

I hereby certify that the Minutes of the Audit (Finance and Risk) Committee Meeting held are a true and accurate record of the proceedings contained therein.

Chairperson

Date



SHIRE OF WYNDHAM | EAST KIMBERLEY

MINUTES
AUDIT (FINANCE AND
RISK) COMMITTEE

12 May 2015

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**SHIRE OF WYNDHAM EAST KIMBERLEY
MINUTES OF THE AUDIT (FINANCE AND RISK)
COMMITTEE MEETING
KUNUNURRA COUNCIL CHAMBERS
HELD ON TUESDAY, 12 MAY 2015 AT 3:00 PM**

1. DECLARATIONS OF OPENING

The Chairperson declared the meeting open at 3:00pm.

2. RECORD OF ATTENDANCE / APOLOGIES

ATTENDANCE

Cr K Wright	Councillor (Chairperson)
Cr J Moulden	Shire President
Cr B Robinson	Councillor
Cr D Spackman	Councillor
C Askew	Chief Executive Officer
N Octoman	Director Corporate Services
L Gee	Director Community Development
M Tonkin	Executive Assistant (Minute Taker)

GALLERY

Mark Northover	Community Member
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APOLOGIES

Nil

LEAVE OF ABSENCE PREVIOUSLY APPROVED

Nil

3. DECLARATION OF INTEREST

- Financial Interest

Nil

- Impartiality Interest

Nil

- Proximity Interest

Nil

4. ACCEPTANCE OF MINUTES OF PREVIOUS MEETING

**4.1 ACCEPTANCE OF MINUTES OF AUDIT (FINANCE AND RISK)
COMMITTEE MEETING OF 10 FEBRUARY 2015**

RECOMMENDATION

That the Minutes of the Audit (Finance and Risk) Committee meeting of 10 February 2015 be accepted as a true and accurate record of proceedings.

COMMITTEE RESOLUTION

Minute No. AC346

Moved: Cr B Robinson

Seconded: Cr J Moulden

That the Minutes of the Audit (Finance and Risk) Committee meeting of 10 February 2015 be accepted as a true and accurate record of proceedings, noting that amendments were made to Minute AC330 and AC343 as per the Council decision Minute No. 10827 made at the 24 February 2015, Ordinary Council Meeting.

Carried Unanimously 4/0

**5. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF
MOTIONS**

Nil

6. REPORTS

6.1 STANDING ITEM – SUNDRY DEBTORS

DATE:	12 May 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Paul Tily, Debtors Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.07.2
DECLARATION OF INTERESTS:	Nil

PURPOSE

To review the status of sundry debtors, including airport debtors, and sundry debts in legal process.

BACKGROUND

The listing of 90+ Day Sundry Debtors was provided at the Ordinary Council Meeting on a monthly basis until March 2009 when Council resolved that the 90+ days debtor list be removed from the Council Agenda as a standing item and be presented to the then Audit Committee for consideration and to make recommended actions to Council as this falls within the scope of the committee's purpose.

In line with the more strategic focus of the new Committee the report in April 2012 only included debtor balances at 90+days and over \$500.

To further progress this strategic focus this item has been changed to provide summary information regarding all sundry debts including airport landing fees administered by Avdata on the Shire's behalf. Sundry debtors in legal process have also been incorporated into this item to provide a complete picture of sundry debtors.

Further changes were recommended to the Committee at the February 2014 meeting to modify the report by remove the categories previously reported and to report sundry debtors as a whole, with airport debtors still being identified separately and that only debtors in excess of \$20,000 be provided with more detail. These changes were supported by the Committee and have been implemented in this report.

STATUTORY IMPLICATIONS

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23. (2) (e) (iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person and because the item also contained legal advice to the Council.

POLICY IMPLICATIONS

CP/FIN-3214 "Sundry Debt Collection Policy" is relevant to this item.

FINANCIAL IMPLICATIONS

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

It should be noted however, that advice the Department of Local Government and Communities has provided recent advice on the status of on-charging legal fees. Further clarification is being sought and the Council's CP/FIN-3214 "Sundry Debt Collection Policy" will be reviewed once the advice has been fully considered.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.3: Maintain Council's long term financial viability

The costs associated with legal fees to recover debt need to be weighed up against the debt to ensure and economically viable action is being taken.

COMMUNITY ENGAGEMENT

Community consultation is not required in relation to this item.

COMMENT

Sundry Debtors (General) Summary – 12 May 2015

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Sundry Debtors	42	322,408	491,512	119,172	330,353	1,263,445

Note: The information in the above table is from the Shire's Debtors System, the revenue is recognised when the debt is raised.

Sundry Debtors (Airport Landing Fees) Summary – 12 May 2015

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Kununurra Airport	19	12,893	4,578	103,125	123,792	244,388
Wyndham Airport	3	42	0	2,549	3,834	6,425
Total	39	12,935	4,578	105,674	127,626	250,813

Note: The information in the above table is provided by Avdata.

ATTACHMENTS

Attachment 1 - Sundry Debtors detailed report as at 30 April 2015 (Confidential attachment provided under separate cover)

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee reports to the Council that:-

1. The actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate;
2. Notes that the Council's CP/FIN-3214 Sundry Debt Collection Policy is currently under review.

COMMITTEE RESOLUTION

Minute No. AC347

Moved: Cr J Moulden

Seconded: Cr B Robinson

That the Audit (Finance and Risk) Committee reports to the Council that:-

- 1. The actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate;**
- 2. Notes that the Council's CP/FIN-3214 Sundry Debt Collection Policy is currently under review.**

Carried Unanimously 4/0

6.2 STANDING ITEM – RATES DEBTORS

DATE:	12 May 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Veronica Gulland, Senior Rates Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.11.1
DECLARATION OF INTERESTS:	Nil

PURPOSE

To review the status of rates debtors and those rates debts that are in the legal process.

BACKGROUND

At the Ordinary Council Meeting, 16 October 2007, Council resolved the following:

Minute No. 7936

That Council direct the CEO to provide a written report to Council under confidential cover each month in regard to all debts currently in legal process.

Carried Unanimously 5/0

At the Ordinary Council Meeting on 18 March 2008, Council resolved the following:

Minute No: 8148

Moved: Cr J Parker Seconded: Cr F Mills

That Council:

- 1. note the confidential report provided to it in relation to debts owed to Council and under legal action.***
- 2. direct the Executive Manager Corporate Services to provide a written report to the Audit Committee under confidential cover at each Audit Committee meeting in regard to all debts currently in legal process.***
- 3. request the Audit Committee to make recommendations to Council as required and appropriate in relation to the report provided under confidential cover regarding debts currently in legal process.***
- 4. resolve that this requirement replaces the previous requirement on the CEO to report information to Council.***

Carried Unanimously 8/0

This requirement is now fulfilled by a combination of this report and item 5.1 Standing Item – Sundry Debtors.

The Outstanding Rates Debtors over three years report has also been incorporated into the confidential attachment to this item to give a complete picture of rates debtors.

STATUTORY IMPLICATIONS

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23. (2) (e) (iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person and because the item also contained legal advice to the Council.

POLICY IMPLICATIONS

Council's Policy CP FIN-3212 Rates and Charges Debt Collection Policy is relevant.

FINANCIAL IMPLICATIONS

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.3: Maintain Council's long term financial viability

COMMUNITY ENGAGEMENT

The Shire of Wyndham East Kimberley's CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

No community engagement is required

COMMENT

Rates and Services Debtors Summary

Rates & Services Levied 2014/2015 (including arrears)	Rates & Services Debt at 4 May 2015	Overdue at 4 May 2015
\$ 11,630,302.35	\$691,020.47*	\$694,874.99

*Includes properties in credit with refunds to be processed.

Rates for the financial year of 2014/15 were raised and issued on 12 September 2014. Interim rating occurs periodically throughout the year.

Comparison of rates received 2013/14 and 2014/15

Days from Billing		2013/14			2014/15		
		Total Outstanding	Received	% of Billing	Total Outstanding	Received	% of Billing
		\$	\$		\$	\$	
0	Notices Issued	9,283,794			11,031,944		
7		8,836,119	447,675	4.82%	10,535,586	496,358	4.50%
14		8,106,853	729,266	7.86%	8,370,659	2,164,927	19.62%
21	Discount due date*	5,906,296	2,200,557	23.70%	7,539,027	831,632	7.54%
28		5,579,966	326,330	3.52%	6,786,900	752,127	6.82%
35	Rates Due date	3,235,775	2,344,191	25.25%	4,017,509	2,769,391	25.10%
42		3,024,109	211,666	2.28%	3,629,050	388,459	3.52%
31 December		1,714,268	1,309,841	14.11%	2,272,400	1,356,650	12.30%
04 May		772,424	941,844	10.14%	691,020	1,581,380	14.33%
Total			8,511,370	91.68%		10,340,924	93.73%

*In 2013/14 a 2.5% discount was granted. In 2014/15 no discount was granted.

