



SHIRE OF DERBY/WEST KIMBERLEY

COMPLIANCE AND STRATEGIC REVIEW COMMITTEE MEETING

**HELD MONDAY 10 DECEMBER 2018
AT COUNCIL CHAMBERS
CLARENDON STREET, DERBY**

MINUTES



SHIRE OF DERBY/WEST KIMBERLEY

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**COMPLIANCE AND STRATEGIC REVIEW COMMITTEE MEETING
10 DECEMBER 2018
AGENDA**

This meeting was adjourned from original date of Monday 26 November 2018 to Monday 10 December 2018.

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The meeting was opened at 2.05pm by the Shire President.

2.0 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS

In accordance with regulation 14A of the Local Government (Administration) Regulations 1996 Council must approve (by Absolute Majority) the attendance of a person, not physically present at a meeting of Council, by audio contact. The person must be in a 'suitable place' as approved (by absolute majority) by Council. A 'suitable place' means a place that is located in a townsite or other residential area and 150km or further from the place at which the meeting is to be held.

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:

MINUTE NO. CSR013/2018

Moved: Cr A Twaddle

Seconded: Cr I Prouse

That Council, BY AN ABSOLUTE MAJORITY:

- 1. APPROVES Councillors McCumstie attendance at the Council Meeting held 10 December 2018 via telephone communication in accordance with regulation 14A(1) of the *Local Government (administration) Regulations 1996*;**
- 2. APPROVES Perth, Western Australia, as a suitable place for Councillor attendance in accordance with regulation 14A(4) of the *Local Government (Administration) Regulations 1996*.**

CARRIED 5/0 BY AN ABSOLUTE MAJORITY

3.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

Committee Members:

Cr Geoff Haerewa	Shire President
Cr Paul White	Deputy Shire President
Cr Chris Kloss	Councillor
Cr Iris Prouse	Councillor
Cr Andrew Twaddle	Councillor
Cr Peter McCumstie	Councillor

Staff:

Stephen Gash	Chief Executive Officer
Noel Myers	Manager Planning
Stuart Martin	Manager Development Services
Myra Henry	Manager Finance
Ross Sullivan	Manager Community Services
Carlie McCulloch	Customer Service Officer (Minutes)

Auditor:

Paul Breman	Moore Stephens
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Apologies:

Nil

Leave of Absence:

Nil

Absent:

Nil

3.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:**MINUTE NO. CSR014/2018****Moved: Cr C Kloss****Seconded: Cr I Prouse**

That the Minutes of the Compliance and Strategic Review Committee Meeting held 18 October 2018 be confirmed.

CARRIED: 6/0

4.0 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

5.0 DECLARATIONS OF INTEREST

Section 5.65 and 5.70 of the *Local Government Act 1995* requires an Elected Member or Officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Elected Member or Officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

An Elected Member who makes a disclosure under section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allow an Elected Member to speak, the extent of the interest must also be stated.

5.1 DECLARATIONS OF FINANCIAL INTERESTS

Nil

5.2 DECLARATIONS OF PROXIMITY INTERESTS

Nil

5.3 DECLARATIONS OF IMPARTIALITY INTERESTS

Nil

6.0 REPORTS

6.1 COMPLIANCE REPORTS

File Reference:	4110 – Internal Audit
Author:	Danielle Hurstfield - Manager Administration & Governance
Responsible Officer:	Stephen Gash, Chief Executive Officer
Disclosure of any Interest:	Nil
Date of Report:	19 November 2018
Attachments:	Use of Delegations Compliance Register Credit Card Usage Council Minutes Status
Authority/Discretion:	Information

SUMMARY:

For the Committee to note the information provided in the attached reports and provide strategic direction as required.

BACKGROUND:

The Terms of Reference for the Compliance and Strategic Review Committee adopted on 26 March 2015 detail the key role the Committee holds in assisting the Shire fulfil its corporate governance responsibilities in managing the affairs of the organisation. This includes financial reporting, risk management, compliance requirements and auditing.

The Committee will ensure compliance in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems to meet statutory requirements.

