

Heart of the Stirling



SHIRE OF GNOWANGERUP
BORDEN GNOWANGERUP ONGERUP

MINUTES

Audit Committee Meeting

16 October 2024

Commencing at 3:00pm

Council Chambers

Yougenup Road, Gnowangerup WA 6335

COUNCIL'S VISION

Gnowangerup Shire – A progressive, inclusive and prosperous community built on opportunity

AUDIT COMMITTEE TERMS OF REFERENCE

Objectives of the Risk and Audit Committee

The primary objective of the Risk and Audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

The committee is to facilitate:

- The Risk and Audit committee assists the accountable authority in fulfilling their oversight responsibilities in relation to systems of risk management and internal control, the entity's processes for monitoring compliance with laws and regulations, including the code of conduct, financial and performance reporting and external and internal audit. The Risk and Audit committee is not responsible for the management of these functions.
- the enhancement of the credibility and objectivity of external financial reporting;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- the provision of an effective means of communication between the external auditor, the CEO and the Council.

Powers of the Risk and Audit Committee

The Risk and Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

Membership

The committee will consist of all elected members of Council. All members shall have full voting rights. The CEO and employees are not members of the committee.

The Deputy CEO will attend meetings, not as a member but to assist the Committee with any queries or requests for information.

The Senior Governance and Risk Management Officer or another nominated staff member will attend meetings to take the minutes.

The Presiding Member and Deputy Presiding Member must be elected in accordance with section 5.12 and Schedule 2.3 of the Act.

Meetings

The committee shall meet at least quarterly.

Additional meetings shall be convened at the discretion of the Presiding Member.

Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council and must be moved by the Presiding Member, or in his/her absence the Deputy Presiding Member, or in both their absences, any other member of the committee.

Functions of the Risk and Audit Committee

Pursuant to Reg. 16 of the *Local Government (Audit) Regulations 1996* an audit committee has the following functions

- a) to guide and assist the local government in carrying out its functions:
 - i. under Part 6 (Financial Management) of the Act; and
 - ii. relating to other audits and other matters related to financial management;
- b) guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 (Audit) of the Act;
- c) review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to:
 - i. report to the council the results of that review; and
 - ii. give a copy of the CEO's report to the council;
- d) monitor and advise the CEO when the CEO is carrying out functions in relation to a review under
 - i. regulation 17(1); and
 - ii. the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- e) support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- f) oversee the implementation of any action that the local government:
 - i. is required to take by section 7.12A(3) of the Act; and
 - ii. has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act; and
 - iii. has accepted should be taken following receipt of a report of a review conducted

- under regulation 17(1); and
- iv. has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
 - g) perform any other function conferred on the audit committee by these regulations or another written law.

In accordance with Reg. 14 (3A) of the *Local Government (Audit) Regulations 1996*:

- (3A) *The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*

Shire of Gnowangerup

NOTICE OF A COMMITTEE MEETING OF COUNCIL

Dear Committee Member

A meeting of the Audit Committee of the Shire of Gnowangerup will be held on Wednesday, 16 October 2024 at the Council Chambers, Yougenup Road, Gnowangerup WA 6335 commencing at 3:00pm.

Signed 

Chiara Galbraith
DEPUTY CHIEF EXECUTIVE OFFICER

Meaning of and CAUTION concerning Council's "In Principle" support:

When Council uses this expression it means that:

- (a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and*
- (b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.*

Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Gnowangerup for any act, omission or statement or intimation occurring during Council or committee meetings.

The Shire of Gnowangerup disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or committee meeting does so at that person's or legal entity's own risk.

In particular and without detracting in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or officer of the Shire of Gnowangerup during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Gnowangerup.

The Shire of Gnowangerup advises that anyone who has any application lodged with the Shire of Gnowangerup shall obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Gnowangerup in respect of the application.