Instalment Status Report at 4 May 2015

Instalment Option	Number of Properties	% Total Properties*	Properties up to date	Properties Behind	Instalments Overdue \$	% of Properties Overdue**
2 instalments	181	6.65%	141	40	14,743.10	22.10%
4 Instalments	628	23.08%	420	208	165,029.39	33.12%
All instalment payers	809	29.72%	561	248	179,772.49	30.65%

*Excludes non-rateable properties

**Percentage of all instalment payers for each option

Comparison of rates debtors referred for debt collection 2013/14 and 2014/15

	2013/14		2014/15	
	Number of debtors	Total value of Debt \$	Number of debtors	Total value of Debt \$
Debts referred for NOI*	274	683,868	59	438,136
Debts proceeding to GPC**	82	109,489	12	31,840

*NOI – letter sent to debtor by debt collection agency advising of intention to take legal action.

**GPC – General Procedure Claim lodged at court to be served on debtor.

ATTACHMENTS

Attachment 1 - Rates Debtors - Detailed Report (Confidential Attachment provided under separate cover)

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee reports to the Council that the actions being undertaken by the administration in regard to rates debtors, including rates debts in legal process are sufficient and appropriate.

COMMITTEE RESOLUTION

Minute No. AC348

Moved: Cr J Moulden

Seconded: Cr B Robinson

That the Audit (Finance and Risk) Committee reports to the Council that the actions being undertaken by the administration in regard to rates debtors, including rates debts in legal process are sufficient and appropriate.

Carried Unanimously 4/0

6.3 OVERDRAFT FACILITY UPDATE

DATE:	12 May 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Felicity Heading, Coordinator Financial Operations
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.03.29
DECLARATION OF INTERESTS:	Nil

PURPOSE

To provide an update to the Audit (Finance and Risk) Committee on the status of the overdraft facility approved by Council at the Special Council Meeting on 13 August 2014.

BACKGROUND

At the Special Council Meeting held on 13 August 2014 the Council passed the following resolution:

DECISION

Minute No. 10503

Moved: Cr K Wright

Seconded: Cr R Dessert

That as a result of unbudgeted liability associated with the delay in reimbursement of monies expended as a result of the flood event in February 2014 that Council:

- 1. advertise for one month, via local public notice the intention to take out a \$2.5 million bank overdraft to cover the expenditure associated with the flood event in February;*
- 2. notes that the bank overdraft will be an ongoing facility and incorporated into the annual budget for adoption;*
- 3. requires the status of the overdraft facility to be a standing item on the Audit (Finance and Risk) Committee Agenda.*

Carried 8/1

For: Cr K Wright, Cr R Dessert, Cr J Moulden, Cr D Learbuch, Cr B Robinson, Cr S Cooke, Cr G Taylor, Cr G King

Against: Cr D Spackman

STATUTORY IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The \$2.5 million bank overdraft was approved by Council to assist in the day-to-day cashflow management following the WANDRRA flood event and for potential future use.

Quotes were obtained from Bankwest, Commonwealth Bank, Westpac and National Australia bank. Bankwest provided the most competitive quote overall with the following fees and charges to apply:

- Establishment fee: Waived (normally \$3,500)
- Maintenance fee: \$10 per month (\$120 per annum)
- Line of Credit Fee: \$500 charged on the last day of each quarter (\$2,000 per annum)
- Interest rate: 6.5% which will be charged only on any funds that are utilised.

Until utilised the total cost to maintain the facility will be \$2,120 per annum.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.1: Ensure legislative compliance and follow best practice principles in planning and service delivery

Strategy 1.4.3: Maintain Council's long term financial viability

COMMUNITY ENGAGEMENT

The Shire of Wyndham East Kimberley's CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and has included:

A public notice was issued on 21 August 2014 for one month in accordance with the requirements of the *Local Government Act 1995*.

COMMENT

The overdraft facility approved by the Council on 13 August 2014 was applied for and approved by the Shire's existing bank, Bankwest.

Due to the non-standard nature of the security being provided for the facility there was a delay in the preparation of the overdraft documents by Bankwest with the documents being received by the Shire for signing on 23 October 2014. Upon reviewing the security documents further information was sought from Bankwest regarding a particular condition that would not be able to be met from an operational perspective. Bankwest agreed to remove the condition with the amended documents returned in the week ending 28 November 2014. The executed security documents were submitted to Bankwest on 4 December 2014. The overdraft facility was activated by Bankwest on 17 December 2014.

Cashflow to cover WANDRRA flood event expenses to date was managed with existing funds until rates revenue was received. Due to the deficit budget adopted for 2014/15 it is anticipated that the overdraft may be utilised towards the end of the financial year, but it should not be required prior to this time.

ATTACHMENTS

There are no attachments associated with the report.

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee reports to the Council that:

1. The overdraft facility has not been utilised to date.
2. There is no change to the previous advice that it is anticipated that the overdraft facility may be utilised towards the end of the 2014/15 financial year, given the adoption of a budget deficit for 2014/15.

COMMITTEE RESOLUTION

Minute No. AC349

Moved: Cr J Moulden

Seconded: Cr D Spackman

That the Audit (Finance and Risk) Committee reports to the Council that:

- 1. The overdraft facility has not been utilised to date.**
- 2. There is no change to the previous advice that it is anticipated that the overdraft facility may be utilised towards the end of the 2014/15 financial year, given the adoption of a budget deficit for 2014/15.**

Carried Unanimously 4/0

6.4 ADVICE OF WRITE OFF OF SUNDRY DEBTOR BALANCES OF \$200 OR LESS IN ACCORDANCE WITH DELEGATIONS

DATE:	12 May 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Paul Tily, Debtors Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.07.6
DECLARATION OF INTERESTS:	Nil

PURPOSE

For the Audit (Finance and Risk Committee) to report to Council the write off of outstanding sundry debts and penalties to the value of \$296.54 in accordance with the *Local Government Act 1995 Section 6.12(1)(c)* and the Council's Delegation register.

BACKGROUND

On the 26th of August 2014 Council reviewed and adopted the Delegation Register which provided the Chief Executive Officer (CEO) with delegations to write off debtors (rates and others) with an account balance of \$200 or less subject to section 6.12(2) of the *Local Government Act 1995*. The CEO has sub-delegated this authority to the Director Corporate Services.

STATUTORY IMPLICATIONS

Local Government Act 1995

6.12 Power to defer, grant discounts, waive or write off debts

- (1) *Subject to subsection (2) and any other written law, a local government may –*
- (a) *when adopting the annual budget, grant* a discount or other incentive for the early payment of any amount of money;*
 - (b) *wave or grant concessions in relation to any amount of money; or*
 - (c) *write off any amount of money.*

which is owed to the local government.

**absolute majority required*

- (2) *Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.*

The following delegation is included in the Delegations Register adopted by the Council on 24 August 2014:

Delegation (18): Write Off Debtors (Rates and Others) Up To \$200.00

LEGISLATIVE POWER *Local Government Act 1995 Section 6.12*
DELEGATE Chief Executive Officer

FUNCTION TO BE PERFORMED

Delegated authority to write off debtors (rates and others) with an account balance of \$200 or less.

This delegation is subject to *section 6.12(2) of the Local Government Act 1995*.

SUB DELEGATIONS BY THE CEO

The Chief Executive Officer delegates the functions as outlined above to:
Director Corporate Services

POLICY IMPLICATIONS

Sundry Debt Collection Policy – CP/FIN-3214 was adopted by the Council on 26 August 2014.

Clause 4.7 of the above policy states that

“Accounts under \$400.00 will not be sent to the Shire’s debt collection agency.”

FINANCIAL IMPLICATIONS

Council incurred an expense of \$296.54 as a write off.

STRATEGIC IMPLICATIONS

There are no strategic implications associated with this report.

