Solutions*

This relates to annual maintenance subscription for our data storage component (Nimble).

*DiscGolfPark – Equipment Supply and Repair*

DiscGolfPark were engaged to complete repairs and update signage to the Discgolf course situation at Taylor Reserve.

*Donald Veal Consultants – Parking Management Services*

Donald Veal were engaged to provide traffic advice in relation to parking issues along Bolton Avenue.

*Jim's Fencing (North Perth) – Fencing*

These two payments relate to fencing and gate repair at a variety of locations within Victoria Parking including Rayment Park, Fraser Park, Tom Wright Park and Read Park.

*Productology – Advertising Services*

This relates to payment for advertising collateral to support anti vehicle theft initiatives within the Town.

*Seamless CMS – Communication Services*

This payment relates to our yearly subscription and software payment for the Town website.

*Solar Bike – Equipment Supply & Repair*

This payment relates to the provision of five electric bikes.

*The Lenard Family Trust – Event Performance and Activity*

This payment relate to the provision of audio visual and stage for the last two of the Town's Twilight concert series. The payment for the first concert was provided in January.

*Thinkfield – Customer Relations Services*

Thinkfield provide the Town will mystery shopping services to support our commitment to customer service. This invoice relates to multiple services including onsite visits, telephone and email communication. This relates to a year of services.

*Macri Partners – Audit Services*

This is for payment of the 2017/2018 financial year audit.

*I believe I've raised it in previous months but we've paid Veev Group the best part of \$240,000 since August last year. I understand from previous queries this is to do with IT project management for 3 projects (AMS, SteerCo and EM portal). My question is more around is whoever is managing that engagement comfortable we're getting value for money and is on top of the spend? For \$240k you could easily get 2 full time IT project managers for an entire year.*

The Town engaged Veev Group to prioritise, scope, procure and deliver a significant number of information technology project that were identified within the Town. The Town was pleased with the initial phase of work that was conducted by Veev Group to prioritise projects. As projects progressed the Town determined that it was not receiving sufficient value for money, hence ceased engaging their services.

#### **COMMITTEE RESOLUTION**

**Moved:** Mr Jonathon Carley

**Seconded:** Mr Neil Formosa

**That the Finance and Audit Committee recommends that Council:**

- 1. Confirms The accounts for 28 February 2019, as included in the attachment, pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996.**
- 2. Confirms The direct lodgement of payroll payments to the personal bank accounts of employees, pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996.**

**CARRIED (6 - 0)**

**For:** Cr Karen Vernon, Cr Brian Oliver, Cr Vicki Potter, Cr Ronhhda Potter, Mr Neil Formosa,  
Mr Jonathon Carley

**Against:** Nil.

### 7.3 Financial Statements For The Month Ending 28 February 2019

<b>Location</b>	Town-wide
<b>Reporting officer</b>	Ann Thampoe
<b>Responsible officer</b>	Graham Pattrick
<b>Voting requirement</b>	Simple majority
<b>Attachments</b>	1. Financial Statements for the month ending February 2019 <b>[7.3.1]</b>

#### Recommendation

That the Finance and Audit Committee recommends that Council accepts the Financial Activity Statement Report – 28 February 2019, as attached.

#### Purpose

To present the statement of financial activity reporting on the revenue and expenditure for the period ended 28 February 2019.

#### In brief

- The financial activity statement report is presented for the month ending 28 February 2019.
- The report complies with the requirements of Regulation 34 (Financial activity statement report) of the Local Government (Financial Management) Regulations 1996.

#### Background

1. Regulation 34 of the Local Government (Financial Management) Regulation 1996 states that each month, officers are required to prepare monthly financial reports covering prescribed information, and present these to Council for acceptance.
2. As part of the monthly financial reports, material variances are reported. Thresholds are set by Council and are as follows:
  - a) Revenue  
Operating revenue and non-operating revenue – material variances are identified where, for the period being reported, the actual varies to the budget by an amount of (+) or (-) \$25,000 and, in these instances, an explanatory comment has been provided.
  - b) Expense  
Operating expense, capital expense and non-operating expense – material variances are identified where, for the period being reported, the actual varies to the budget by an amount of (+) or (-) \$25,000 and in these instances, an explanatory comment has been provided.
3. For the purposes of explaining each material variance, a three-part approach has been applied. The parts are:

a) Period variation

Relates specifically to the value of the variance between the budget and actual figures for the period of the report.

b) Primary reason(s)

Explains the primary reason(s) for the period variance. Minor contributing factors are not reported.

c) End-of-year budget impact

Forecasts the likely financial impact on the end-of-year financial position. It is important to note that figures in this part are 'indicative only' at the time of reporting and may subsequently change prior to the end of the financial year.

### Strategic alignment

Civic Leadership	
Strategic outcome	Intended public value outcome or impact
CL06 - Finances are managed appropriately, sustainability and transparently for the benefit of the community.	To make available timely and relevant information on the financial position and performance of the Town so that Council and public could make informed decision for the future.
CL10 - Legislative responsibilities are resourced and managed appropriately, diligently and equitably.	Ensure Town meets its legislative responsibility in accordance with Regulation 34 of the Local Government (Financial Management) Regulation 1996.

### Engagement

Internal engagement	
Service Area Leaders	All Service Area Leaders have reviewed the monthly management reports and provided commentary on any identified material variance relevant to their service area.

### Legal compliance

[Regulation 34 of the Local Government \(Financial Management\) Regulations 1996](#)

### Risk management consideration

Risk and Consequence	Consequence rating	Likelihood rating	Overall risk analysis	Mitigation and Actions
<b>Financial impact</b> Misstatement or significant error in financial statements	Major	Unlikely	Moderate	Daily and monthly reconciliations. Internal and external audits.
<b>Compliance</b> Misstatement or significant error	Moderate	Unlikely	Moderate	Internal review of monthly financial activity

in financial statements				statement. External audits of monthly financial statements.
<b>Financial impact</b> Fraud and illegal acts	Catastrophic	Rare	Moderate	Stringent internal controls. Internal audits. Segregation of duties.

### Financial implications

Current budget impact	Commentary around the current budget impact is outlined in the Statement of Financial Activity, forming part of the attached financial activity statement report.
Future budget impact	Commentary around the future budget impact is outlined in the Statement of Financial Activity, forming part of the attached financial activity statement report.

### Analysis

4. The Financial Activity Statement Report – 28 February complies with the requirements of Regulation 34 (Financial activity statement report) of the Local Government (Financial Management) Regulations 1996. It is therefore recommended that the Financial Activity Statement Report – 28 February be accepted.

### Relevant documents

Not applicable.

### COMMITTEE RESOLUTION

**Moved:** Cr Brian Oliver

**Seconded:** Cr Vicki Potter

**That the Finance and Audit Committee recommends that Council accepts the Financial Activity Statement Report – 28 February 2019, as attached.**

**CARRIED (6 - 0)**

**For:** Cr Karen Vernon, Cr Brian Oliver, Cr Vicki Potter, Cr Ronhhda Potter, Mr Neil Formosa, Mr Jonathon Carley

**Against:** Nil.

**8 MOTION FOR WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

**9 MEETING CLOSED TO THE PUBLIC**

**9.1 Matters For Which The Meeting May Be Closed**

Nil.

**9.2 Public Reading Of Resolutions That May Be Made Public**

Nil.

**10 CLOSURE OF COMMITTEE MEETING**

There being no further business, Cr Karen Vernon closed the meeting at 5.38pm.

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

Signed: .....

Cr Karen Vernon

Dated this: .....

Day of: ..... 2019