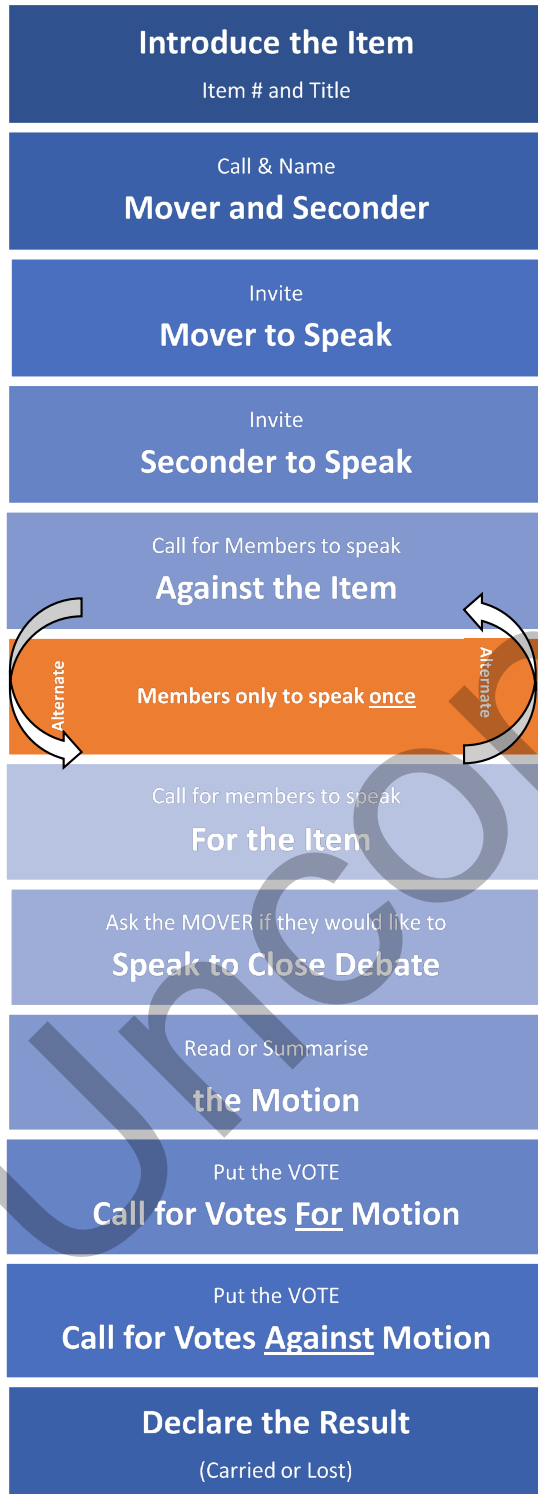
These minutes are not a verbatim record but include the contents pursuant to Regulation 11 of Local Government (Administration) Regulations 1996.

Signed 

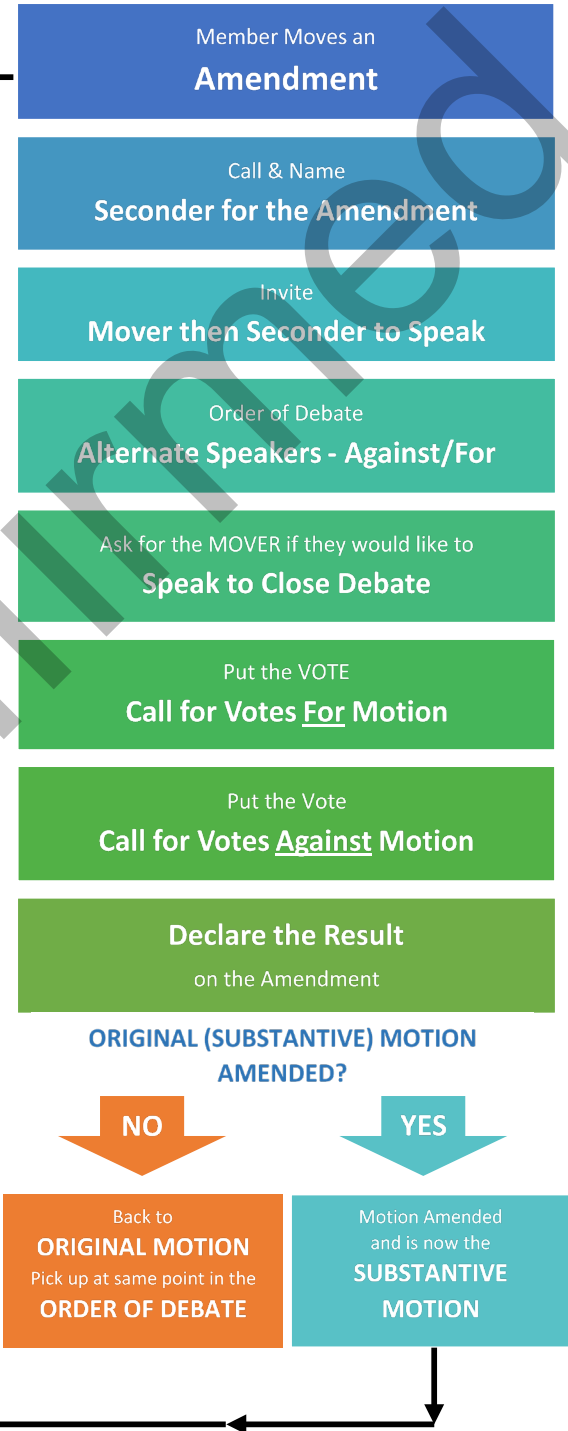
Chiara Galbraith
DEPUTY CHIEF EXECUTIVE OFFICER