COMMUNITY ENGAGEMENT

The Shire of Wyndham East Kimberley’s CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

Community consultation is not required in relation to this item.

COMMENT

An audit of sundry debtors conducted in February 2015 identified 5 debtors with an outstanding balance of \$200.00 or less. All avenues for recovery of the debts have been followed in accordance with the Council’s Sundry debt collection policy and as the debts are under \$400.00 they cannot be referred for debt collection under the policy.

The total value of \$296.54 that has been written off consists of childcare and waste charges of \$275.46 and interest of \$21.08.

The highest value written off against any individual sundry debtor was \$104.04.

ATTACHMENTS

There are no attachments associated with the report.

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee reports to the Council:

1. That the write off of outstanding sundry debts and penalties to the value of \$296.54 is deemed to be appropriate and is in accordance with the *Local Government Act 1995 Section 6.12(1)(c)* and the Council's Delegation register.

COMMITTEE RESOLUTION

Minute No. AC350

Moved: Cr J Moulden

Seconded: Cr D Spackman

That the Audit (Finance and Risk) Committee reports to the Council:

- 1. That the write off of outstanding sundry debts and penalties to the value of \$296.54 is deemed to be appropriate and is in accordance with the *Local Government Act 1995 Section 6.12(1)(c)* and the Council's Delegation register.**

Carried Unanimously 4/0

6.5 INSURANCE CLAIMS REPORT

DATE:	12/05/2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Niroshini Nandasiri, Asset Management Accountant
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	RM.01.2
DECLARATION OF INTERESTS:	Nil

PURPOSE

To report to the Audit (Finance and Risk) Committee the insurance claims that are either current, or have been finalised.

BACKGROUND

In February 2015, the "Report on a review of risk management, legislative compliance and internal controls" by UHY Haines Norton was presented to Council (via Audit (Finance and Risk) Committee). It has been recognised that risk management is an area where there is minimal communication between Shire officers and the Committee members, particularly in relation to insurance-related matters.

As part of monitoring internal controls and risk management, the insurance claims report will be presented on a regular basis to the Audit (Finance and Risk) Committee. This report identifies the risks/incidents that been reported as an insurance claim, and assists to assess the status and effectiveness of risk management systems, to ensure that identified risks are monitored and new risks are identified and mitigated.

STATUTORY IMPLICATIONS

Not applicable.

POLICY IMPLICATIONS

There is a clear requirement for the Shire to develop a Risk Management Framework and associated policies which will be undertaken in the near future.

FINANCIAL IMPLICATIONS

The insurance premiums paid are contained within the 2014/15 Annual Budget. There are no further implications from this report.

STRATEGIC IMPLICATIONS

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.4: Deliver cost effective and efficient corporate services

COMMUNITY CONSULTATION

Not applicable.

COMMENT

Risk management is embedded in the processes, systems, procedures that officers work within on a daily basis. While this is the case, there has not been any formal reporting to the Committee or the Council on either strategic or operational risks since around November 2013. This will be identified as an action to be undertaken as a result of the Regulation 17 review whereby the CEO is required to report to the Committee on the adequacy of systems and processes.

Part of the Local Government Operational Guidelines Number 09 "Audit in Local Government" identifies that "good audit committee practices in monitoring internal control and risk management programs typically include: assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance." This report is considered to be the first step in involving the Committee directly in insurance-related matters and will continue to be developed in the coming months.

The Insurance register contains a list of current claims (all lodged in 2014/15 and claims from previous years) in relation to motor vehicle, property, public liability, marine hull and bushfire policies.

The table below show a summary of 2014/15 year to date and 2013/14 full year claims made.

Type of Policy	Current/Open		14/15 No of Claims	13/14 No of Claims
	No	\$ (claim estimate)		
Motor Vehicle			9	6
Property	6	595,370	6	3
Public Liability	9*	281,000	3	8
Marine Hull			1	
Bushfire			1	

* includes 6 claims from previous years

Under the Motor Vehicle Policy in 2014/15 (up to April 2015), the Shire received a settlement of \$66,320 for nine (9) claims in comparison to \$44,466 for six (6) claims in 2013/14.

There are six (6) claims pending under the Property Insurance Policy with an estimated settlement of \$595,370 for this year (one claim for Wyndham depot estimated at \$550,000), and which was only \$10,979 (3 claims) in 2013/14.

Eight (8) Public Liability claims were made in 2013/14, of which two (2) claims were denied and two (2) were settled. Other claims are yet to be resolved. There are currently nine (9) claims (including those outstanding from previous years) with an estimated liability of \$281,000. The Race the Planet marathon liability claim (from 2011) has settled this year at a total cost of \$85,779.

It should be noted that the settlement amounts are non-impacting on the Shire's budget as they are covered by the Shire's insurance company (LGIS).

Marine Hull and Bushfire claims were lodged on behalf of DEFES.

ATTACHMENTS

Attachment 1 - Confidential Insurance Claims Register

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to the Council that it notes the Claims Register attached.

COMMITTEE RESOLUTION

Minute No. AC351

**Moved: Cr B Robinson
Seconded: Cr D Spackman**

That the Audit (Finance and Risk) Committee moves behind closed doors to discuss the confidential attachments to item 6.5 Insurance Claims Report.

Carried Unanimously 4/0

Audit (Finance and Risk) Committee moves behind closed doors at 3.07pm.

COMMITTEE RESOLUTION

Minute No. AC352

**Moved: Cr B Robinson
Seconded: Cr D Spackman**

That the Audit (Finance and Risk) Committee moves out from behind closed doors.

Carried Unanimously 4/0

Audit (Finance and Risk) Committee moves out from behind closed doors at 3.24pm.

COMMITTEE RESOLUTION

Minute No. Minute No. AC353

**Moved: Cr J Moulden
Seconded: Cr B Robinson**

That the Committee recommends to the Council that it notes the Claims Register attached.

Carried Unanimously 4/0

6.6 STANDING ITEM – LEASES

DATE:	12 May 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Natalie Octoman, Director Corporate Services
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	CP.07 and CP.16
DECLARATION OF INTERESTS:	Nil

PURPOSE

To consider the attached Confidential Lease Report as at 01 May 2015.

BACKGROUND

The Shire of Wyndham East Kimberley administers over thirty five leases ranging from airport leases, community and commercial leases.

In December 2007 the Audit (Risk and Finance) Committee resolved:

Minute No. A066

***Moved: Cr Keith Wright
Seconded Cr Frederic Mills***

- 1. that the Audit Committee note that the responsibility for the management of leases and periodical contracts is that of the Executive Manager Corporate Services.***
- 2. that the Audit Committee note that the Executive Manager Corporate Services monitors the leases and coordinates the lease data base and reporting to Executive Managers, the Audit Committee and Council.***
- 3. that the Audit Committee request staff to present an updated Lease Spreadsheet certified by Executive Manager Corporate Services to each Audit Committee meeting as a standing item.***

Carried Unanimously 4/0

STATUTORY IMPLICATIONS

Local Government Act 1995
Part 5, Division 2

5.23. Meetings generally open to public

- (1) Subject to subsection (2), the following are to be open to members of the public —*
 - (a) all council meetings; and*
 - (b) all meetings of any committee to which a local government power or duty has been delegated.*
- (2) If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the*

public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following -

- (a) a matter affecting an employee or employees; and*
 - (b) the personal affairs of any person; and*
 - (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and*
 - (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and*
 - (e) a matter that if disclosed, would reveal -*
 - (i) a trade secret; or*
 - (ii) information that has a commercial value to a person; or*
 - (iii) information about the business, professional, commercial or financial affairs of a person,*
where the trade secret or information is held by, or is about, a person other than the local government; and
 - (f) a matter that if disclosed, could be reasonably expected to —*
 - (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or*
 - (ii) endanger the security of the local government's property; or*
 - (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety;*
- and*
- (g) information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and*
 - (h) such other matters as may be prescribed.*

- (3) A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.*

POLICY IMPLICATIONS

While there are no policy implications currently, it is envisaged that a Leasing Policy will be considered by the Council at its Ordinary Meeting in May.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012 - 2022

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability.

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.1: Ensure legislative compliance and follow best practice principles in planning and service delivery.

Strategy 1.4.2: Improve the efficiency and productivity of Shire services.

Strategy 1.4.3: Maintain Council's long term financial viability.

COMMUNITY CONSULTATION

There is no requirement for the community to be consulted in relation to this item.

