

**1.1: AUDIT & FINANCE COMMITTEE MINUTES**

**Proponent** : City of Albany  
**Attachments** : 

- Minutes of the confirmed Audit & Finance Committee Meeting held on 14 February 2012

**Responsible Officer(s)** : Chief Executive Officer (F James)

**IN BRIEF**

- Receive the confirmed minutes of the Audit and Finance Committee meeting held on 14 February 2012.

**ITEM 1.1: COMMITTEE RECOMMENDATION 1**  
**VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT the confirmed minutes of the Audit and Finance Committee meeting held on 14 February 2012 be RECEIVED.**

**ITEM 1.1: COMMITTEE RECOMMENDATION 2**  
**VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT Council:**

- Invite Expressions of Interest regarding potential contract management of ALAC;**
- Proceed to prepare for the possibility of outsourcing to a reputable Leisure Centre Facility Management Group;**
- The City undertake more detailed business comparisons between received Expressions of Interest and a City owned and managed model over a five year period.**

**ITEM 1.1: COMMITTEE RECOMMENDATION 3**  
**VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT Council:**

- Direct the CEO to pursue, to the full extent of the law, the City's rights under agreements it has with WaterCorp and Great Southern Liquid Waste, balancing enforcement of those legal rights with an economical and commercial resolution regarding any legal breaches by the parties.**
- Direct the CEO to negotiate with WaterCorp improved contractual agreements between WaterCorp and the City, including the possibility of selling the City's share of the Albany Septage Waste Facility to WaterCorp or another entity.**

**CEO:**

**ITEM 1.1: COMMITTEE RECOMMENDATION 4**  
**VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT Council ENDORSE the Enterprise Risk Management Policy and agree to receive monthly reports on all risks rated high or extreme.**

**ITEM 1.1: COMMITTEE RECOMMENDATION 5**  
**VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT a Certified Copy of the Compliance Audit Return be ENDORSED by Council and any additional information explaining or quantifying the compliance audit is to be submitted to the Director General of the Department of Local Government.**

**ITEM 1.1: COMMITTEE RECOMMENDATION 6**  
**VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT a panel of suppliers is established for:**

- 1. The provision of Employment Services (Labour Hire); and**
- 2. The provision of Legal Services**



## AUDIT & FINANCE COMMITTEE

### MINUTES

for the meeting held on Tuesday 14 February 2012,  
in the Margaret Coates Boardroom, City Office, North Road, Albany

(File Ref: FM.MEE.1)

**Terms of Reference:** *The Committee is established under section 7.1A of the Local Government Act 1995 (the Act) and its Regulations. The Committee does not have any delegated authority from Council.*

#### 1.0 ATTENDANCE

**Mayor** D Wellington (Deputy Chair)

**Councillors:**

R Hammond	Member (Chair)
Y Attwell	Member
S Bowles	Member
V Calleja	Member
D Dufty	Member
G Gregson	Member
C Holden	Member
A Hortin	Member
G Stocks	Member
R Sutton	Member

**Staff:**

Chief Executive Officer	F James
Executive Director Corporate Services	P Wignall
Executive Director Works & Services	S Grimmer
Executive Director Community Services	L Hill
Manager Tourism Development and Services	M Bird
Manager Waste Management Strategy and Operations	M Richardson
Minute Taker	J Williamson

**Apologies/Leave of Absence:**

2.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

**ITEM 2.0: COMMITTEE RESOLUTION**

**MOVED: COUNCILLOR HAMMOND  
 SECONDED: COUNCILLOR ATTWELL**

The unconfirmed minutes of the Audit Committee meeting held on Tuesday 24 January 2012, as previously distributed, be confirmed as a true and accurate record of proceedings, pending the following amendment:

Councillor Attwell queried ~~the progress of fundraising for the Steinway piano being offered at a discount price to the City,~~ **who would have subsequent ownership of the piano and the appeal generally,** as she had approached a local property developer who had expressed interest in funding the shortfall in the purchase price.

CEO Faileen James gave an update on the progress of fundraising. The piano moved from the Town Hall to the Albany Entertainment Centre (AEC) is not to the standard required for AEC performances. A new Steinway piano has been sourced through AEG Ogden, at a discounted price of \$135,000, which is almost half of the normal purchase price. The piano must be ordered and paid for by the end of March 2012 to take advantage of the discounted price.

**The piano would be owned legally by the Perth Theatre Trust with a Memorandum of Understanding stating that it would remain at the AEC in perpetuity.**

The Jack Family Trust has committed \$50,000 towards the purchase, with the provision that any further funds raised will be the result of community contribution. A Memorandum of Understanding is to be established which will state that while legally owned by the Perth Theatre Trust, the piano will remain in perpetuity at the Albany Entertainment Centre.