Process of Motions

ORIGINAL MOTION

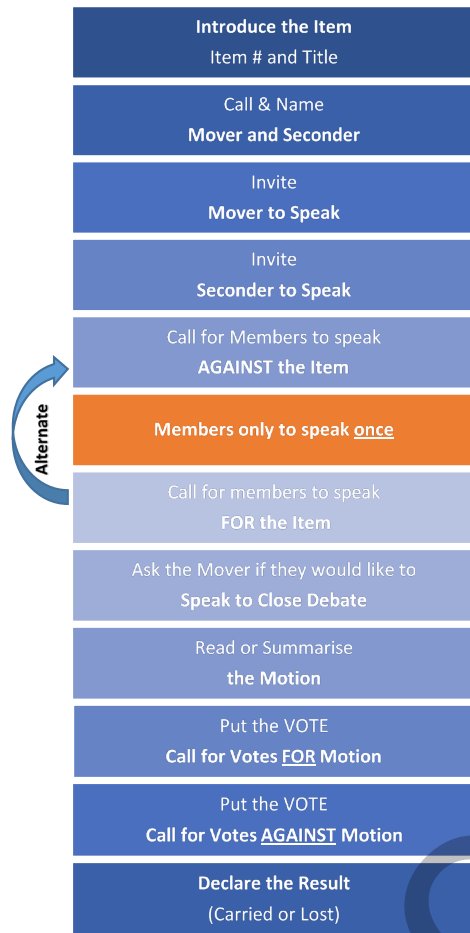


AMENDMENT



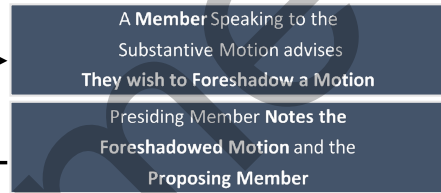
Slight clarification of wording of motion: A minor amendment of the motion can be done at any time through the President with the approval of the Mover and the Secnder. The Minor amendment must be minuted.

Substantive Motion



E.g. If the substantive motion is lost then I wish to foreshadow an alternative motion

During Debate of Substantive Motion
Debate of the Substantive Motion continues



Foreshadowed Motion

Substantive Motion LOST



Foreshadowed Motion Lapses

Note:

- Deferring an item wording:
 - “Deferred for consideration at on..... and resubmitting to Council.
- “Laying an item on the table” is similar to “deferring” but used when item will be re-considered later in the same meeting.
- Questions can be asked at any time, BUT cannot be debated.

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OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS

Presiding Member, Cr Kate O’Keeffe welcomed committee members and staff and opened the meeting at 3:09pm.

2. ACKNOWLEDGEMENT OF COUNTRY

The Shire of Gnowangerup would like to acknowledge the Goreng people who are the Traditional Custodians of this land. The Shire of Gnowangerup would also like to pay respect to the Elders both past and present of the Noongar Nation and extend that respect to other Aboriginals present.

3. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

3.1 ATTENDANCE

| | |
|---------------------|-------------------------|
| Cr Kate O’Keeffe JP | Presiding Member |
| Cr Rebecca O’Meehan | Deputy Presiding Member |
| Cr Mick Creagh | |
| Cr Lex Martin | |
| Cr Shelley Hmeljak | from 3:10pm |

| | |
|------------------|---|
| Chiara Galbraith | Deputy Chief Executive Officer |
| Anita Finn | Senior Governance and Risk Management Officer |

3.2 APOLOGIES

Cr Peter Callaghan
Cr Robert Minitier
Cr Rebecca Kiddle

3.2 APPROVED LEAVE OF ABSENCE

Nil

4. CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 AUDIT COMMITTEE MEETING MINUTES 26 JUNE 2024

COMMITTEE RESOLUTION

Moved: Cr R O’Meehan

Seconded: Cr L Martin

AC1024.09 That the minutes of the Audit Committee Meeting held on 26 June 2024 be confirmed as a true record of proceedings.

