



File Code: OR.MTG 6/1/1

CONFIRMED MINUTES

AUDIT & RISK COMMITTEE
MEETING

14 JULY 2016

I certify that the minutes of the meeting of the Audit & Risk Committee Meeting held 14 July 2016 Folios ARC1 to ARC40 (which includes Attachment 1) were confirmed on 15 November 2016.



Presiding Person



CONFIRMED MINUTES

AUDIT & RISK COMMITTEE MEETING

14 JULY 2016

ATTENTION/DISCLAIMER

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the Shire of Mundaring unless specific delegation of authority has been granted by Council. No person should rely on or act on the basis of any advice or information provided by a Member or employee, or on the content of any discussion occurring, during the course of the Committee Meeting.

The Shire of Mundaring expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or employee, or the content of any discussion occurring during the course of the Committee Meeting.

LEGEND

To assist the reader, the following explains the method of referencing used in this document:

Item	Example	Description
Page Numbers	ARC1 JULY 12 (ARC2, ARC3 etc)	Sequential page numbering of ARC Agenda or Minutes for July 2016
Item Numbers	8.1 (8.2, 8.3 etc)	Sequential numbering of reports under the heading "8.0 Reports of Officers"
Committee Recommendation Reference	ARC11.07.16	Committee Recommendation number 11 from ARC meeting July 2016
Committee Decision Reference	DARC7.07.16	Committee Decision number 7 from ARC meeting July 2016

CONTENTS

1.0	OPENING PROCEDURES	4
1.1	ANNOUNCEMENT OF VISITORS	4
1.2	RECORD OF ATTENDANCE/APOLOGIES	4
2.0	ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION	4
3.0	DECLARATION OF INTEREST	5
3.1	DISCLOSURE OF FINANCIAL INTEREST AND PROXIMITY INTERESTS	5
3.2	DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY	5
4.0	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE	5
5.0	PUBLIC QUESTION TIME	5
6.0	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	5
	<i>DARC1.07.16</i>	<i>5</i>
7.0	PRESENTATIONS	6
7.1	DEPUTATIONS	6
7.2	PETITIONS.....	6
7.3	PRESENTATIONS.....	6
8.0	REPORTS OF EMPLOYEES	7
8.1	INTERNAL AUDIT - PROCUREMENT.....	7
	<i>DARC2.07.16</i>	<i>15</i>
9.0	ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	39
10.0	URGENT BUSINESS (LATE REPORTS)	39
11.0	CONFIDENTIAL REPORTS	39
12.0	CLOSING PROCEDURES	39
12.1	DATE, TIME AND PLACE OF THE NEXT MEETING	39
12.2	CLOSURE OF THE MEETING	39

**AUDIT & RISK COMMITTEE MEETING
COMMITTEE ROOM**

1.0 OPENING PROCEDURES

Presiding Person declared the meeting open at 5.30pm.

1.1 Announcement of Visitors

Nil

1.2 Record of Attendance/Apologies

Members	<i>Cr Patrick Bertola (Presiding Person)</i>	<i>East Ward</i>
	<i>Cr Bob Perks (Deputy Presiding Person)</i>	<i>Central Ward</i>
	<i>(arrived 5.36pm)</i>	
	<i>Cr Doug Jeans (arrived 5.37pm)</i>	<i>Central Ward</i>
	<i>Cr David Lavell</i>	<i>South Ward</i>
	<i>Cr James Martin</i>	<i>South Ward</i>
	<i>Ms Kim Stewart</i>	<i>External Member</i>
Staff	<i>Jonathan Throssell</i>	<i>Chief Executive Officer</i>
	<i>Paul O'Connor</i>	<i>Director Corporate Services</i>
	<i>Stanislav Kocian</i>	<i>Manager Finance & Governance</i>
	<i>Shane Purdy (arrived 5.36pm)</i>	<i>Director Infrastructure Services</i>
	<i>Andrea Douglas</i>	<i>Minute Secretary</i>
Leave of Absence	<i>Nil</i>	
Apologies	<i>Cr Tony Brennan</i>	<i>West Ward</i>
Guests/Observer	<i>Cr Lynn Fisher</i>	<i>Central Ward</i>
Members of the Public	<i>Nil</i>	
Members of the Press	<i>Nil</i>	

2.0 ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil

3.0 DECLARATION OF INTEREST

3.1 Disclosure of Financial Interest and Proximity Interests

Members must disclose the nature of their interest in matters to be discussed at the meeting (Sections 5.60B and 5.65 of the *Local Government Act 1995*).

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting (Sections 5.70 and 5.71 of the *Local Government Act 1995*).

Nil

3.2 Disclosure of Interest Affecting Impartiality

Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee has given or will give advice (Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C).

