

minutes

Audit Committee

MEETING HELD ON **TUESDAY, 16 AUGUST 2011**

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CITY OF JOONDALUP

MINUTES OF THE AUDIT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY, 16 AUGUST 2011

ATTENDANCE

Committee Members:

Cr Tom McLean	<i>Presiding Person</i>
Mr Robert (Andy) Cowin	<i>Deputy Presiding Person</i>
Mayor Troy Pickard	
Cr Geoff Amphlett, JP	
Cr Christine Hamilton-Prime	
Cr John Chester	

Officers:

Mr Mike Tidy	Acting Chief Executive Officer
Mr Martyn Glover	Director Infrastructure Services
Mr Peter McGuckin	Internal Auditor
Ms Rose Garlick	Governance Officer

DECLARATION OF OPENING

The Presiding Person declared the meeting open at 3.06 pm.

APOLOGIES/LEAVE OF ABSENCE

Nil.

Leave of Absence previously approved

Cr Brian Corr	14 - 21 August 2011 inclusive.
Cr Fiona Diaz	16 August 2011

CONFIRMATION OF MINUTES

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 4 MAY 2011

MOVED Cr Amphlett SECONDED Cr Chester that the minutes of the meeting of the Audit Committee held on 4 May 2011 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Chester, Hamilton-Prime, Mayor Pickard and Mr Cowin

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

Nil.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS

ITEM 1 ASBESTOS MANAGEMENT PLAN

WARD:	All
RESPONSIBLE DIRECTOR:	Mr Martyn Glover Infrastructure Services
FILE NUMBER:	11401, 101515
ATTACHMENT:	Attachment 1 Proposed Asbestos Management Construction Program

PURPOSE

This Report is to provide the Audit Committee with the progress being made by the City in relation to the actions and strategies set out in the Asbestos Management Plan.

EXECUTIVE SUMMARY

The City of Joondalup has a legal obligation under the Occupational Safety and Health Act 1984 and the Occupational Safety and Health Regulations 1996 to ensure the health and safety of staff, contractors and visitors to all of its buildings.

It is recommended that the Audit Committee NOTES the progress being made by the City in the management of asbestos throughout the City.

BACKGROUND

Asbestos was used extensively in the Australian building industry for many years until the manufacture and importation of most products containing asbestos was phased out in the 1980s. There is now a national ban prohibiting the manufacture and importation of all asbestos products.

As a result, asbestos containing materials (ACM) are more likely to be found in buildings constructed before 1990 and those constructed after 1990 are generally regarded as being asbestos-free.

In April 2009 the City's Executive Management Team considered the Asbestos Management Plan that contained the following objectives:

- Identify all City buildings that contain ACM.
- Establish control measures to reduce the risks to health from airborne asbestos fibres.
- Introduce effective asbestos management systems.
- When and where possible remove any ACM from City buildings.
- Eventually remove all ACM from City buildings.
- Compile and regularly update a comprehensive and accurate Asbestos Register.
- Identify and document responsibilities for carrying out the Plan.
- Ensure compliance with relevant State and Commonwealth legislation, regulations and codes of practice.

The City provides funding in both the Capital Works and Operating Budgets to support the Asbestos Management Plan and has to date developed an asbestos register, placed appropriate signage on buildings, introduced asbestos awareness training into the safety induction program, implemented staff and contractor protocols when working around ACM and removed ACM in 15 City buildings.

DETAILS

The City inspected all its buildings constructed prior to 1990 and identified those that potentially contained ACM. These inspections were undertaken by the City's building surveyors with 46 buildings identified as potentially containing ACM.

Warning signs and labels were placed in appropriate places on the 46 buildings requesting that all persons working in the area adjacent to the labels contact the City prior to commencing work. These signs are designed to warn users and contractors that any maintenance work carried out could potentially disturb or damage ACM.

In addition, each building was fitted with a logbox containing a building specific asbestos register that any contractor performing work on the building is required to sign to provide evidence that they have been made aware of the ACM within the building. The notices, labels and building specific asbestos registers are being progressively removed as the buildings are certified ACM free.

In January 2011 the City appointed QED Environmental Services, specialists in the control of ACM, to further improve the existing Asbestos Register which would be used by the City to prioritise the required ACM control measures.

QED Environmental Services tested the 33 buildings presumed to still contain ACM and identified that ACM was present in only 22 buildings. None were considered a high risk, four were considered a moderate risk and 18 were considered a low risk to occupants. The ACM to two buildings was removed in June 2011 and one building, the Craigie Children's Language Centre, is to be disposed of, leaving 19 buildings requiring the removal of ACM.

Based on the estimated costs to remove the ACM, and the funding available, a program has been developed (Attachment 1 refers) to remove the ACM from the 19 buildings, giving first priority to the removal of the moderate risk ACM and ACM present in any childcare or aged persons' facility. The removal of all ACM is expected to be complete by the end of 2013/2014.