City staff are currently finalising organisation of a community fundraising appeal to be held at the AEC. The appeal will not be a City event, but as a community led fundraiser.

**CARRIED 11-0**

3.0 DISCLOSURE OF INTEREST

*[Elected members of Council and staff are asked to use the forms prepared for the purpose, aiding the proceedings of the meeting by notifying the presiding member prior to the conduct of the meeting]*

**4.0 ITEMS FOR DISCUSSION**

**4.1 Monthly Report-Airport Masterplan**  
Reporting Officer: Executive Director Community Services

**4.2 Second Quarter Budget Review**  
Reporting Officer: Executive Director Corporate Services

**ITEM 4.2: RESOLUTION**

**MOVED: COUNCILLOR HAMMOND**  
**SECONDED: MAYOR WELLINGTON**

**THAT the Second Quarter Budget Review be recommended to Council for adoption.**

**CARRIED 11-0**

**4.3 Waste Services Status Report**  
Reporting Officer: Executive Director Works and Services

**4.4 Capital Works-Works and Services Projects (Supplementary paper specific to the Town Hall from Community Services)**  
Reporting Officer: Executive Director Works and Services

**ITEM 4.4: RESOLUTION**

**MOVED: COUNCILLOR DUFTY**  
**SECONDED: COUNCILLOR HORTIN**

**THAT Council AGREE to the allocation of \$50,000 to the Town Hall capital works program in 2011-12.**

**CARRIED 10-1**

**4.5 New Operational Policies/Procedures**  
Reporting Officer: Executive Director Corporate Services

**4.6 Great Southern Community Housing Association**  
Reporting Officer: Executive Director Corporate Services

**ITEM 4.6: RESOLUTION**

**MOVED: COUNCILLOR HAMMOND**  
**SECONDED: COUNCILLOR GREGSON**

**THAT Council:**

- 1. SUPPORT the continued denial of rates exemptions to Department of Housing Owned properties, without receipt of objections to the rate record by the Department of Housing.**
- 2. COMMUNICATE with the State Government in relation to the loss of revenue which is arising from the introduction of the Community Housing Agreement and what plans the Government has to compensate the City of Albany for the loss of rates revenue.**

**CARRIED 11-0**

**4.7 Payment to ex Councillor Jill Bostock-Sitting Fees**  
**Reporting Officer: Chief Executive Officer**

**ITEM 4.7: RESOLUTION**

**MOVED: COUNCILLOR HAMMOND**  
**SECONDED: COUNCILLOR DUFTY**

**THAT Council advise Mrs Bostock that the sitting fees she was entitled to will be paid by the City, and those fees be accounted for in the Q3 Review.**

**CARRIED 10-0**

**5.0 ITEMS TO BE DISCUSSED AT FUTURE MEETINGS**

- 5.1 Consolidated Debt Obligation (CDO) – Chapter 11 Bankruptcy Plan**
- 5.2 City of Albany and Water Corporation Septage Waste Plant Joint Venture (March)**
- 5.3 Investment Strategy with Community Banks**
- 5.4 Risk Management and Mitigation associated with Anzac Centenary Events**
- 5.5 Less Government “red tape”**

**6.0 GENERAL DISCUSSION**

**7.0 DATE OF NEXT MEETING:** 26 March 2012

**8.0 CLOSURE OF MEETING**

The Chair declared the meeting closed at 7.23pm.



## Council Policy

# Enterprise Risk Management

**Version Control**

<b>Version</b>	<b>Date</b>	<b>Status</b>	<b>Distribution</b>	<b>Comment</b>
01	20/09/2011	DRAFT	A/EDCS	
02				
03				

DRAFT



## 1.0 Executive Summary

The purpose of implementing enterprise risk management at the City of Albany is to develop a culture, processes and structures that are directed towards the effective management of risks that may present potential adverse effects and opportunities to the strategic, operational and project functions and objectives of the organisation. It is also designed to reduce the potential cost of risks from adverse incidents by reducing liability, litigation, exposure to loss and to mitigate and control this loss.

The key principles that drive the City of Albany's risk management are:

- Creates value
- Becomes an integral part of our organisational processes and practices
- Aids in our decision making based on best available information
- Explicitly addresses uncertainty
- Is systematic and structured
- Can be tailored to suit our organisations structure and capacity
- Takes into account cultural and social aspects of our staff
- Is transparent and inclusive throughout the organisation
- Is dynamic, iterative and responsive to change in the organisation
- Delivers continual improvement and enhancement of processes and practices in the organisation

## 2.0 Policy Statement

The City of Albany is committed to the effective risk management of its internal and external functions, services, processes and practices and will implement the AS/NZS ISO 31000:2009 risk management standard as a platform for this.