UNANIMOUSLY CARRIED 4/0

FOR: Cr K O’Keeffe, Cr R O’Meehan, Cr L Martin, Cr M Creagh

AGAINST: Nil

5. OFFICER ITEMS

Cr S Hmeljak joined the meeting at 3:10pm.

| | |
|--------------------------------|--|
| 5.1 | AUDIT FINDINGS REGISTER |
| Location: | N/A |
| Proponent: | N/A |
| Date of Report: | 10 October 2024 |
| Business Unit: | Corporate and Community Services |
| Responsible Officer: | Chiara Galbraith – Deputy Chief Executive Officer |
| Author: | Anita Finn – Senior Governance & Risk Management Officer |
| Disclosure of Interest: | Nil |

ATTACHMENTS

- Audit Findings Register (**Confidential**)

PURPOSE OF THE REPORT

For Council's Audit Committee to receive and note the updated Audit Findings Register.

BACKGROUND

The Audit Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

The Audit Findings Register is designed to assist the Audit Committee with monitoring the implementation of recommendations from internal and external audits and reviews, including consultant and regulator reports.

The register is based on the Western Australian Public Sector Audit Committees – Better Practice Guide template, published by the Office of the Auditor General (OAG) Western Australia and contains the following Audit Findings/Recommendations:

- Interim & Final Audit 2022/2023 by OAG
- Regulation 17 Review - AMD Chartered Accountants (January 2022)
- Regulation 5 (2) (c) - Financial Management Review - Avant Edge Consulting (November 2021)
- Interim Audit 2023/2024 by OAG (Audit undertaken by AMD Chartered Accountants)

COMMENTS

The Audit Findings Register provides the Audit Committee with a progress report at every Audit Committee meeting on actions taken by management and officers to implement audit recommendations. The information is to help the Audit Committee to monitor the timeliness of agreed actions and understand the reasons for any delay.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Local Government Regulations (Audit) 1996

Local Government (Functions and General) Regulations 1996

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Integrated Strategic Plan

| | |
|---------------------------|--|
| Theme | Our Organisation |
| Community Priority | Forward planning and implementation of plans to achieve strategic objectives |

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

| | |
|---|--|
| Risk description | Not to note the Audit Findings Register draft |
| Primary Strategic Risk Category | Adverse Regulatory Change |
| Primary Strategic Risk Category Description | <ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage |
| Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic) | Catastrophic |
| Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare) | Possible |

IMPACT ON CAPACITY

Moderate: Updating & ensuring progress is made requires responsible, generally senior staff, to action items in a timely manner.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The Audit Findings Register is a useful tool to assist the Audit Committee meeting their oversight obligations.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr L Martin

Seconded: Cr M Creagh

AC1024.10 That the Audit Committee

Notes the updated Audit Findings Register.

UNANIMOUSLY CARRIED 5/0

FOR: Cr K O'Keeffe, Cr R O'Meehan, Cr L Martin, Cr M Creagh, Cr S Hmeljak

AGAINST: Nil

| | |
|--------------------------------|--|
| 5.2 | 2023/2024 INTERIM AUDIT MANAGEMENT REPORT |
| Location: | N/A |
| Proponent: | N/A |
| Date of Report: | 9 October 2024 |
| Business Unit: | Governance & Strategy |
| Responsible Officer: | Chiara Galbraith – Deputy Chief Executive Officer |
| Author: | Anita Finn – Senior Governance & Risk Management Officer |
| Disclosure of Interest: | Nil |

ATTACHMENTS

- Office of the Auditor General (OAG) Interim Audit Report Y/E 30 June 2024 (Attachment to Management Letter) with Management comments (**confidential**)

PURPOSE OF THE REPORT

For the Audit Committee to note the results of the 2023/2024 Interim Audit and recommend that Council endorses the Interim Audit Management Report dated 19 August 2024 and the responses of management.