STATUTORY ENVIRONMENT:

Local Government Act 1995 Part 7, Div.1A, S.7.1(a) & 7.2(b)
Local Government Act 1995 Div.2, Sub Div.2
Local Government Act 1995 Div.2, Sub Div.3
Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Nil

STRATEGIC IMPLICATIONS:

GOAL	OUTCOME	STRATEGY
4: Good governance and effective organisation	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role 4.1.8: Develop and maintain risk management policies and procedures

RISK MANAGEMENT CONSIDERATIONS:

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial, Legal and Compliance, Organisational Operations and Reputation	Unlikely	Extreme	Extreme	Monthly reporting to the Compliance and Strategic Review Committee for awareness and direction where required.

CONSULTATION:

Internal consultation has been undertaken with relevant areas to collate information.

VOTING REQUIREMENT:

Simple majority

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:**MINUTE NO. CSR015/2018**

Moved: Cr C Kloss

Seconded: Cr P White

That the Compliance and Strategic Review Committee NOTE the information contained in the reports detailing use of delegations of authority, credit cards, compliance register and Council Minute management are noted.

CARRIED: 6/0

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:**MINUTE NO. CSR016/2018****Moved: Cr A Twaddle****Seconded: Cr P White****That Standing Orders be suspended to enable open discussion on Item 6.2.****CARRIED 6/0****6.2 POLICY MANUAL REVIEW**

File Reference:	4160 – Policy (Council)
Author:	Danielle Hurstfield - Manager Administration & Governance
Responsible Officer:	Stephen Gash, Chief Executive Officer
Disclosure of any Interest:	Nil
Date of Report:	19 November 2018
Attachments:	AF41 Fraud, Misconduct Control and Resilience AF43 Portable and Attractive Items AF6 Risk and Opportunity Management AF14 Significant Accounting Policies AF32 Council Light Vehicle Fleet – Staff Usage C5 Council Meetings – Date, Time and Venue AF24 Attendance at Conferences, Seminars and Training AF18 Sundry Debtors Collection Policy AF19 Outstanding Rates Collection Policy AF34 Community Funding Scheme WALGA Integrity in Procurement – Self Audit Tool
Authority/Discretion:	Legislative

SUMMARY:

This report recommends that the Compliance and Strategic Review Committee recommend that Council rescind policies deemed redundant and adopt new and reviewed policies also detailed in this report.

BACKGROUND:

The Terms of Reference for the Compliance and Strategic Review Committee adopted on 26 March 2015 detail the key role the Committee holds in assisting the Shire fulfil its corporate governance responsibilities in managing the affairs of the organisation. This includes financial reporting, risk management, compliance requirements and auditing.

Councillors were provided a suite of draft documents at the 27 September 2018 Committee Meeting and a proposed program at the 18 October 2018 Committee Meeting. The documents outlined are now presented for consideration.

STATUTORY ENVIRONMENT:

Local Government Act 1995 s.2.7(2)(b)

2.7. Role of council

- (1) The council —
 - (a) governs the local government’s affairs; and
 - (b) is responsible for the performance of the local government’s functions.

- (2) Without limiting subsection (1), the council is to —
 - (a) oversee the allocation of the local government’s finances and resources; and
 - (b) determine the local government’s policies.

POLICY IMPLICATIONS:

As detailed in each policy.

FINANCIAL IMPLICATIONS:

As detailed in each policy.

STRATEGIC IMPLICATIONS:

GOAL	OUTCOME	STRATEGY
4: Good governance and effective organisation	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role 4.1.8: Develop and maintain risk management policies and procedures

RISK MANAGEMENT CONSIDERATIONS:

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial, Legal and Compliance, Organisational Operations and Reputation	Unlikely	Extreme	Extreme	Monthly reporting to the Compliance and Strategic Review Committee for awareness and direction where required.

CONSULTATION:

Internal consultation has been undertaken with relevant areas to collate information.

COMMENT:

Detail is provided below outlining content, intent and/or proposed changes to the policies programmed for this month:

AF1 – Procurement of Goods and Services

As a result of recent industry investigations and available reports, this item will be deferred until an audit using the WALGA Integrity in Procurement – Self Assessment Tool (attached) has been undertaken.