All work performed to remove the ACM will be undertaken by a licensed asbestos removal contractor, who has to provide the City with an Asbestos Removal Plan for approval by the City and QED Environmental Services prior to the work commencing.

The City meets with the users of the facility to discuss the Asbestos Removal Plan and the works to be undertaken before the works commence. Where asbestos removal from City buildings impinges on adjoining properties, the residents or property owners are fully informed of the extent and timing of the works, which is carried out at the City's cost, including the removal and replacement of common fences.

Issues and options considered:

While the Asbestos Register developed by QED Environmental Services does not indicate any of the ACM as being of a high risk to occupants, the removal of all ACM will eliminate all threats to health posed by asbestos, reduce the potential for public and personal injury claims and greatly lessen the City's exposure to adverse publicity.

Legislation/Strategic Plan/Policy Implications

Legislation	Occupational Safety and Health Act 1984. Health (Asbestos) Regulations 1992. Occupational Safety and Health Regulations 1996. Environmental Protection (Controlled Waste) Regulations 2004. Code of Practice for the Management and Control of Asbestos in Workplaces [NOHSC:2018 (2005)] Code of Practice for the Safe Removal of Asbestos 2 nd Edition [NOHSC:2002 (2005)]
Strategic Plan	Objective 5.1 To ensure the City's facilities and services are of a high quality and accessible to everyone.
Key Focus Area:	Community Wellbeing – agreed levels of service for community infrastructure are achieved and the City's facilities and services are accessible to everyone

Policy

Not Applicable.

Risk Management considerations:

The removal of ACM will eliminate all threats to health posed by asbestos, reduce the potential for public and personal injury claims and greatly lessen the City's exposure to adverse publicity.

Financial/Budget Implications:

The current five year capital works plan has \$543 637 budgeted for the removal of ACM over the 2011/12, 2012/13 and 2013/14 financial years and this is sufficient to render City buildings ACM free by the end of 2013.

Regional Significance:

Not Applicable.

Sustainability Implications:

The removal of ACM from City buildings will prolong the buildings' useful life.

Environmental:

The removal of ACM from City buildings will reduce the quantity of hazardous materials in City buildings.

Social:

The removal of ACM from City buildings will enhance the safety of the public environment.

Economic:

In most instances the ACM removed from City buildings will be replaced with maintenance free materials.

Consultation:

In all instances where the removal of ACM is required the community or sporting groups using the facility, and neighbouring property owners, are notified or consulted with prior to work commencing on the ACM removal.

The City has consulted with Worksafe to ensure that the warnings signs and labels placed on the buildings comply with current legislation. The City has developed communication protocols with contractors requiring them to sight the building specific asbestos register contained within logboxes in each building prior to commencing any building works.

COMMENT

While the asbestos register does not indicate any of the ACM as being of a high risk to occupants, the continued removal of the ACM, based on the prioritised risks and availability of funding benefits both the City and the public by eliminating the potential risk and exposure to ACM in City buildings, by the end of 2013.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Hamilton-Prime, SECONDED Cr Amphlett that the Audit Committee NOTES the progress being made by the City in the management of asbestos throughout the City.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Chester, Hamilton-Prime, Mayor Pickard and Mr Cowin

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnaudit160811.pdf](#)

ITEM 2 CEO'S CREDIT CARD EXPENDITURE FOR THE QUARTER ENDED 30 JUNE 2011

WARD:	All
RESPONSIBLE DIRECTOR:	Mr Mike Tidy Corporate Services
FILE NUMBER:	09882, 18049
ATTACHMENTS:	Attachment 1 CEO's Credit Card Expenditure – Quarter Ended 30 June 2011

PURPOSE

The purpose of this report is to provide the Audit Committee with details of the corporate credit card usage by the CEO for the quarter ended 30 June 2011.

EXECUTIVE SUMMARY

The report of the CEO's credit card usage for the quarter ended 30 June 2011 is attached.

It is recommended that the Audit Committee NOTES the report on the corporate credit card usage of the CEO for the quarter ended 30 June 2011 forming Attachment 1 to this Report.

BACKGROUND

At its meeting held on 11 October 2005, Council inter alia resolved that a quarterly report on the corporate credit card usage of the CEO be prepared and presented to the Audit Committee (CJ210-10/05 refers).

DETAILS

The report listing all credit card payments made by the CEO for the quarter, including bank fees is set out in Attachment 1.

Issues and options considered:

Not Applicable.

Legislation/Strategic Plan/Policy Implications

Legislation Regulation 11(1) of the Local Government (Financial Management) Regulations 1996 requires a local government to develop procedures for the authorisation and payment of accounts to ensure that there is effective security for, and properly authorised use of, credit cards.

