

*Heart of the Stirling*



**SHIRE OF GNOWANGERUP**  
BORDEN GNOWANGERUP ONGERUP

## **MINUTES**

### **Audit Committee Meeting**

**26 June 2024**

**Commencing at 11:00am**

**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 Audit Committee

The primary objective of the 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 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 Audit Committee

The 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 Executive Assistant 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 Audit Committee

The functions of the committee, pursuant to Reg. 16 of the *Local Government (Audit) Regulations 1996* will be to:

- a) 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.

Unconfirmed

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, 26 June 2024 at the Council Chambers, Yougenup Road, Gnowangerup WA 6335 commencing at 11:00am.

Signed 

**Chiara Galbraith**  
**DEPUTY CHIEF EXECUTIVE OFFICER**

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**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.

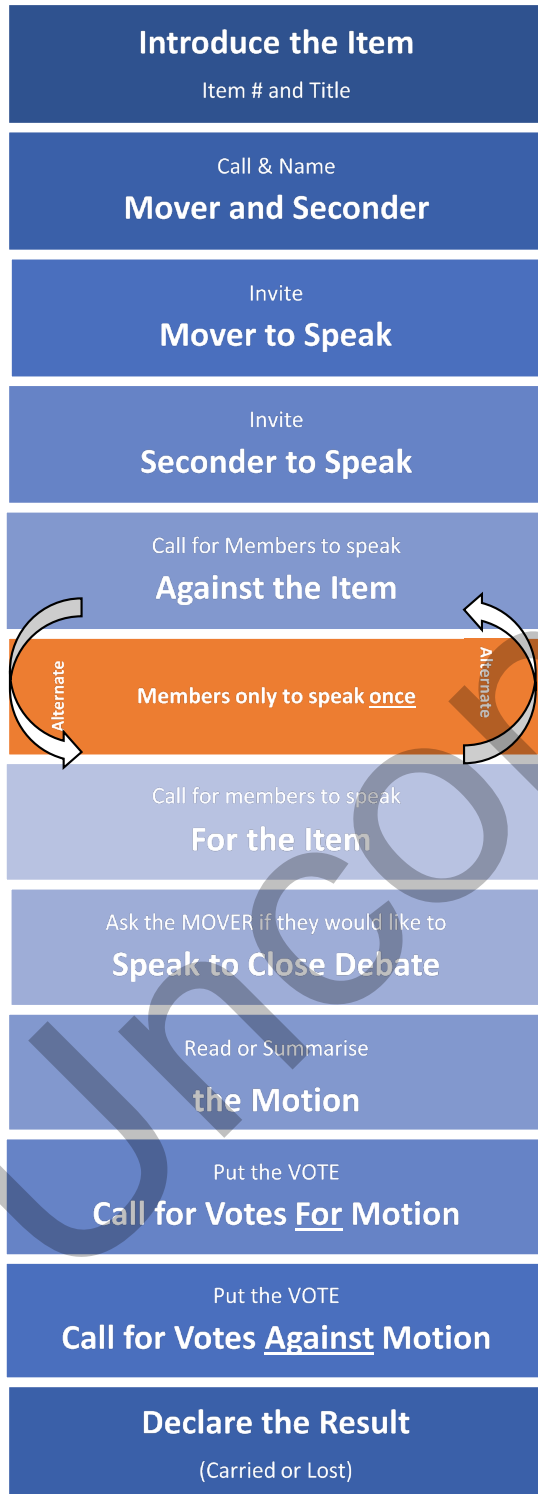
These minutes are not a verbatim record but include the contents pursuant to Regulation 11 of Local Government (Administration) Regulations 1996.