BACKGROUND

The *Local Government Act 1995* (LGA) requires the accounts and annual financial report of a local government for each financial year to be audited by an auditor appointed by the Office of the Auditor General (OAG). The annual audit is conducted in two parts – an interim audit undertaken prior to the end of the financial year or start of the new financial year and the final audit which is undertaken on the completion of the draft annual financial statement.

The focus of the interim audit is to evaluate the Shire’s overall control environment, and to obtain an understanding of the key business processes, risks and internal controls relevant to the forthcoming audit of the Shire’s annual financial report.

COMMENTS

AMD Chartered Accountants undertook the 2023/2024 Interim Audit on behalf of the OAG in July 2024. Details of the findings and subsequent responses from management can be found in the attached Interim Audit Management Report.

Six (6) Significant, two (2) Moderate and one (1) Minor findings were raised by the auditor in the 2023/2024 as per attached Interim Audit Report.

Management has addressed the findings in their management responses as included in the Report.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Section 7.2. Audit

POLICY IMPLICATIONS

Policy 2.13 Internal Control Policy

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Integrated Strategic Plan

| | |
|---------------------------|--|
| Theme | Our Organisation |
| Community Priority | Forward planning and implementation of plans to achieve strategic objectives |

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

| | |
|---|--|
| Risk description | Not to note the Interim Audit Report and Management comments and not to recommend the endorsement by Council |
| Primary Strategic Risk Category | Adverse Regulatory Change |
| Primary Strategic Risk Category Description | <ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage |
| Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic) | Catastrophic |
| Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare) | Possible |

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The recommendation has been made to ensure compliance with the LG Act and Regulations.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr R O'Meehan

Seconded: Cr L Martin

AC1024.11 That the Audit Committee:

Notes the results of the 2023/2024 Interim Audit and recommends that Council endorses the Interim Audit Management Report for the period ending 30 June 2024 from the Office of the Auditor General and the Management comments as included.

UNANIMOUSLY CARRIED 5/0

FOR: Cr K O'Keeffe, Cr R O'Meehan, Cr L Martin, Cr M Creagh, Cr S Hmeljak

AGAINST: Nil

| | |
|--------------------------------|--|
| 5.3 | NON-COMPLIANCE REGISTER REPORT |
| Location: | N/A |
| Proponent: | N/A |
| Date of Report: | 2 October 2024 |
| Business Unit: | Strategy & Governance |
| Responsible Officer: | Chiara Galbraith – Deputy Chief Executive Officer |
| Author: | Anita Finn – Senior Governance & Risk Management Officer |
| Disclosure of Interest: | Nil |

ATTACHMENTS

- Non-Compliance Register (July to September 2024) (*confidential*)
- Purchasing Policy 4.1

PURPOSE OF THE REPORT

To highlight non-compliance and/or emerging trends. Purchase Order non-compliance includes but not limited to instances like insufficient quotes, retrospective purchase orders, inconsistencies between purchase orders and invoices or the omission of purchase orders for invoices.

BACKGROUND

Butler Settineri (Dry Kirkness) undertook the 2021/2022 Interim Audit on behalf of the OAG in May 2022 and "Inadequate Procurement Practices" was identified as one of 3 moderate risk findings during the audit.

COMMENTS

As a result of the above finding the "Non-Compliance Purchase Order Register" was set up in August 2022. The register is used to track instances of non-compliance items providing name of supplier, date of EFT transfer, EFT number, the invoice amount, the date the purchase was order created, the responsible officer and reason why the instance occurred.

Since the creation of the register it has been noted that the Shire's current purchasing policy and procedure is in need of updating to include exemptions for instances where the issue of a purchase order is not possible, i.e. utility accounts, service provision items like media messaging services, postal services, Toll freight charges, etc. that greatly varies month to month, pending on usage.

The Shire’s current procedure states that a “Shire Purchase Order must be used for all purchases except for purchases made by Credit Card or petty cash.

This non-compliance register has in recent times been expanded to include other non-compliances, and reflect non-compliances.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 3.57

Local Government (Functions and General) Regulations – Regulation 11A State Record Act 2000

Shire of Gnowangerup Code of Conduct

Shire of Gnowangerup Purchasing Policy 4.1

Shire of Gnowangerup Purchasing Procedure 4.8

The requirements that must be complied with by the Shire, including purchasing thresholds and processes, are prescribed within the Regulations, and associated purchasing procedures and policies.