COMMENT

Leases have been the topic of some discussion over recent months given the level of involvement of staff from across the Shire in their negotiation and day to day management.

While the discussions are continuing, the update to the Audit (Finance and Risk) Committee will remain the responsibility of the Corporate Services Directorate.

The Lease Schedule attached has incorporated new information in relation to the rateability of the properties, and each affected item will be updated in the next report depending upon the outcome of the Council decision in relation to rates concessions that will be applied.

ATTACHMENTS

Attachment 1- Lease Schedule (Confidential attachment provided under separate cover)

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to the Council that it notes the Confidential Lease Schedule attached.

COMMITTEE RESOLUTION

Minute No. AC354

Moved: Cr B Robinson

Seconded: Cr D Spackman

That the Committee recommends to the Council that it notes the Confidential Lease Schedule attached.

Carried Unanimously 4/0

6.7 REVIEW OF CP/FIN-3204 PURCHASING POLICY

DATE:	12/05/2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Natalie Octoman, Director Corporate Services
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	CM.11.2
DECLARATION OF INTERESTS:	Nil

PURPOSE

For the Audit (Finance and Risk) Committee to consider the revised Council Policy *CP/FIN-3204 Purchasing Policy*, and recommend to the Council that:

- a. The revised Purchasing Policy be adopted; and
- b. It repeal Council Policy *F19 Purchasing and Tendering Policy* on the basis that it has been superseded.

BACKGROUND

The Council's Purchasing Policy has not been reviewed since June 2013 and requires amendment.

At the 28 April Ordinary Council Meeting the Council was presented with a Council Policy Review item which outlined a three-stage approach to the review of Council Policies. It also outlined standardised terminology for documents that support operational performance being:

1. **Policy** – a concise formal statement by Council that outlines non-discretionary governing principles and intentions, in order to guide the Shire's practice. Policies are a formal statement of intent that mandate principles or standards that apply to the Shire's governance or operations or to the practice and conduct of its staff. In short, a policy provides staff with the approved way of dealing with a particular matter. Policies are required to be reviewed by Council every 4 years.
2. **Organisational Directive** – a statement approved by the Chief Executive Officer that sets out the process and requirements for a particular course or mode of operation. Organisational directives clearly define how an operational process or standard is to be implemented and by whom. An organisational directive is reviewed more often than a Policy as operational processes change in line with legislative or organisational requirements. Organisational directives often elaborate on, and give effect to, a Local Law, rule, agreement, code or Policy and define the area in which the Policy is operative. Compliance with organisational directives is mandatory and non-compliance may be actionable through appropriate conduct policy documents.
3. **Work Instruction** – a step-by-step explanation of how to undertake a specific task, usually only performed by one (1) person from start to finish. Work instructions are developed by staff members with approval provided by the appropriate Manager. They are an important tool to identify and document continuous improvement opportunities and ensure best practise in service delivery.

Prior to the formal review of policies, the Acting Chief Executive Officer's report on the review of systems and procedures relating to risk management, internal control and

legislative compliance that was presented to the 10 February 2015 Committee meeting and subsequently to the Council. This report highlighted an improvement at item number IC 2.19 that the “purchasing policy and associated control procedures be reviewed to clarify procurement practices when using WALGA preferred suppliers”. At item IC 5.6 it also outlined improvements in relation to “staff with purchasing authority be training on the requirements of the purchasing policy and controls be implemented to ensure their compliance”.

The revision of *CP/FIN-3204 Purchasing Policy* will address the items raised in the Regulation 17 review of systems and procedures and continue the formal review of Council policies.

STATUTORY IMPLICATIONS

Local Government Act 1995

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.*

3.57. Tenders for providing goods or services

- (1) *A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) *Regulations may make provision about tenders.*

Local Government (Functions and General) Regulations 1996

Part 4

Division 1 – Purchasing policies

11A. Purchasing policies for local governments

- (1) *A local government is to prepare or adopt, and is to implement, a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100 000 or less or worth \$100 000 or less.*
- (2) *A purchasing policy is to make provision for and in respect of the policy to be followed by the local government for, and in respect of, entering into contracts referred to in subregulation (1)*
- (3) *A purchasing policy must make provision in respect of —*
- (a) *the form of quotations acceptable; and*
 - (b) *the recording and retention of written information, or documents, in respect of —*
 - (i) *all quotations received; and*
 - (ii) *all purchases made.*

- (4) *Different requirements may be imposed under a purchasing policy in respect of different classes, or types, of any of the following —*
- (a) *goods and services;*
 - (b) *suppliers;*
 - (c) *contracts;*
 - (d) *any other thing that the local government considers appropriate.*

POLICY IMPLICATIONS

If the Committee support the Officer's recommendation, and in turn, it is also supported by the Council, the Shire will commence operating in accordance with the revised Policy. This will also result in the rescission of a superseded Council Policy being *F19 Purchasing and Tendering Policy*.

FINANCIAL IMPLICATIONS

The implementation of the amended Policy will create efficiencies in the processes surrounding procurement, particularly with the modification of the purchasing thresholds and the implementation of the Organisational Directive. There are however, no tangible financial implications.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.1: Ensure legislative compliance and follow best practice principles in planning and service delivery

Strategy 1.4.2: Improve the efficiency and productivity of Shire services

Strategy 1.4.4: Deliver cost effective and efficient corporate services

COMMUNITY ENGAGEMENT

The Shire of Wyndham East Kimberley's CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

Engagement has occurred to date with the following parties:

- An officer from the Department of Local Government and Communities
- Shire of Wyndham East Kimberley Leadership Team
- Shire of Wyndham East Kimberley Executive Management Team
- Shire of Wyndham East Kimberley Finance Team

COMMENT

Shire officers are continually reviewing processes and implementing improvements across the organisation to ensure effectiveness, efficiency and compliance of the Shire's operations. This is a gradual process, and cannot be undertaken overnight given the resourcing

constraints that the Shire has. However, it should be recognised that there have been many policies and processes that have been reviewed and improved over the last year or so.

The review of the Council Policy *CP/FIN-3204 Purchasing Policy* is another continuous improvement area whereby it is important to ensure that the purchasing of goods and services and works are regularly improved in relation to transparency, probity and good governance.

Along with the Policy, the Organisational Directive (which is approved by the Chief Executive Officer) is paramount to ensure that best practice procedures are followed by Shire officers, and will assist to improve the perception of openness, transparency, fairness and equity of the purchasing processes to all potential suppliers.

It is intended that this will, with time, also strengthen the community's perception and confidence in relation to the integrity of the purchasing processes.

The revised Policy achieves several outcomes:

1. It provides clarity around the use of WALGA and State Government preferred suppliers and addresses the suggested improvements contained within the Regulation 17 review (IC 2.19 and IC 5.6).
2. It reduces the excessive administration processes surrounding minor purchases that pose little risk to the organisation.
3. The revised purchasing thresholds will lead to clearer procurement processes and "triggers" for when certain actions need to occur.
4. It will lead to a review of the purchasing authority limits placed on Shire officers that will then be aligned with the purchasing thresholds – again to ensure consistency and to provide clarity for officers.
5. It will lead to staff with purchasing authority to be trained on the new requirements of the Policy and the Organisational Directive (which at the time of writing this report, was being drafted).
6. Ensures compliance with the *Local Government Act 1995* and associated Regulations.
7. Ensures that the Policy does not include what is now considered to be components that should form part of the Organisational Directive.
8. Incorporates provisions that encourage the Shire to maximise participation of local and small businesses in the supply of goods, services and works purchased or contracted by the Shire – a question that was recently raised at the Annual General Meeting of Electors.
9. Rescinds a Policy that was superseded some years ago.

While it is understood that the Regulations may change in the upcoming months which may have an impact on this Policy, it is the Officer's recommendation that the Policy be amended immediately to ensure that the outcomes identified above can come to fruition, and not be held up by potentially lengthy parliamentary processes required to modify legislation.

ATTACHMENTS

Attachment 1 – Amended CP/FIN-3204 Purchasing Policy
Attachment 2 – Current CP/FIN-3204 Purchasing Policy

VOTING REQUIREMENT

Simple Majority

OFFICER’S RECOMMENDATION 1

That the Audit (Finance and Risk) Committee recommend to the Council that it:

- a. Rescind Council Policy *F19 Purchasing and Tendering Policy* on the basis that it was superseded some years ago.
- b. Adopt the amended CP/FIN-3204 Purchasing Policy.