Signed 

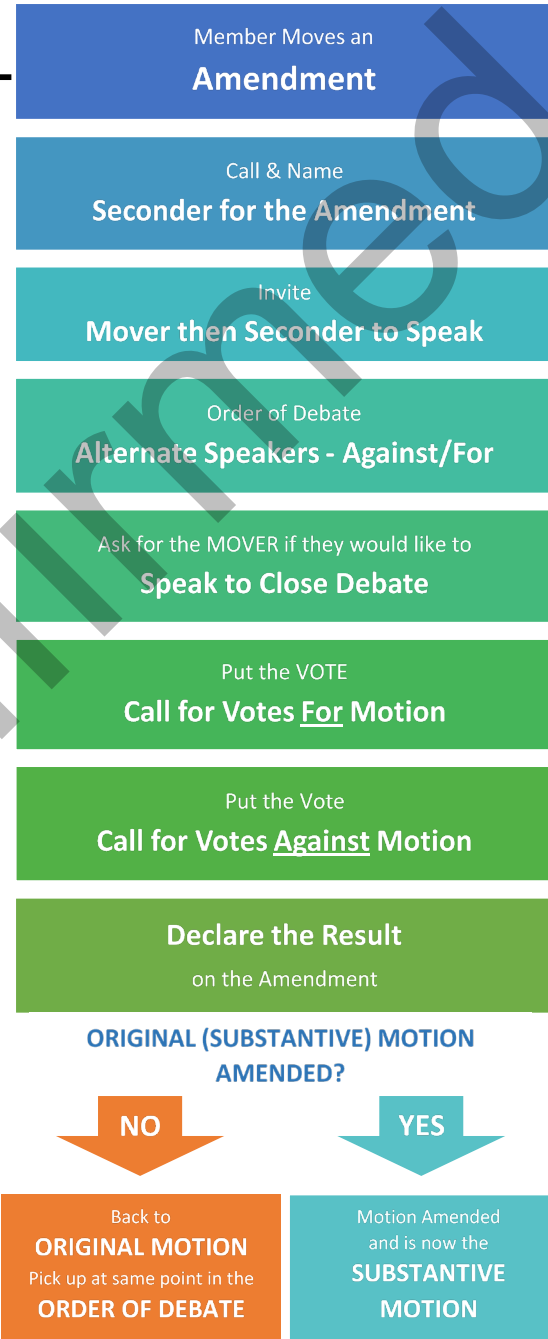
**Chiara Galbraith**  
**DEPUTY CHIEF EXECUTIVE OFFICER**

# Process of Motions

## ORIGINAL MOTION

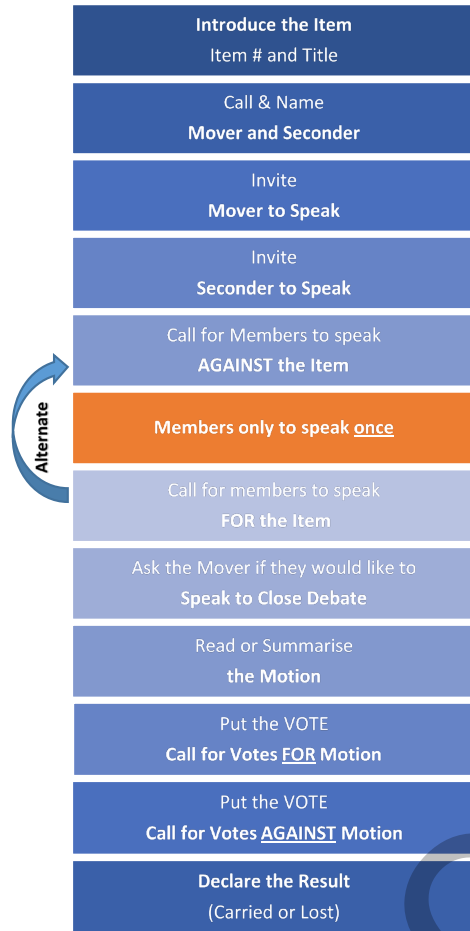


## AMENDMENT



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 Seconder. The Minor amendment must be minuted.

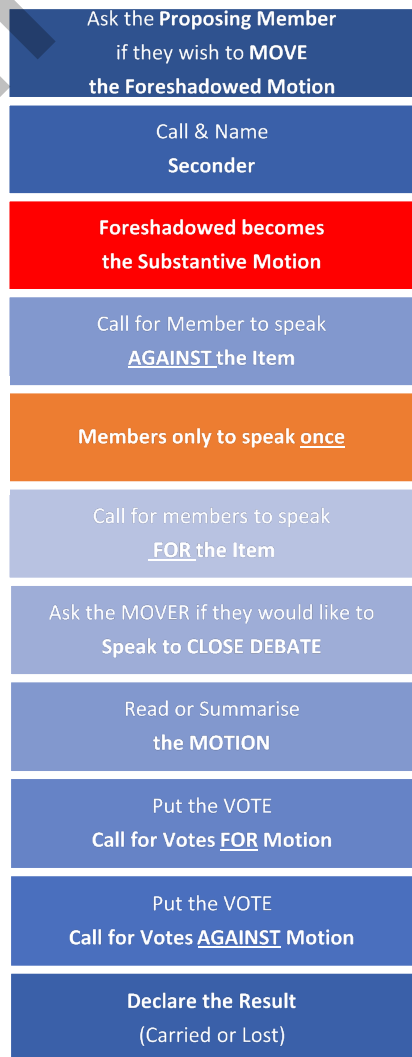
## Substantive Motion



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

During Debate of Substantive Motion  
A Member Speaking to the Substantive Motion advises They wish to Foreshadow a Motion  
Presiding Member Notes the Foreshadowed Motion and the Proposing Member  
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**

Deputy Presiding Member, Cr R O’Meehan welcomed committee members and staff and opened the meeting at 11:10 am.