POLICY IMPLICATIONS

Shire of Gnowangerup Purchasing Policy 4.1 and Purchasing Procedure 4.8 sets out the process and thresholds to be adhered to. Not following these processes reduces the likelihood the Shire will get value for money and increases the potential for misappropriation of funds.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Integrated Strategic Plan

| | |
|---------------------------|--|
| Theme | Our Organisation |
| Community Priority | Forward planning and implementation of plans to achieve strategic objectives |

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

| | |
|---|--|
| Risk description | Not to note the Non-Compliance Purchase Order Register Report |
| Primary Strategic Risk Category | Adverse Regulatory Change |
| Primary Strategic Risk Category Description | <ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage |
| Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic) | Catastrophic |
| Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare) | Possible |

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The Non-Compliance Register was created to track and address instances of non-compliance to help ensure compliance with the Regulations and the Shire’s purchasing policy and procedure.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr M Creagh

Seconded: Cr L Martin

AC1024.12 That the Audit Committee

Notes the Non-Compliance Register Report for the period July 2024 to September 2024.

UNANIMOUSLY CARRIED 5/0

FOR: Cr K O'Keeffe, Cr R O'Meehan, Cr L Martin, Cr M Creagh, Cr S Hmeljak

AGAINST: Nil

4.1 PURCHASING POLICY

| | |
|----------------------|--------------|
| Policy Type: | Finance |
| Date Adopted: | 22 June 1998 |

| | |
|----------------------------|--------------|
| Policy No: | 4.1 |
| Date Last Reviewed: | 28 July 2021 |

| |
|--|
| Legal (Parent): |
| <ol style="list-style-type: none"> 1. Local Government Act 1995 – Section 3.57. 2. Local Government (Functions and General) Regulations – Regulation 11A |

| |
|--|
| Legal (Subsidiary): |
| <ol style="list-style-type: none"> 1. State Records Act 2000 2. Shire of Gnowangerup Code of Conduct |

| | |
|---|--------------|
| Delegation of Authority Applicable | Yes |
| Delegation Numbers | 1.2.5, 1.2.7 |

| | |
|-----------------------------------|-----|
| Staff Procedure Applicable | Yes |
| Staff Procedure Number | 4.7 |

| ADOPTED POLICY | |
|-------------------|--|
| Title: | PURCHASING POLICY |
| Objective: | <p>To ensure that all purchasing activities:</p> <p>This policy:</p> <ol style="list-style-type: none"> 1. Ensures compliance with the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996 to establish a framework of operational standards for contracts to purchase goods and services; 2. Provides guidance to all Council employees on all levels of procurement to ensure ethical behavior, and to ensure probity, and transparency; 3. Ensures that the Shire receives value for money as a result of its purchasing activities; 4. Aims to deliver a high level of accountability whilst providing a flexible, efficient and effective and transparent procurement framework; 5. Ensures that the Shire considers the environmental and sustainability implications of the procurement process across the life cycle of goods and services; and 6. Ensures that all purchasing transactions are recorded in compliance with the State Records Act 2000 and associated records management practices and procedures of the Shire. |

1.0 Strategy

The Shire is committed to sustainable procurement practices. The Shire will advertise and assess quotes and tenders to secure supply arrangements that contribute to achieving the Shire's strategic goals and objectives in line with the following principles:

- Enhance our natural and built environment by purchasing products and services that demonstrate environmental best practice and will reduce negative impacts;
- Enhance our economic environment by ensuring value for money in all contracting and purchasing;
- Ensure Good Governance by maintaining transparency in contracting and purchasing, minimising the risk to the Shire of Gnowangerup through the application of a robust risk management mechanisms ensuring that the products and services it purchases are in line with the Shire's objectives; and
- Where appropriate, the Shire shall endeavour to provide an advantage to suppliers demonstrating that they minimise environmental and negative social impacts and embrace sustainable business practices.
- Where possible suppliers operating within the Great Southern Region are to be given the opportunity to quote for goods & services required by the Shire

2.0 Ethics and Integrity

Code of Conduct

All officers and employees of the Shire undertaking purchasing activities must have regard for the Code of Conduct requirements, shall observe the highest standards of ethics and integrity and act in an honest and professional manner at all times which supports the standing of the Shire.