<u>COMMITTEE RESOLUTION</u>	
Minute No. AC355	
Moved: Cr D Spackman	
Seconded: Cr K Wright	
That the Audit (Finance and Risk) Committee defer item 6.7 Review of CP/FIN-3204 Purchasing Policy to a briefing session.	
	Tied 4/4
Casting vote: Cr K Wright for the motion	Carried

Reason for resolution: To seek greater clarification and more information



POLICY NO	CP/FIN-3204	
POLICY	Purchasing Policy	
RESPONSIBLE DIRECTORATE	Corporate Services	
RESPONSIBLE OFFICER	Director Corporate Services	
COUNCIL ADOPTION	Date: 18/06/2013	Resolution No: 10096
REVIEWED/MODIFIED	Date: 26/05/2015	Resolution No:
	Date:	Resolution No:
REVIEW DUE	Date: May 2017	
LEGISLATION	<ol style="list-style-type: none"> 1. Local Government Act 1995 – Sections 3.57, 5.41 2. Local Government (Functions and General) Regulations 1996 – Part 4 – Provision of Goods and Services 3. State Records Act 2000 	
RELATED POLICIES	1. RM1 – Records Management	
RELATED PROCEDURES	<ol style="list-style-type: none"> 1. Code of Conduct for Council Members, Committee Members and Employees 2. Audit (Finance and Risk) Committee Terms of Reference 3. Organisational Directive – Purchasing Process (currently being developed) 	

PURPOSE:

The purpose of this Policy is to demonstrate the Council's commitment to delivering best practice in the Shire of Wyndham East Kimberley's ("the Shire") purchasing of goods, services and works that align with the principles of transparency, probity and good governance in accordance with the *Local Government Act 1995* ("the Act") and the *Local Government (Functions and General) Regulations 1996* ("the Regulations").

DEFINITIONS:

Authorising Officer is a Shire of Wyndham East Kimberley employee who is registered in the sub-delegation register as authorised by the Chief Executive Officer to incur expenditure and claims for payment, within a specific monetary limit.

Requisitioning Officer is a Shire of Wyndham East Kimberley employee who has Shire system access to raise a purchase requisition. This employee will not necessarily have purchasing authority, in which case, the requisition, and associated documentation is forwarded to an Authorising Officer for consideration.

Preferred Suppliers include WALGA Preferred Supply Contracts (which are specifically designed around local government requirements) or State Government Common Use Arrangements (where local government access is permitted).

POLICY STATEMENTS:

The Council believes that overall policy must be underpinned by sound principles, which are well understood, communicated to the community and compliant with current legislation.

The Council's objectives in establishing this Policy is to:

1. Ensure best practice policies and procedures are followed in relation to the internal purchasing for the Shire of Wyndham East Kimberley.
2. Ensure compliance with the *Local Government Act 1995* and the *Local Government Act (Functions and General) Regulations 1996*.
3. Ensure compliance with the *State Records Act 2000* and associated records management practices and procedures of the Shire.
4. To undertake purchasing processes that ensures value for money for the Shire by delivering the most advantageous outcome possible.
5. To ensure openness, transparency, fairness and equity through the purchasing process to all potential suppliers therefore strengthening integrity and confidence in the purchasing process.
6. To ensure efficient and consistent purchasing processes are implemented and maintained across the Shire.

1. ETHICS & INTEGRITY

1.1. Code of Conduct

All officers and employees of the Shire undertaking purchasing activities must have regard for the requirements contained in the Code of Conduct for Council Members, Committee Members and Employees ("the Code of Conduct") and shall observe the highest standards of ethics and integrity. All officers and employees of the Shire must act in a manner which is honest and professional and supports the standing of the Shire at all times.

1.2. Purchasing Principles

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire's policies and Code of Conduct;
- purchasing is to be undertaken on a competitive basis where all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies, audit requirements and relevant legislation;

- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

2. VALUE FOR MONEY

Value for money is an overarching principle governing purchasing which allows the best possible outcome to be achieved for the Shire. It is important to note that compliance with the purchasing specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing and service benchmarks.

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

- all relevant Total Costs of Ownership (TCO) and benefits including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal;
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality, including but not limited to an assessment of levels and currency of compliances, value adds offered, warranties, guarantees, repair and replacement policies, ease of inspection, ease of after sales service, ease of communications etc.
- financial viability and capacity to supply without risk of default (competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history); and
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

3. PURCHASING THRESHOLDS AND POLICY REQUIREMENTS

The requirements that must be complied with by the Shire officers, including purchasing thresholds and processes, are prescribed within the *Regulations* and this Purchasing Policy.

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

1. The actual or expected value of a contract over the full contract period (including all options to extend); or
2. The extent to which it could be reasonably expected that the Shire will continue to purchase a particular category of goods, services or works and what total value is or could be reasonably expected to be purchased.

Any purchasing activity must be undertaken in accordance with the Shire officer's sub-delegated purchasing authority limit as approved by the Chief Executive Officer and outlined in the sub-delegation register.

In some cases suppliers may not respond to a request for quotation. In this instance, Shire officers must provide documentation to demonstrate their attempt to source the required number of quotations as outlined in Table A, however non-responses should not delay any purchasing activity unless it would be considered inappropriate to proceed.

Table A

Purchasing Thresholds (ex GST)	Policy Requirements	
	Quotations	Conditions
Up to \$1,000	No quotations are required prior to purchase.	Officers must ensure that they use their professional knowledge and expertise in the purchasing process. AND Provision of a purchase requisition and an Office Copy of the signed Purchase Order (or in the case whereby the Requisitioning Officer is the same person as the Authorising Officer), only an Office Copy of the signed Purchase Order unless the purchase is exempt as outlined in Part 3.1 of this Policy.
Over \$1,000 and Up to \$10,000	Obtain at least two (2) verbal quotations from suppliers. OR Obtain at least two (2) quotations directly from preferred suppliers using a simple quotation process either verbally, through eQuotes or directly in writing.	Two (2) verbal quotations to be recorded on the IF/PC-2281 – Record of Verbal & Written Quotes form. OR Two (2) written quotations to be recorded on the IF/PC-2281 – Record of Verbal & Written Quotes form with the written quotations attached unless the purchase is exempt as outlined in Part 3.1 of this Policy. AND Provision of a purchase requisition and an Office Copy of the signed Purchase Order (or in the case whereby the Requisitioning Officer is the same person as the Authorising Officer), only an Office Copy of the signed Purchase Order unless the purchase is exempt as outlined in Part 3.1 of this Policy.

Purchasing Thresholds (ex GST)	Policy Requirements	
	Quotations	Conditions
Over \$10,000 and Up To \$50,000	<p>Obtain at least three (3) written quotations (eg email, fax or original copy).</p> <p>OR</p> <p>Obtain at least three (3) quotations directly from preferred suppliers using a simple quotation process either through eQuotes or directly in writing.</p>	<p>Three (3) written quotations to be recorded on the IF/PC-2281 – Record of Verbal & Written Quotes form with the written quotations attached.</p> <p>AND</p> <p>Provision of a purchase requisition and an Office Copy of the signed Purchase Order (or in the case whereby the Requisitioning Officer is the same person as the Authorising Officer), only an Office Copy of the signed Purchase Order unless the purchase is exempt as outlined in Part 3.1 of this Policy.</p>
Over \$50,000 and Up To \$100,000	<p>Obtain at least three (3) written quotations (eg email, fax or original copy) from suppliers containing price and specification of goods and services. The procurement decision is to be based on all value for money considerations in accordance with the definition stated within this Policy.</p> <p>OR</p> <p>Obtain at least three (3) quotations directly from preferred suppliers using a formal request for quotation process either through eQuotes or directly in writing.</p>	<p>Three (3) written quotations to be recorded on the IF/PC-2281 – Record of Verbal & Written Quotes form with the written quotations attached.</p> <p>AND</p> <p>Provision of a purchase requisition and an Office Copy of the signed Purchase Order (or in the case whereby the Requisitioning Officer is the same person as the Authorising Officer), only an Office Copy of the signed Purchase Order.</p>

Purchasing Thresholds (ex GST)	Policy Requirements	
	Quotations	Conditions
\$100,000 and above	<p>Conduct a public tender process in accordance with this policy and the WALGA Procurement Handbook. The procurement decision is to be based on value for money considerations in accordance with the definition stated within this Policy.</p> <p>OR</p> <p>Obtain at least three (3) quotations directly from preferred suppliers using a formal request for quotation process either through eQuotes or directly in writing.</p>	Legislative compliance requirements must be adhered to.