**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 Rebecca O'Meehan	Deputy Presiding Member
Cr Mick Creagh	
Cr Peter Callaghan	
Cr Robert Minitier	
Cr Lex Martin	
Cr Rebecca Kiddle	

David Nicholson	Chief Executive Officer
Chiara Galbraith	Deputy Chief Executive Officer
Anita Finn	Senior Governance and Risk Management Officer

**3.2 APOLOGIES**

Cr Shelley Hmeljak  
Cr Kate O'Keeffe JP

**3.2 APPROVED LEAVE OF ABSENCE**

Nil

**4. CONFIRMATION OF PREVIOUS MEETING MINUTES**

5.1 AUDIT COMMITTEE MEETING MINUTES 28 FEBRUARY 2024

**COMMITTEE RESOLUTION**

Moved: Cr R Kiddle

Seconded: Cr P Callaghan

AC0624.05 That the minutes of the Audit Committee Meeting held on 28 February 2024 be confirmed as a true record of proceedings.

UNANIMOUSLY CARRIED 6/0

FOR: Cr Rebecca O'Meehan, Cr Rebecca Kiddle, Cr Lex Martin, Cr Peter Callaghan, Cr Michael Creagh, Cr Robbie Minitier.

AGAINST: NIL

## 5. OFFICER ITEMS

<b>5.1</b>	<b>AUDIT FINDINGS REGISTER</b>
<b>Location:</b>	N/A
<b>Proponent:</b>	N/A
<b>Date of Report:</b>	17 June 2024
<b>Business Unit:</b>	Corporate and Community Services
<b>Responsible Officer:</b>	Chiara Galbraith – Deputy Chief Executive Officer
<b>Author:</b>	Anita Finn – Senior Governance & Risk Management Officer
<b>Disclosure of Interest:</b>	Nil

### ATTACHMENTS

- Audit Findings Register template (**Confidential**)

### PURPOSE OF THE REPORT

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

### 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.

This template 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)

COMMENTS

Officers are introducing the draft/template Audit Findings Register.

Going forward this report will provide 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

<b>Theme</b>	Our Organisation
<b>Community Priority</b>	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.

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

Going forward the Audit Findings Register will be useful to assist the Audit Committee meeting their oversight obligations.

VOTING REQUIREMENTS

Simple Majority

**COMMITTEE RESOLUTION**

Moved: Cr L Martin

Seconded: Cr R Kiddle

AC0624.06 That the Audit Committee

Notes the Audit Findings Register template.

**UNANIMOUSLY CARRIED 6/0**

**FOR:** Cr Rebecca O'Meehan, Cr Rebecca Kiddle, Cr Lex Martin, Cr Peter Callaghan,  
Cr Michael Creagh, Cr Robbie Minitier.

**AGAINST:** NIL

<b>5.2</b>	<b>REVIEW OF THE TERMS OF REFERENCE FOR THE AUDIT COMMITTEE</b>
<b>Location:</b>	N/A
<b>Proponent:</b>	N/A
<b>Date of Report:</b>	17 June 2024
<b>Business Unit:</b>	Governance & Strategy
<b>Responsible Officer:</b>	Chiara Galbraith – Deputy Chief Executive Officer
<b>Author:</b>	Anita Finn – Senior Governance & Risk Management Officer
<b>Disclosure of Interest:</b>	Nil

#### ATTACHMENTS

- DRAFT Amended Terms of Reference for the Audit Committee

#### PURPOSE OF THE REPORT

For Council's Audit Committee to accept the review of its Terms of Reference.

#### BACKGROUND

The last review of the Term of Reference was adopted by Council in August 2020.

Any changes to the functions of an Audit Committee pursuant to Regulation 16 of the *Local Government (Audit) Regulations 1996* need to be included in the Terms of Reference when such changes are made.

#### COMMENTS

Senior staff have reviewed the 2020 adopted version and made the changes as follows:

- The most important amendment is the change of the title of the committee from '**Audit Committee**' to '**Risk and Audit Committee**'. This is to highlight the oversight obligations of the Committee in the Risk Management of the Shire of Gnowangerup.
- The oversight responsibilities for the Risk management is added to '*Objectives of the Risk and Audit Committee*' in the Terms of Reference.
- The Senior Governance and Risk Management Officer (or another nominated staff member) will attend meetings to take the minutes.



- The review of the Compliance Audit Return in accordance with Reg. 14 (3A) of the *Local Government (Audit) Regulations 1996* has been added to the function of the Committee.

**All changes to the previous Terms of Reference are highlighted in the attached draft. The Terms of Reference will be cleared of markups after the endorsement by Council.**

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

<b>Theme</b>	Our Organisation
<b>Community Priority</b>	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.