AF41 – Fraud, Misconduct Control and Resilience

This new policy supports the Code of Conduct and Business Ethics Statement. It sets out the Shire's commitment to a zero-tolerance approach to fraud, misconduct, bribery and corruption and to building resilience through the identification and implementation of strategies to prevent, detect and respond to Fraud and Misconduct.

AF43 – Portable and Attractive Items

This new policy is in response to amendments to Regulation 17a of the Local Government (Audit) Regulations 1996. Local governments are required to maintain a property register of portable and attractive items valued under \$5,000 in line with State Government agencies as specified in Treasurer's Instruction 410 Record of Assets. It clearly sets out guidelines in identifying, recording and tracking items that are portable and attractive within the Shire of Derby/West Kimberley.

AF6 – Risk and Opportunity Management

This policy has been reviewed with no amendments recommended.

AF14 – Significant Accounting Policies

This policy has been reviewed and amended to reflect current industry standard.

AF32 – Council Light Vehicle Fleet – Staff Usage

This policy has been reviewed to current industry standard. The allocation of each level of use right will be undertaken in conjunction with the review of the Workforce Plan.

C5 – Council Meetings – Date, Time and Venue

This policy has been reviewed to reflect current practice of the majority of Ordinary Council Meetings in Derby and where possible the mid-month meetings to be held in Fitzroy Crossing.

AF24 – Attendance at Conferences, Seminars and Training

This policy has been reviewed with the intent of aligning Councillors and Staff entitlements.

AF18 – Sundry Debtors Collection Policy

This policy has been reviewed with minor amendments to reflect industry practices.

AF19 – Outstanding Rates Collection

This policy has been reviewed with minor amendments to reflect industry practices.

AF20 – Rating Administration Policy

Reviewed and remains unchanged.

AF34 – Community Funding Scheme

Reviewed to provide clarity and transparency in areas that operationally have made decision making difficult.

Policies to Rescind:

The policies outlined in the table below are no longer required for the reasons outlined.

Policy No.	Policy Name	Reason
C1	Smoking – Workplace/Council Buildings	Duplicates legislation
C2	Mobile phones in meetings	Not reflective of current meeting environment
C3	Local Government Conferences	Combined with AF24 Travel Expenses for Councillors and Staff
C4	Code of Conduct	New stand alone document
C8	Electoral advertising	Duplicates legislation
C9	Tourism	Included in Community Strategic Plan
C10	Health and Wellbeing	Not required - in place for funding no longer available
C11	Compliance and Strategic Review Committee	Not required – duplicates terms of reference
AF2	Disposal of lease vehicles	Not required
AF4	Financial assistance to organisations and clubs	Not required – in place for funding no longer available
AF5	Local History Collections	Redundant in current form – new policy to be developed
AF9	Sexual harassment	Repeats legislation, included in Code of Conduct
AF12	Equal opportunity and diversity	Repeats legislation, included in Code of Conduct
AF17	Occupational Health and Safety	Has been combined with injury management and rehabilitation
AF22	Use of Council equipment by community organisations	Has been combined with AF34

Policy No.	Policy Name	Reason
AF25	Report Format – Agendas and Minutes	Duplicates Standing Orders
AF26	Superannuation – Council Contribution	Duplicates clause 19 of EBA
AF36	Complaint management	Not required included in Customer Service Charter
AF38	Defence reservist leave	Combined with AF37
AF39	Recordkeeping	Not required duplicates legislation, included in Code of Conduct, Statement of Business Ethics
AF40	Public Interest Disclosures	Duplicates legislation, included in Information Statement and Code of Conduct, new Fraud, misconduct control and resilience policy
AF41	Work experience	Procedure
AF42	Trainees	Procedure
H1	Acquired Immune Deficiency Syndrome (AIDS)	Duplicates legislation
TP3	Mining	Duplicates legislation – intent included in Strategic Community Plan
TP4	Aquaculture	Duplicates legislation – intent included in Strategic Community Plan
TP9	Subdivision/development – road upgrading requirements	Not relevant for regional area
B2	Substandard dwellings – rural	Duplicates legislation
W4	Environmental management	Duplicates legislation

VOTING REQUIREMENT:

Simple majority

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:**MINUTE NO. CSR017/2018****Moved: Cr P White****Seconded: Cr C Kloss****That the Compliance and Strategic Review Committee adopt:****1. Reviewed policies****AF6 Risk and Opportunity Management****AF14 Significant Accounting Policies****~~AF32 Council Light Vehicle Fleet – Staff Usage~~
(Deferred to 14 February 2019 CSRC Meeting)****~~C5 Council Meetings – Date, Time and Venue~~
(Deferred to 14 February 2019 CSRC Meeting)****AF24 Attendance at Conferences, Seminars and Training****AF18 Sundry Debtors Collection Policy****AF19 Outstanding Rates Collection****AF20 Rating Administration Policy****AF34 Community Funding Scheme**

- 2. New policies**
AF41 Fraud, Misconduct Control and Resilience
AF43 Portable and Attractive Items
- 3. Recind policies**
C1 Smoking – Workplace/Council Buildings
C2 Mobile phones in meetings
C3 Local Government Conferences
C4 Code of Conduct
C8 Electoral advertising
C9 Tourism
C10 Health and Wellbeing
C11 Compliance and Strategic Review Committee
AF2 Disposal of lease vehicles
AF4 Financial assistance to organisations and clubs
AF5 Local History Collections
AF9 Sexual harassment
AF12 Equal opportunity and diversity
AF17 Occupational Health and Safety
AF22 Use of Council equipment by community organisations
AF25 Report Format – Agendas and Minutes
AF26 Superannuation – Council Contribution
AF36 Complaint management
AF38 Defence reservist leave
AF39 Recordkeeping
AF40 Public Interest Disclosures
AF41 Work experience
AF42 Trainees
H1 Acquired Immune Deficiency Syndrome (AIDS)
TP3 Mining
TP4 Aquaculture
TP9 Subdivision/development – road upgrading requirements
B2 Substandard dwellings – rural
W4 Environmental management

CARRIED: 6/0

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:

MINUTE NO. CSR018/2018

Moved: Cr A Twaddle

Seconded: Cr I Prouse

That Standing Orders be resumed.

CARRIED 6/0

6.3 ADOPTION OF CODE OF CONDUCT, STATEMENT OF BUSINESS ETHICS AND GOVERNANCE MANUAL

File Reference:	4135 – Ethics & Standards
Author:	Danielle Hurstfield - Manager Administration & Governance
Responsible Officer:	Stephen Gash, Chief Executive Officer
Disclosure of any Interest:	Nil
Date of Report:	19 November 2018
Attachments:	Code of Conduct Statement of Business Ethics Governance Manual
Authority/Discretion:	Legislative

SUMMARY:

This report recommends that the Compliance and Strategic Review committee recommend that Council adopt the Code of Conduct, Statement of Business Ethics and Governance manual as attached.

BACKGROUND:

The Terms of Reference for the Compliance and Strategic Review Committee adopted on 26 March 2015 detail the key role the Committee holds in assisting the Shire fulfil its corporate governance responsibilities in managing the affairs of the organisation. This includes financial reporting, risk management, compliance requirements and auditing.

Councillors were provided a suite of draft documents at the 27 September 2018 Committee Meeting and a proposed program at the 18 October 2018 Committee Meeting. The documents outlined are now presented for consideration.

STATUTORY ENVIRONMENT:

Local Government Act 1995

5.103. Codes of conduct

- (1) Every local government is to prepare or adopt a code of conduct to be observed by council members, committee members and employees.
- (2) [Deleted]

- (3) Regulations may prescribe codes of conduct or the content of, and matters in relation to, codes of conduct and any code of conduct or provision of a code of conduct applying to a local government under subsection (1) is of effect only to the extent to which it is not inconsistent with regulations.

Local Government (Rules of Conduct) Regulations 2007

POLICY IMPLICATIONS:

Review of policies will have regard to these documents.

FINANCIAL IMPLICATIONS:

Nil

STRATEGIC IMPLICATIONS:

GOAL	OUTCOME	STRATEGY
4: Good governance and effective organisation	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role 4.1.8: Develop and maintain risk management policies and procedures

RISK MANAGEMENT CONSIDERATIONS:

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial, Legal and Compliance, Organisational Operations and Reputation	Unlikely	Extreme	Extreme	Development of plans and procedure documents over the next 12 months to provide the skills and knowledge to all staff and Councillors to meet their recordkeeping obligations.