Strategic Plan

Key Focus Area: Leadership and Governance

Policy:

Not Applicable.

Risk Management considerations:

In accordance with the City's Use of Corporate Credit Cards Protocol, the CEO's credit card has a maximum limit of \$10,000. All expenditure incurred by the CEO by way of credit card is authorised by the Director Corporate Services. It is also a requirement, by resolution of Council, that the CEO's credit card expenditure is reviewed by the Audit Committee on a quarterly basis. The procedure additionally covers matters such as the issue and return of credit cards, lost or stolen cards, what purchases can be made by credit cards, documentation requirements and management review.

Financial/Budget Implications:

Expenditures paid for by the corporate credit card assigned to the CEO are incurred under the approved budget.

Regional Significance:

Not Applicable.

Sustainability Implications:

By ensuring that expenditure is incurred in accordance with procedures and, within budget parameters, financial viability and sustainability is maintained.

Consultation:

Not Applicable.

COMMENT

The CEO's credit card usage is in accordance with the Use of Corporate Credit Cards Protocol and the Contract of Employment of the CEO, with all expenditure being business related and authorised by the Director Corporate Services.

VOTING REQUIREMENTS

Not Applicable.

Cr Amphlett referred to the expenditure in relation to LGMA Registrations (two transactions dated 23 May 2011; Attachment 1 refers) and advised that he has reimbursed these amounts in full.

MOVED Cr Chester, SECONDED Mr Cowin that the Audit Committee NOTES the Report on the Corporate Credit Card usage of the Chief Executive Officer for the quarter ended 30 June 2011 forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Chester, Hamilton-Prime, Mayor Pickard and Mr Cowin

Appendix 2 refers

To access this attachment on electronic document, click here: [Attach2agnaudit160811.pdf](#)

ITEM 3 HALF YEARLY REPORT - WRITE OFF OF MONIES - 1 JANUARY 2011 - 30 JUNE 2011

WARD: All

RESPONSIBLE DIRECTOR: Mr Mike Tidy
Corporate Services

FILE NUMBER: 07032, 101515

ATTACHMENTS: Nil.

PURPOSE

To report to the Audit Committee on monies written off under delegated authority.

EXECUTIVE SUMMARY

The total amount written off under delegated authority during the six months ended 30 June 2011 totalled \$16,952.24, mainly comprising 5,089 small amounts of unpaid rates below the \$100 reportable limit totalling \$6,389.80, as well as 12 small amounts of unpaid fees and charges below the \$100 reportable limit totalling \$6.82.

The total amount includes the following reportable items written off on the recommendation of the City's debt collection agency:

- One item of unpaid festival stallholder fees of \$110.
- Three items of unpaid swimming pool inspection fees totalling \$477.
- One item of unpaid dog impoundment charges of \$272.73.
- One final item of \$9,695.89 representing whale removal costs was written off following advice from the Department of Environment and Conservation, declining to pay this amount.

It is recommended that the Audit Committee RECEIVES the Report of amounts written off under delegated authority for the period 1 January 2011 to 30 June 2011.

BACKGROUND

Section 6.12 (1)(c) of the Local Government Act 1995 gives the Council the power to write off any amount of money owing to the City.

At its meeting held on 6 June 2006 (CJ 079-06/06 refers), Council approved inter alias - to delegate to the CEO the authority to write-off monies owed to the City, subject to a report being provided to the Audit Committee on a six monthly basis on the exercise of this delegation for amounts between \$100 and \$20,000.

The CEO under section 5.44 has on delegated his authority to nominated employees, up to the limits provided in the instrument of delegation.

DETAILS

During the six months ended 30 June 2011, a total amount of \$16,952.24 was written off. This comprised the following:

- 5,089 items of small Rates balances totalling \$6,389.80, representing in the main rounding decimals or penalty interest charged for a few days late payment where ratepayers did not pay the penalty and the cost of collection was, for all practical purposes, proving to be un-economical and which were all below the reportable limit.
- Twelve items of fees and charges balances totalling \$6.82, representing in the main rounding decimals or amounts underpaid on settlement of outstanding debts. All these items were below the reportable limit and the cost of collection on all these was proving, for all practical purposes, to be un-economical.
- One item of \$110 representing unpaid festival stallholder fees. The item was written off on the recommendation of the City's debt collection agency once debt recovery proved unsuccessful and un-economical to pursue.
- Three items of \$159 each, totalling \$477, representing unpaid swimming pool inspection fees. Debt recovery was initiated in each case and the debts written off on the advice of the City's debt collection agency once it became un-economical to continue action.
- One item of \$272.73 representing unpaid dog impoundment charges. Debt recovery action was initiated and the debt written off on the advice of the City's debt collection agency when such action became un-economical to pursue.
- One item of \$9,695.89 representing the portion of whale recovery costs claimed from the Department of Environment and Conservation, written off following correspondence received from the Department declining payment of this amount.