<b>Risk description</b>	<b>Not to accept the amended Terms of Reference</b>
<b>Primary Strategic Risk Category</b>	Adverse Regulatory Change
Primary Strategic Risk <b>Category Description</b>	<ul style="list-style-type: none"> <li>• Investigation of Council for non-compliance</li> <li>• Litigation</li> <li>• Reputational damage</li> </ul>
<b>Consequence:</b> (Insignificant, Minor, Moderate, Major, Catastrophic)	Catastrophic
<b>Likelihood:</b> (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Nil

CONCLUSION

The current Terms of Reference doesn't reflect the important role of the Committee in the Shire's Risk Management.

It is recommended that the Audit Committee to accept the reviewed Terms of Reference and recommend it to Council for adoption.

VOTING REQUIREMENTS

Simple majority

**COMMITTEE RESOLUTION**

**Moved: Cr R Minter**

**Seconded: Cr M Creagh**

**AC0624.07 That the Audit Committee:**

**Accepts the amended Terms of Reference and recommends it to Council for adoption.**

**UNANIMOUSLY CARRIED 6/0**

**FOR: Cr Rebecca O'Meehan, Cr Rebecca Kiddle, Cr Lex Martin, Cr Peter Callaghan,  
Cr Michael Creagh, Cr Robbie Minter.**

**AGAINST: NIL**

*Heart of the Stirlings*



**SHIRE OF GNOWANGERUP**

**RISK AND AUDIT COMMITTEE**

**TERMS OF REFERENCE**

13 June 2024

## 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 Executive Assistant 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

The functions of the 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.

<b>5.3</b>	<b>NON-COMPLIANCE REGISTER REPORT</b>
<b>Location:</b>	N/A
<b>Proponent:</b>	N/A
<b>Date of Report:</b>	17 June 2024
<b>Business Unit:</b>	Strategy & Governance
<b>Responsible Officer:</b>	Chiara Galbraith – Deputy Chief Executive Officer
<b>Author:</b>	Anita Finn – Senior Governance & Risk Management Officer
<b>Disclosure of Interest:</b>	Nil

#### ATTACHMENTS

- Non-Compliance Register (February to June 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

<b>Theme</b>	Our Organisation
<b>Community Priority</b>	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.

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

AC0624.08 That the Audit Committee

Notes the Non-Compliance Register Report for the period February 2024 to June 2024.

UNANIMOUSLY CARRIED 6/0

FOR: Cr Rebecca O'Meehan, Cr Rebecca Kiddle, Cr Lex Martin, Cr Peter Callaghan,  
Cr Michael Creagh, Cr Robbie Minitier.

AGAINST: NIL

## 4.1 PURCHASING POLICY

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	22 June 1998

<b>Policy No:</b>	4.1
<b>Date Last Reviewed:</b>	28 July 2021

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

<b>Legal (Subsidiary):</b>
<ol style="list-style-type: none"> <li>State Records Act 2000</li> <li>Shire of Gnowangerup Code of Conduct</li> </ol>

<b>Delegation of Authority Applicable</b>	Yes
<b>Delegation Numbers</b>	1.2.5, 1.2.7

<b>Staff Procedure Applicable</b>	Yes
<b>Staff Procedure Number</b>	4.7

ADOPTED POLICY	
<b>Title:</b>	PURCHASING POLICY
<b>Objective:</b>	<p>To ensure that all purchasing activities:</p> <p><b>This policy:</b></p> <ol style="list-style-type: none"> <li>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;</li> <li>Provides guidance to all Council employees on all levels of procurement to ensure ethical behavior, and to ensure probity, and transparency;</li> <li>Ensures that the Shire receives value for money as a result of its purchasing activities;</li> <li>Aims to deliver a high level of accountability whilst providing a flexible, efficient and effective and transparent procurement framework;</li> <li>Ensures that the Shire considers the environmental and sustainability implications of the procurement process across the life cycle of goods and services; and</li> <li>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.</li> </ol>

### 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.
<b>Over \$5,000 and up to \$20,000 annually</b>	<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>
<b>Over \$20,000 and up to \$50,000 annually</b>	<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>
<b>Over \$50,000 and up to \$250,000 (over 3 year period)</b>	<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.
<b>Over \$250,000 and up to \$600,000 Request for Tender (RFT) Required</b>	<p><b>1. Tender Exempt arrangements:</b> i.e. WALGA PSA, CUA or other tender exemption under F&amp;G Reg.11(2). This requires at least three (3) written quotes from suppliers under a formal Request for Quotation (RFQ),</p> <p><b>OR</b></p> <p><b>2. Public Tender:</b> 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>
<b>Emergency Purchases</b>	Refer to Purchasing Procedure.
<b>LGIS Services LG Act 1995 Section 9.58(6)(b)</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>
<b>Over \$600,000 RFT Required</b>	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, Deputy Presiding Member Rebecca O’Meehan thanked committee members and staff and closed the meeting at 11.40am.

Unconfirmed