3.1. Tender Exemptions

Tender exemptions apply in the following instances:

- * an emergency situation as defined by the *Act*;
- * the purchase is from a WALGA Preferred Supply Contract or Business Service. All WALGA Preferred Supply Contracts have been established utilising a competitive public procurement process to pre-qualify suppliers that meet compliance requirements and offer optimal value for money to the Local Government sector.
- * the purchase is from a Department of Finance Common Use Arrangements (where Local Government use is permitted), a Regional Local Government or another Local Government;
- * the purchase is under auction that has been authorised by Council;
- * the contract is for petrol, oil, or other liquid or gas used for internal combustion engines; or
- * any of the other exclusions under Regulation 11 of the *Regulations* apply.

Note:

When making a decision about whether to conduct a public tender or utilise a tender exempt arrangement, the Shire officer should compare the cost and benefits of both processes.

The compliance requirements, time constraints, costs and risks associated with a public tender should be evaluated against the value delivered by such a process. This should then be compared with the costs and benefits of using a tender exempt arrangement which include direct access to preferred suppliers, full regulatory compliance, risk mitigation, administrative efficiencies and cost savings.

3.2. Exemptions Relating to Policy Requirements for Quotations

The obligation to source quotations is not required in the following instances:

- 1) Procurement of particular goods or services:
 - a) Utilities, including telephone, electricity
 - b) Water and gas
 - c) Freight up to the value of \$1,000 (GST exclusive)
 - d) Local public notice advertisements that are required by legislation
 - e) Statewide public notice advertisements that are required by legislation
 - f) Annual memberships/subscriptions
 - g) Reimbursements to staff
 - h) Department of Land Information on-line transactions
 - i) Motor Vehicle Licensing and Registration
 - j) Postage
- 2) Corporate Credit Card or Corporate Fuel Card purchases up to the value of \$1,000 (GST exclusive).
- 3) Petty Cash purchases up to the value of \$200 (GST exclusive)

3.3. Exemptions Relating to Policy Requirements for Purchase Requisitions and Purchase Orders

The obligation to issue a purchase order is not required in the following instances:

- 1) Procurement of particular goods or services:
 - a) Annual memberships/subscriptions
 - b) Department of Land Information on-line transactions
 - c) Motor Vehicle Licensing and Registration
- 2) Corporate Credit Card or Corporate Fuel Card purchases
- 3) Petty Cash purchases up to the value of \$200 (GST exclusive)

3.4. Requirements When the Shire Invites Tenders Though It Is Not Required To Do So

Where considered necessary, the Shire may consider calling public tenders in lieu of undertaking a request for quotation for purchases under the \$100,000 threshold (excluding GST).

This decision should be made after considering the benefits of this approach in comparison with the costs, risks, timeliness and compliance requirements and also whether the purchasing requirement can be met through preferred suppliers.

If a decision is made to undertake a public tender for contracts of less than \$100,000, a Request for Tender process entailing all the procedures for tendering outlined in the Shire's Organisational Directive and the WALGA Procurement Handbook must be followed in full.

3.5. Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one source of supply is permitted without the need to undertake a competitive procurement process provided that there is genuinely only one source of supply.

Every effort to find alternative sources of supply must be made, and Shire officers must provide documentation to demonstrate their attempt to source alternative suppliers.

Note: The application of the "Sole Source of Supply" provision should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the required goods and/or services.

3.6. Anti-Avoidance

The Shire shall not enter two (2) or more contracts of a similar nature for the purpose of splitting the value of the contracts to enable the value of the consideration to be below the level of \$100,000, thereby avoiding the need to undertake a public tender process.

For the purpose of this Purchasing Policy, a signed purchase order is considered to be a contract.

4. ADDITIONAL PROCEDURAL THRESHOLDS FOR TENDERS

To ensure a best practice approach to purchasing activity for the Shire, the following additional procedural thresholds will apply to any tender process:

TENDER VALUE	PRE TENDER ACTIONS	POST TENDER CLOSING ACTIONS	ASSESSMENT TIMEFRAME	EVALUATION PANEL
Over \$100,000 and less than \$1,000,000	1. Optional site briefing	In accordance with statutory requirements	Up to 2 weeks	Two (2) Shire Officers and Director
Over \$1,000,000 and less than \$5,000,000	1. Compulsory site briefing (depending on complexity of goods/services to be procured) 2. Business / Operational Plan required 3. Peer review of design/specification including sign off* 4. Project Manager engaged (optional) 5. Tender Evaluation Plan 6. Asset Management Plan (where relevant)	In accordance with statutory requirements	Up to 4 weeks	Two (2) Shire Officers and Director
Over \$5,000,000 and less than \$10,000,000	1. As above, and 2. Legal advice on tender documents prior to distribution (dependent upon complexity of goods/services to be procured) 3. Engagement of probity advisor 4. External Project Manager engaged (optional) 5. Quantity Surveyor engaged (optional)	1. In accordance with statutory requirements 2. Interviews with tenderers 3. Quarterly QS approval of works undertaken prior to payment approval (optional) 4. Legal advice on tender contract prior to execution (dependent upon complexity of goods/services to be procured)	Up to 6 weeks	Two (2) Shire Officers and two (2) Directors
Over \$10,000,000	1. As above, and 2. Legal advice on tender documents prior to distribution is mandatory 3. External Project Manager engagement is mandatory 4. Quantity Surveyor engagement is mandatory	1. As above, and 2. Legal advice on tender contract prior to execution is mandatory 3. Monthly QA approval of works prior to payment approval is required	Up to 8 weeks	Two (2) Directors and CEO

* Does not apply to Design and Construct or Schedule or Rates tenders.

5. RECORDS MANAGEMENT

Records of all tenders, requests for quotation and other purchases must be retained in compliance with the *State Records Act 2000 (WA)* and the Shire's Records Management Policy.

6. SUSTAINABLE PROCUREMENT

Sustainable procurement is defined as the purchasing of goods and services that have fewer negative environmental and social impacts than competing products and services.

The Shire is committed to sustainable procurement and where appropriate shall endeavour to design requests for quotation and tenders to minimise negative environmental and social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the with Shire's sustainability objectives.

7. BUY LOCAL

Under the Western Australian Government's "*Buy Local Policy*", Government agencies and local governments are encouraged to maximise the participation of local and small businesses in the supply of goods, services and works purchased or contracted by government agencies.

A key goal in this policy is open and fair competition to ensure that Western Australian businesses are provided with every opportunity to bid for work. It is recognised that not every category of goods, services or works that is purchased by the Shire will lend itself to supply by local businesses.

As much as practicable, the Shire's purchasing must:

- ensure that buying practices, procedures and specifications do not unfairly disadvantage any business;
- ensure that procurement plans address local business capability and local content;
- explore the capability of local businesses to meet requirements and ensure that requests for quotation and tenders are designed to accommodate the capabilities of local businesses;
- avoid bias in the design and specifications for requests for quotation and tenders – all requests must be structured to encourage local businesses to bid; and
- provide adequate and consistent information to potential suppliers.

8. PURCHASING FROM WA DISABILITY ENTERPRISES

Pursuant to State Government policy, Shire officers are encouraged to consider the option of purchasing goods and services from registered WA Disability Enterprises. This is contingent on the provision of fair value and quality.

Shire officers are encouraged to invite relevant WA Disability Enterprises to respond to a request for quotation or tender for goods or services.

Determining the purchasing process to be followed is based on the actual or expected value of each purchase by the Shire as outlined above in Section 3 (Purchasing Thresholds and Policy Requirements) of this Policy. There are seven (7) Disability Enterprises registered in Western Australia.

A complete list of approved organisations is available from the following website:
www.wade.org.au

EXPLANATORY NOTES:

1. TENDER OR REQUEST FOR QUOTATION THROUGH TENDER EXEMPT PANELS (\$100,000 OR OVER IN VALUE)

For the procurement of goods, services or works where the value exceeds \$100,000, the Shire must either undertake:

- a) Public tender process; or
- b) Request for quotation process from a tender exempt panel of preferred suppliers including WALGA Preferred Supply Contracts (which are specifically designed around Local Government requirements) or State Government Common Use Arrangements (where Local Government access is permitted).