CONSULTATION:

Internal consultation has been undertaken with relevant staff to collate information.

COMMENT:

The following strategic documents are presented in a form and with content that reflects current industry standards and best practice:

CODE OF CONDUCT

The Code of Conduct provides Council Members, Committee Members, employees and contractors of the Shire of Derby/West Kimberley (Shire) with the minimum standard of professional conduct and behaviour in carrying out their functions and responsibilities. The Code addresses ethical responsibility and encourages greater transparency and accountability. It encourages a commitment to ethical and professional behaviour and outlines principles upon which individual and collective local government behaviours are to be based.

STATEMENT OF BUSINESS ETHICS

This document has been developed to assist the Shire in managing relations with its suppliers, and acknowledging the Shire's commitment to preventing misconduct, corruption and fraud. It provides guidance for all sectors of the community when conducting business with the Shire and outlines the Shire's ethical standards and expectations that suppliers and contractors are to adhere with in any dealings with the Shire. This Statement also outlines what suppliers and contractors can expect from us.

GOVERNANCE MANUAL

This document sets out the Governance framework outlining how decisions are taken and implemented; the process by which we achieve goals; produce outputs; and, the process by which we are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, values and culture within the organisation.

These documents in the form presented will enable and support the review of policies to current industry standards.

VOTING REQUIREMENT:

Simple majority

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:

MINUTE NO. CSR019/2018

Moved:

Seconded:

- 1. That the Compliance and Strategic Review Committee review the Code of Conduct, Statement of Business Ethics and Governance Manual; and**
- 2. That the review feedback be provided to the Compliance and Strategic Review Committee on 14 February 2019.**

CARRIED: 6/0

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:**MINUTE NO. CSR020/2018****Moved: Cr C Kloss****Seconded: Cr I Prouse****That the Meeting be closed to Shire Officers to discuss Agenda Item 6.4.****CARRIED 6/0**

3.00pm – Shire Officers Stuart Martin, Noel Myers and Ross Sullivan left room in order to have open discussion on Item 6.4.

3.04pm – Paul Breman, Moore Stephens, was called into the meeting.

6.4 MEETING WITH AUDITORS

The Chief Executive Officer has requested a teleconference with the Auditors to provide an update on the status and delays to the annual financial statements and the risk mitigation strategies in place. This will allow the Committee to hear directly from the auditors.

The October Management Accounts on income / expenditure have been attached to this agenda, in the absence of the Statutory Monthly reports and statement of financial position while the opening balance is verified, to provide visibility of financial performance.

Phone call with Paul Breman, Moore Stephens, and feedback from Shire Officers about implications on delay of Financial Statements.

3.40pm – Shire Officers Stephen Gash, Myra Henry and Carlie McCulloch left room in order for Auditor and Councillors to have open discussion on Item 6.4.

3.56pm – Shire Officers Stephen Gash, Myra Henry and Carlie McCulloch re-entered room.

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:**MINUTE NO. CSR021/2018****Moved: Cr C Kloss****Seconded: Cr P White****That the Compliance and Strategic Review Committee note feedback from Shire Officers and Moore Stephens in relation to the status of the financials and the implications from this.****CARRIED 6/0**

COMMITTEE RECOMENDATION/OFFICER RECOMMENDATION:

MINUTE NO. CSR022/2018

Moved: Cr C Kloss	Seconded: Cr I Prouse
That the meeting again be open to Shire Officers.	
CARRIED 6/0	

4.09pm – Remaining Shire Officers Stuart Martin, Noel Myers and Ross Sullivan re-entered room.

7.0 DATE OF NEXT MEETING

The next meeting of the Compliance and Strategic Review Committee is Thursday 14 February 2019 in the Council Chamber, 68 Clarendon Street, Derby.

8.0 CLOSURE OF MEETING

The Presiding Member closed the meeting at 4.17pm.

<p>These Minutes were confirmed at a Meeting on</p> <p>.....</p> <p>Signed:</p> <p>Presiding Person at the Meeting at which these Minutes were confirmed.</p> <p>Date:</p>
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