3.0 Purchasing Procedure

For detailed purchasing procedures, please refer to the Purchasing Procedure

4.0 Purchasing Thresholds

The table below prescribes the purchasing process that the Shire must follow, based on the purchase value:

| Purchase Value Threshold (Ex GST) | Purchasing Requirement |
|-----------------------------------|---|
| Up to \$5,000 annually | Purchase directly from a supplier using Petty Cash for minor items, a Purchase Order or Corporate Credit Card issued by the Shire, or seek at least one (1) oral or written quotation from a suitable supplier, either from: an existing panel of pre-qualified suppliers administered by the Shire; or a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement (CUA); or |

| Purchase Value Threshold (Ex GST) | Purchasing Requirement |
|---|--|
| | from the open market. |
| Over \$5,000 and up to \$20,000 annually | <p>Seek at least two (2) verbal or written quotations from suppliers following a brief outlining the specified requirement, either from:</p> <p>an existing panel of pre-qualified suppliers administered by the Shire; or</p> <p>a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or</p> <p>from the open market.</p> |
| Over \$20,000 and up to \$50,000 annually | <p>Seek at least two (2) written quotations from suppliers following a brief outlining the specified requirement, either from:</p> <p>an existing panel of pre-qualified suppliers administered by the Shire; or</p> <p>a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or</p> <p>from the open market.</p> |
| Over \$50,000 and up to \$250,000 (over 3 year period) | <p>Seek at least three (3) written quotations from suppliers by formal invitation under a Request for Quotation, containing price and detailed specification of goods and services required. The procurement decision is to be based on pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definition stated within this Policy.</p> <p>Quotations within this threshold may be obtained from:</p> <p>an existing panel of pre-qualified suppliers administered by the Shire; or</p> <p>a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or</p> <p>from the open market.</p> <p>Requests for quotation from a pre-qualified panel of suppliers (whether administered by the Shire through the WALGA preferred supply program or</p> |

| Purchase Value Threshold (Ex GST) | Purchasing Requirement |
|---|--|
| | State Government CUA) are not required to be invited using a Request for Quotation form, however at least three written quotes are still required to be obtained. |
| Over \$250,000 and up to \$600,000 Request for Tender (RFT) Required | <p>1. Tender Exempt arrangements: i.e. WALGA PSA, CUA or other tender exemption under F&G Reg.11(2). This requires at least three (3) written quotes from suppliers under a formal Request for Quotation (RFQ),</p> <p>OR</p> <p>2. Public Tender: conduct a public Request for Tender (RFT) process in accordance with the <i>Local Government Act 1995 and Local Government (Functions and General) Regulations 1996</i>, this Policy and the Shire's tender and purchasing procedures. The procurement decision is to be based on pre-determined evaluation criteria that assesses all value for money considerations in accordance with the definition stated within this Policy.</p> |
| Emergency Purchases | Refer to Purchasing Procedure. |
| LGIS Services LG Act 1995 Section 9.58(6)(b) | <p>The suite of LGIS insurances are established in accordance with s.9.58(6)(b) of the <i>Local Government Act 1995</i> and are provided as part of a mutual, where WALGA Member Local Governments are the owners of LGIS. Therefore, obtaining LGIS insurance services is available as a member-base service and is not defined as a purchasing activity subject to this Policy.</p> <p>Should Council resolve to seek quotations from alternative insurance suppliers, compliance with this Policy is required.</p> |
| Over \$600,000 RFT Required | As above AND Council is to approve the tender process prior to commencement of tender (as per Delegations Register 1.2.4 Expressions of Interest and Tenders for Goods & Services). |

5.0 Records Management

All Local Government purchasing activity, communications and transactions must be evidenced and retained as local government records in accordance with the *State Records Act 2000* and the Shire's Recordkeeping Plan.

In addition, the Shire must consider and will include in each contract for the provision of works or

services, the contractor's obligations for creating, maintaining and where necessary the transferal of records to the Shire relevant to the performance of the contract.

6.0 Application and Quality Assurance

Responsibility for the application, implementation and quality assurance of this policy rests with the Chief Executive Officer, Management, Shire President and Councilors.

Unconfirmed

6. CLOSURE

There being no further business, Presiding Member Kate O’Keeffe thanked committee members and staff and closed the meeting at 3:25 pm.

Unconfirmed