1.1. Using a Tender Exempt Panel of Preferred Suppliers

When accessing a tender exempt panel of preferred suppliers, the Shire must utilise a request for quotation process through eQuotes or in writing direct with the preferred suppliers in accordance with the requirements outlined in Table A.

In undertaking a request for quotation, the Shire does not need to request that preferred suppliers provide the type of information that is normally provided in a public tender. The fact that the State Government and WALGA has already undertaken a public procurement process and has pre-qualified each preferred supplier means that this information has already been obtained and validated.

Additionally, the Shire does not need to use its own contractual terms and conditions given that the State Government and WALGA has already developed best practice contractual terms and conditions which have been accepted by every preferred supplier. These contractual terms and conditions ensure that the interests of the Shire are fully protected.

Keeping the scope of the request for quotation focused on the specification and the selection criteria that will be utilised by the Shire to assess different quotations will ensure that only the required information is sought from preferred suppliers and the response process is streamlined.

Responses from preferred suppliers should be in writing and contain the price and a sufficient amount of information that addresses the specification and selection criteria provided by the Shire.

1.2. eQuotes

eQuotes is a secure, web-based procurement tool that streamlines and simplifies the request for quotation process with WALGA Preferred Suppliers at the same time as facilitating purchasing compliance, probity and control over all aspects of purchasing.

All WALGA Preferred Supply Contracts are available on eQuotes and all necessary contract information is preloaded to enable informed procurement choices, including contract details, insurances, pricing (where applicable) etc.

RISK:

Risk: Inability to fund the infrastructure gap.

Control: Develop LTFP to ensure critical assets maintained in Annual Budgets.

Risk: Inability to deliver levels of service expected by the community.

Control: Current budget and service levels.

Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Control: Review policies and procedures in accordance with review schedule.



Council Policy Number: CP/FIN-3204 Purchasing Policy

OBJECTIVE:

Statement of intent

1. To provide compliance with the Local Government Act 1995 (“the Act”) and the Local Government Act (Functions & General) Regulations 1996 (“the Regulations”) as amended in March 2007.
2. To deliver a best practice approach and procedures to internal purchasing for the Shire.
3. To ensure consistency for all purchasing activities that integrates within all the Shire’s operational areas.

ETHICS & INTEGRITY:

Policy

All officers and employees of the Shire shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire.

Guiding Statement

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- Full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- All purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire’s policies and code of conduct;
- Purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- All processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- Any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

VALUE FOR MONEY:

Policy

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire.

It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

Guiding Statement

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

- *All relevant whole-of-life costs and benefits whole of life costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal;*
- *The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;*
- *Financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history); and*
- *A strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.*

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

SUSTAINABLE PROCUREMENT:

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services.

Policy

The Shire is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the Shire's sustainability objectives.

Guiding Statement

Practically, sustainable procurement means the Shire shall endeavour at all times to identify and procure products and services that:

- *Have been determined as necessary;*
- *Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labelling;*
- *Demonstrate environmental best practice in water efficiency;*

- *Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials*

from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage;

- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise water;
- For motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range; and
- For new buildings and refurbishments – where available use renewable energy and technologies.

PURCHASING THRESHOLDS:

Policy

All purchases shall be made through a competitive process, either using a Council's own procurement process or purchasing from a tender exempt organisation such as WALGA's Preferred Supply Contracts (which are established utilising a competitive public process).

Where a WALGA Preferred Supply Panel is in place, The Shire can get multiple quotations from Preferred Suppliers to ensure best value for money.

Guiding Statement

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase	Model Policy
Up to \$4,999	Direct purchase from suppliers requiring only two verbal quotations or purchase from WALGA / State Government Preferred Supply Contracts.
\$5,000 - \$19,999	Obtain at least three verbal or written quotations and recorded on the Record of Written and Verbal Quotes or purchase from WALGA / State Government Preferred Supply Contracts.
\$20,000 - \$49,999	Obtain at least three written quotations and recorded on the Record of Written and Verbal Quotes or purchase from WALGA / State Government Preferred Supply Contracts
\$50,000 - \$99,999	Obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations) and recorded on the Record of Written and Verbal Quotes or purchase from WALGA / State Government Preferred Supply Contracts.
\$100,000 and above	Conduct a public Tender process or purchase from WALGA / State Government Preferred Supply Contracts.

Where considered necessary, the Shire may consider calling tenders in lieu of seeking quotations for purchases under the \$100,000 threshold (excluding GST). This decision should be made after considering whether the purchasing requirements of the Shire can be met through a WALGA / State Government Preferred Supply Contract. If a decision is made to seek public tenders for contracts

of less than \$100,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

Up to \$4,999

Where the value of procurement of goods or services does not exceed \$4,999, purchase on the basis of at least two verbal quotations is permitted.

However it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk.

Record keeping requirements must be maintained in accordance with record keeping policies. The WALGA Procurement Handbook contains a sample form for recording verbal quotations.

The Shire can still access a WALGA / State Government Preferred Supply Contract for these types of purchases.

Purchasing card purchases are recommended to reduce transaction costs.

\$5,000 to \$19,999

This category is for the procurement of goods or services where the value of such procurement ranges between \$5,000 and \$19,999.

At least three verbal or written quotations (or a combination of both) are required. Where this is not practical, egg. Due to limited suppliers, it must be noted through records relating to the process.

The general principles for obtaining verbal quotations are:

- Ensure that the requirement/specification is clearly understood by the Shire employee seeking the verbal quotations;
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote;
- Read back the details to the Supplier contact person to confirm their accuracy; and
- Written notes detailing each verbal quotation must be recorded.

Record keeping requirements must be maintained in accordance with record keeping policies. The WALGA Procurement Handbook contains sample forms for recording verbal and written quotations.

The Shire can still access a WALGA / State Government Preferred Supply Contract for these types of purchases.

\$20,000 to \$49,999

For the procurement of goods or services where the value exceeds \$20,000 but is less than \$49,999, at least three written quotes are required (commonly a sufficient number of quotes would be sought according to the type and nature of purchase).

The responsible officer is expected to demonstrate due diligence seeking quotes and to comply with any record keeping and audit requirements. Record keeping requirements must be maintained in accordance with record keeping policies.

The Shire can still access a WALGA Preferred Supply Contract for these types of purchases.

NOTES: *The general principles relating to written quotations are;*

- *an appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion*
- *the request for written quotation should include as a minimum:*
 - *written specification*
 - *selection criteria to be applied*
 - *price schedule*
 - *conditions of responding*
 - *validity period of offer*
- *Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.*
- *Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.*
- *Responses should be assessed for compliance, then against the selection criteria, and then value for money and all evaluations documented.*
- *Respondents should be advised in writing as soon as possible after the final determination is made and approved.*

The WALGA Procurement Handbook should be consulted for further details and guidance.

\$50,000 to \$99,999

For the procurement of goods or services where the value exceeds \$50,000 but is less than \$99,999, at least three written quotations are required containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

The WALGA Procurement Handbook has a series of forms including a request for Quotation Template which can assist with recording details. Record keeping requirements must be maintained in accordance with record keeping policies.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

The Shire can still access a WALGA / State Government Preferred Supply Contract for these types of purchases.

REGULATORY COMPLIANCE:

Policy

All purchases shall be made through a competitive process, either by the Shire or by purchasing from a tender exempt organisation such as WALGA / State Government via Preferred Supply Contract (which have been established using a compliant and competitive public process). Suppliers and Tenderers shall be treated fairly and equitably at all times.

Guiding Statement

1. Tender Exemption

*In the following instances public tenders or quotation procedures are **not** required (regardless of the value of expenditure):*

- *An emergency situation as defined by the Local Government Act 1995;*
- *The purchase is from a tender exempt organisation such as WALGA (Preferred Supplier Contracts or Business Service), the Department of Treasury and Finance (permitted Common Use Arrangements), Regional Local Government or another Local Government;*
- *The purchase is under auction which has been authorised by Council;*
- *The contract is for petrol, oil, or other liquid or gas used for internal combustion engines; or*
- *Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.*

2. Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source of supply, (i.e. Manufacturer, supplier or agency) is permitted without the need to call competitive procurement process provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Note: The application of provision “sole source of supply” should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.

3. Anti-Avoidance

The Shire shall not enter two (2) or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$100,000, thereby avoiding the need to publicly tender.