Issues and options considered:

Not Applicable.

Legislation/Strategic Plan/Policy Implications

Legislation Section 6.12 (1) (c) of the Local Government Act 1995.
Section 5.42 of the Local Government Act 1995.
Section 5.44 of the Local Government Act 1995.

Strategic Plan

Key Focus Area: Leadership and Governance.

Objective: 1.1 To ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable.

Policy

Not Applicable.

Risk Management considerations:

The amounts written off are immaterial in value and are either unrecoverable or uneconomical to recover, none of which represent a noteworthy financial risk to the City.

Financial/Budget Implications:

Account No:	3256
Budget Item:	Bad Debts Written Off
Annual Budget:	\$ 13,700
Actual for the year:	\$ 14,516
Variance:	(\$816)

The annual variance is not considered material. It may be noted that a doubtful debt provision of \$9,695.89 was raised in the 2009/10 financial year for the disputed whale recovery costs claimed from the Department of Environment and Conservation. This amount written off has, therefore, been set off against the provision and does not impact the annual budget for 2010/11.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

Monies written off under delegated authority comprised 5,101 small items of unpaid rates, fees and charges totalling \$6,396.62, all of which were below the \$100 reportable limit. The remaining six items totalling \$10,555.62 were all above the reportable limit, but written off subsequent to debt recovery action undertaken, and ultimately proving to be either un-economical or impossible to recover.

VOTING REQUIREMENTS

Simple Majority

MOVED Cr Amphlett, SECONDED Cr Hamilton-Prime that the Audit Committee RECEIVES the Report of monies written off under Delegated Authority for the period January to June 2011.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Chester, Hamilton-Prime, Mayor Pickard and Mr Cowin

ITEM 4 HALF YEARLY REPORT - CONTRACT EXTENSIONS – JANUARY 2011 TO JUNE 2011

WARD: All

RESPONSIBLE DIRECTOR: Mr Mike Tidy
Corporate Services

FILE NUMBER: 07032, 101515

ATTACHMENTS: Attachment 1 Bi-Annual Figures for Contract Extensions
1 January 2011 to 30 June 2011

PURPOSE

The purpose of this report is to provide the Audit Committee with details of Contracts extended by the Chief Executive Officer between January 2011 and June 2011.

EXECUTIVE SUMMARY

The schedule of Contracts extended by the Chief Executive Officer during the half-year ended on 30 June 2011 is provided in Attachment 1.

It is recommended that the Audit Committee NOTES the report detailing Contracts extended by the CEO during the period January 2011 to June 2011 forming Attachment 1 to this Report.

BACKGROUND

At its meeting held on 1 November 2005, Council resolved that a half-yearly report be prepared for the Audit Committee detailing Contracts that were originally approved by Council and have subsequently been extended by the Chief Executive Officer – CJ231-11/05.

DETAILS

Council has delegated to the CEO the authority to approve all Contract extensions on tenders approved by Council, subject to a report to the Audit Committee being prepared on a half-yearly basis providing details of those Contracts extended.

Issues and options considered:

The report detailing Contracts extended by the CEO is provided as Attachment 1.

Legislation/Strategic Plan/Policy Implications

Legislation The City's legal advice is that under section 5.41(d) of the Local Government Act the CEO may be delegated the power to extend a Contract – provided the CEO does not extend the Contract beyond the "total term of the Contract" specified by the Council in the resolution.

Strategic Plan

Key Focus Area: The report of Contracts extended by the CEO links to the Strategic Plan.

Objective: 1.3 To lead and manage the City effectively.

Objective: 1.1 To ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable.

Policy

Not Applicable.

Risk Management considerations:

The delegated authority to extend Contracts is limited to the original terms and conditions approved by resolution of Council when the tender was first awarded.

Financial/Budget Implications:

In accordance with each individual Contract and approved budget limits.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

This report provides the Audit Committee with details of Contracts originally approved by Council or by the CEO under delegated authority, which have subsequently been extended by the CEO during the period from January 2011 to June 2011.

VOTING REQUIREMENTS

Simple Majority

MOVED Cr Chester, SECONDED Cr Hamilton-Prime that the Audit Committee NOTES the Report detailing contracts extended by the Chief Executive Officer during the period January 2011 to June 2011, forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (6/0)

In favour of the Motion: Crs McLean, Amphlett, Chester, Hamilton-Prime, Mayor Pickard and Mr Cowin

Appendix 3 refers

To access this attachment on electronic document, click here: [Attach3agnaudit160811.pdf](#)

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 3.30 pm; the following Members being present at that time:

Cr Tom McLean
Mr Robert (Andy) Cowin
Mayor Troy Pickard
Cr Geoff Amphlett, JP
Cr Christine Hamilton-Prime
Cr John Chester