Risk management for the City of Albany is the systematic application of AS/NZS31000:2009 in association with organisational policies, procedures and practices to establish context, identify risks, analyse, and evaluate those risks and develop treatments for those risks.

These stages of the risk management process will be well supported by initial and on-going communication and consultation among all key stakeholders, further complemented by the monitoring and review of the implemented risk treatments and their effectiveness.

Risk Management will form part of the City of Albany's strategic, operational, project and line management responsibilities and will be integrated into its planning and continual improvement processes.

## 3.0 Objectives

- To communicate the Council's holistic approach to risk management to all key stakeholders.
- To protect and enhance the reputation of the Council and the City, demonstrating their robust corporate governance, timely and efficient delivery of services and fulfilment of the City's strategic objectives.
- To adhere to and implement the Risk Management Standard AS/NZSISO 31000:2009 in all aspects of business management practices in the organisation.

- To define the Council's level of risk tolerance and risk appetite, ensuring that all key risks are adequately managed
- To ensure all employees are made aware of the need to manage risk and to promote a culture of participation in the process

#### **4.0 Definitions (AS/ NZS ISO 31000:2009)**

**EMT:** Executive Management Team

**Risk:** The effect of uncertainty on objectives

**Risk Management:** the culture, processes and structures directed towards realising potential opportunities whilst managing adverse effects

**Risk Management Process:** Coordinated activities to direct and control an organisation in regard to risk

**RMO:** Risk Management Officer

#### **5.0 Roles and Responsibilities**

The responsibility of Risk Management will fall on all levels of the organisation including Council, EMT, Audit and Finance Committee, RMO and staff.

**Council is responsible for:**

- Ensuring that a Risk Management Policy has been developed and adopted throughout the City
- Establishing the risk tolerance level of the City
- Mandating the risk management framework
- Supporting the risk management program in terms of endorsing the necessary resources to effectively implement and manage this program

#### **6.0 Consultation and Communication**

Effective and open communication and consultation with internal and external stakeholders during all stages of the risk management process is crucial, as each stakeholder will have a varying perception of risk and their decisions will be based on this.

A consultation and communication process will be developed which will encompass all levels of the organisation to ensure stakeholders impacted by decisions have had sufficient chance to comment and provide feedback prior to implementation.

## 7.0 Training and Development

- Education and further professional development in the areas of risk management will be supported by EMT
- Staff assigned to training, workshops and other means of learning will be expected to participate and contribute to the outcomes
- All new staff and Elected Members are required to attend a risk management induction
- Refresher training will be provided to all staff on a yearly or more frequent as needs basis

## 8.0 Monitor and Review

The City of Albany shall implement and integrate an audit program process to report on the achievements of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

The RMO will ensure that the risk management process, meetings and all other risk related documents will be stored in an adequate records management system.

### Internal Auditing

Implementation of an internal auditing program is to be completed by the RMO in partnership with the Executive Manager Compliance and Community on an annual cycle or more frequently as directed by the Chief Executive Officer on an as needed basis. The internal audit process will test the controls set in place by each directorate and will be supported by the assessment of key performance indicators set by the EMT.

### External Auditing

Any external auditing will be undertaken routinely, either as set out in the *Local Government Regulations 1996* (Section 5: Financial management duties of the CEO) or on the direction of Council if required.

### Review

Council to review on or before December 2013

## 9.0 Legislative and Strategic Context

### Strategic

This item relates directly to the following elements of the City of Albany Strategic Plan (2011-2021):

#### Key Focus Area

Organisational Performance

#### Community Priority

Policy and Procedures

#### Proposed Strategies

Develop clear processes and policies and ensure consistent, transparent application across the organisation.

Regularly review all policies in consultation with community and key stakeholders.

## 10.0 Associated Documents

- AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines
- Local Government Act 1995
- Enterprise Risk Management Framework
- Ordinary Council Meeting Agenda Template (Risk Identification & Mitigation)
- Enterprise Risk Management Information Sheet and Terminology
- Enterprise Risk Management Process Map
- Enterprise Risk Management Audit Procedure
- Risk Register Template
- Record Management Procedure

Mayor Authorisation: \_\_\_\_\_

Date: \_\_\_/\_\_\_/\_\_\_

CEO Authorisation: \_\_\_\_\_

Date: \_\_\_/\_\_\_/\_\_\_

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