4. Tender Criteria

In the event that the Shire elects to call a Tender, before Tenders are publically invited the Shire shall determine in writing the criteria for deciding which tender should be accepted.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase. For requests with a total estimated (ex GST) price of:

- Between \$40,000 and \$99,999, the panel must obtain a minimum of 2 members; and*
- \$100,000 and above, the panel must contain a minimum of 3 members.*

5. Advertising Tenders

Tenders are to be advertised in a state wide publication e.g. "The West Australian" newspaper, Local Government Tenders section, preferably on a Wednesday or Saturday.

*The Tender must remain open for at least 14 days after the date the tender is advertised. Care must be taken to ensure that 14 **full** days are provided as a minimum. The notice must include;*

- A brief description of the goods or services required;*
- Information as to where and how tenders may be submitted;*
- The date and time after which tenders cannot be submitted;*
- Particulars identifying a person from who more detailed information as to tendering may be obtained. Detailed information shall include;*
 - Such information as the Shire decides should be disclosed to those interested in submitting a tender;*
 - Detailed specifications of the goods or services required;*
 - The criteria for deciding which tender should be accepted;*
 - Whether or not the Shire has decided to submit a tender; and*
 - Whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.*

6. Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential Tenderers must have equal access to this information in order for the Shire not to compromise its duty to be fair.

7. Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

8. Opening of Tenders

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of the Chief Executive Officer's delegated nominee and preferably at least one other Council officer. The details of all tenders received and opened shall be recorded in the Tenders Register. Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as commercial-in-confidence to the Shire. Members of the public are entitled to be present.

The Tenderer's offer form, price schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two (2) Shire officers present at the opening of tenders.

9. No Tenders Received

Where the Shire has invited tenders, however no compliant submissions have been received; direct purchases can be arranged on the basis of the following:

- *A sufficient number of quotations are obtained;*
- *The process follows the guidelines for seeking quotations between \$40,000 & \$99,999 (listed above);*
- *The specification for goods and/or services remains unchanged; and*
- *Purchasing is arranged within 6 months of the closing date of the lapsed tender.*

10. Tender Evaluation

Tenders that have not been rejected shall be assessed by the Shire by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

11. Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations, or adjustments to the tender document and/or the conditions of tender are required, the Shire may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

12. Minor Variation

If after the tender has been publicly advertised and a successful Tenderer has been chosen, but before the Shire and Tenderer have entered into a Contract, a minor variation may be made by the Shire. A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided by the initial tender.

13. Notification of Outcome

Each Tenderer shall be notified of the outcome of the tender following Council resolution or appropriate delegated authority. Notification shall include:

- *The name of the successful Tenderer.*

- *The total value of consideration of the winning offer.*

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

RECORDS MANAGEMENT:

Policy

Records shall be retained of all tenders in compliance with the State Records Act (WA).

Guiding Statement

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- *Tender documentation;*
- *Internal documentation;*
- *Evaluation documentation;*
- *Enquiry and response documentation; and*
- *Notification and award documentation.*

For direct purchasing process this includes;

- *Quotation documentation;*
- *Internal documentation; and*
- *Order forms and requisition.*

Record retention shall be in accordance with the minimum requirements of the State Records Act and the Shires internal records management policy.

REGIONAL PRICE PREFERENCE:

Policy (only relevant for Local Governments located outside the metropolitan area)

A regional price preference shall be given to suppliers located outside the metropolitan area.

Guiding Statement

A Local Government located outside the metropolitan area may give a regional price preference to a regional Tenderer by reducing the bid price by:

- 10% - where the contract is for goods or services, up to a maximum price reduction of \$50,000;*
- 5% - where the contract is for construction (building) services, up to a maximum price reduction of \$50,000; or*
- 10% - where the contract is for goods or services (including construction (building) services), up to a maximum price reduction of \$500,000, if seeking tenders for the provision of those goods or services for the first time, due to those goods or services having been, until then, undertaken by the Shire.*

POLICY ADMINISTRATION

Directorate		Officer Title		Contact:	
<i>Corporate Services</i>		<i>Dave Hannington</i>		Ext:	
Date Effective	May 2013	CEO Approval			
Date Adopted	DD/MM/YYYY	Last Reviewed		DD/MM/YYYY	
Risk Rating	Low Medium High	Review Cycle	Annual	Next Due	06/05/2014
Organisational Compliance		E.g.: Delegations Manual			
Process Links		E.g.: Administrative Policy, Council Policy			

COMMITTEE RESOLUTION

Minute No. AC356

Moved: Cr B Robinson

Seconded: Cr J Moulden

That the Audit (Finance and Risk) Committee moves behind closed doors to consider:

7.1 Confidential – Update Rates Assessments A501

7.2 Appointment for the Provision of Audit Services for the period from 1 July 2015 to 30 June 2020

Carried Unanimously 4/0

The Audit (Finance and Risk) Committee moves behind closed doors at 3.51pm

7. MATTERS BEHIND CLOSED DOORS

7.1 UPDATE RATES ASSESSMENT A501

DATE:	12 May 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Veronica Gulland, Senior Rates Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.11.1
ASSESSMENT NO:	A501
DECLARATION OF INTERESTS:	Nil

This item will be discussed Behind Closed Doors under Section 5.23(2) as this is a matter that deals with:

- c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting
- e) a matter that if disclosed would reveal
 - iii) information about the business, professional, commercial or financial affairs of a person

PURPOSE

For the Audit (Finance and Risk) Committee to consider a request from Rates Debtor A501 for an extension of time to negotiate a special payment arrangement plan.

VOTING REQUIREMENT

Simple Majority

COMMITTEE RESOLUTION

Minute No. AC357

Moved: Cr K Wright

Seconded: Cr J Moulden

That the Audit (Finance and Risk) Committee recommends to the Council that:

- **The Council grant an extension of time for the special payment arrangement plan to be negotiated and signed by the rates debtor A501 until 31 July 2015.**

Carried Unanimously 4/0

7.2 CONFIDENTIAL ITEM: APPOINTMENT FOR THE PROVISION OF AUDIT SERVICES FOR THE PERIOD FROM 1 JULY 2015 TO 30 JUNE 2020

DATE:	12 May 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Felicity Heading, Coordinator Financial Operations
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	CM.16.94

This item will be discussed Behind Closed Doors under Section 5.23(2) as this is a matter that deals with:

- c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting
- e) a matter that if disclosed would reveal
 - iii) information about the business, professional, commercial or financial affairs of a person

PURPOSE

For the Audit (Finance and Risk) Committee to consider the assessment of submissions received in response to Quotation RFQ Q05 14/15 – Provision of Audit Services, and the appointment of an auditor commencing 1 July 2015 for a period of 5 years.

VOTING REQUIREMENT

Simple Majority

COMMITTEE RESOLUTION

Minute No. AC358

Moved: Cr J Moulden

Seconded: Cr B Robinson

- 1. Directs the CEO to write to the Kimberley Zone of WALGA and Regional Collaborative Group indicating that the Shire of Wyndham East Kimberley will not be participating in the joint request for tender process for the provision of Audit Services and apologising for supporting the motion at the Zone meeting. On the basis that the Shire has already undertaken a process to ensure appointment occurs prior to 1 July 2015.**
- 2. Engages UHY Haines Norton to undertake the Audit Services for a five year period for the financial years commencing 1 July 2015 through to 30 June 2020.**
- 3. Engages UHY Haines Norton to undertake the Regulation 5(2)(c) Review for the financial year ending 30 June 2018.**
- 4. Engages UHY Haines Norton to undertake the Regulation 17 Review for the calendar year ending 31 December 2016.**
- 5. Appoints Mr David Tomasi, Mr Greg Godwin and Mr Wen-Shien Chai of UHY Haines Norton as Auditors for a five year period for the financial years commencing 1 July 2015 through to 30 June 2020.**
- 6. Notes that UHY Haines Norton (Perth) will be changing its name to Moore Stephens effective from 1 July 2015 as a result of a merger with accounting firm Moore Stephens.**

Carried unanimously 4/0

COMMITTEE RESOLUTION

Minute No. AC359

Moved: Cr J Moulden

Seconded: Cr B Robinson

That the Audit (Finance and Risk) Committee moves out from behind closed doors.

Carried Unanimously 4/0

Audit (Finance and Risk) Committee moves out from behind closed doors at 4.13pm.

8. DATE OF NEXT MEETING

11 August 2015

9. CLOSURE

The Chairperson declares the meeting closed at 4.13pm