Nil

4.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

Procedures for asking and responding to questions are determined by the Person Presiding. Questions must relate to a function of the Committee.
Note: This is not a verbatim record of questions asked and answers given. It is a summary only.

Nil

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

COMMITTEE DECISION	DARC1.07.16
<i>Moved by: Cr Lavell</i>	<i>Seconded by: Cr Bertola</i>

That the minutes of the meeting of the Audit and Risk Committee Meeting held Tuesday 10 May 2016 be confirmed.

CARRIED 4/0

For: Cr Bertola, Cr Lavell, Cr Martin, Ms Stewart

Against: Nil

7.0 PRESENTATIONS

7.1 Deputations

Nil

7.2 Petitions

Nil

7.3 Presentations

Nil

8.0 REPORTS OF EMPLOYEES

8.1 Internal Audit - Procurement

File Code	FI.AUD 1516
Author	Stanislav Kocian, Manager Finance and Governance
Senior Officer	Paul O'Connor, Director Corporate Services
Disclosure of Any Interest	Nil

SUMMARY

In March 2016 the Shire engaged Deloitte to undertake an internal procurement audit to assess whether Shire purchases of goods and services are conducted in accordance with relevant legislation, Shire policies and procedures, and sound purchasing principles and practices.

The procurement audit also evaluated the capacity of systems, policies, procedures and practices of the Shire of Mundaring to effectively prevent, identify and respond to misconduct in procurement practices. Any specific governance weaknesses relating to procurement were identified.

The findings of the Deloitte report (**ATTACHMENT 1**), together with agreed management actions, are presented to the Audit and Risk Committee.

The Audit and Risk Committee will be provided with regular updates as to the progress of the agreed management actions at future committee meetings.

BACKGROUND

The scope of the procurement audit, which covered purchases for the period 1 July 2014 to 31 December 2015, was as follows:

- Review organisational structures, business processes and systems in procurement to prevent/minimise opportunities for misconduct.
- Review systems, controls and practices to identify incidences of non-compliance with legislation and procurement procedures.
- Review reporting and management practices for identified or suspected non-compliance and misconduct.

The expected benefits of the procurement audit were:

- To assure Council that its procurement functions are reviewed, enhanced and compliant.
- To increase staff knowledge and understanding of legislative frameworks relating to procurement.

- To assure the community that the Shire is working to deliver good governance and is committed to ongoing improvements.

STATUTORY / LEGAL IMPLICATIONS

Procurement in local government is governed by the following legislation:

Section 3.57 of the *Local Government Act 1995* requires local governments to call for tenders before entering into contracts under the circumstances prescribed in the *Local Government (Functions and General) Regulations 1996*.

Regulation 11A of the *Local Government (Functions and General) Regulations 1996* requires all local government to have a purchasing policy in place for the supply goods or services where the consideration under the contract is, or is expected to be \$150,000 or less.

Part 4, Division 2 of the *Local Government (Functions and General) Regulations 1996* prescribes the circumstances in which a tender process is to be conducted, and also prescribes the tender process.

Part 4, Division 3 of the *Local Government (Functions and General) Regulations 1996* prescribes the circumstances that a panel of prequalified suppliers may be established and the process for establishing such panels.

POLICY IMPLICATIONS

The Shire's policies, organisational practices and procedures relating to procurement were reviewed by Deloitte. Deloitte's report findings include a number of recommendations to improve the Shire's current documents relating to procurement.

The following policies, organisational practices and procedures will be reviewed and updated to align them with the recommendations for improvement identified in the Deloitte report:

- AS-04, Purchasing Policy
- FI-01, Corporate Purchasing Card Policy
- OP-32, Petty Cash Organisational Practice
- Admin-29, Issue and use of Corporate Purchasing Cards Procedure
- Admin-30, Ordering of Goods and Services
- Admin-31, Quotations for Purchase of Goods and Services

FINANCIAL IMPLICATIONS

There is no additional allocation of financial or human resources to implement the recommendations of Deloitte's report in the draft 2016/17 budget. The timeframes indicated for the implementation of the management actions have been developed on the basis of using existing Shire resources and budget.

The draft budget for 2016/17 does include a provision of \$60,000 for future internal audit activities.

STRATEGIC IMPLICATIONS

Supports Strategic Community Plan 2026:

- Strategic Theme 1.1.4 - Practise effective governance and financial risk management

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

The Deloitte report attached a risk rating against each of the findings. The risk rating criteria is as follows:

Critical - Critical strategic importance or operational exposure, which could seriously compromise internal control and/or operational effectiveness. Management action plan and related corrective action should be implemented as a matter of urgency.

Important - Major strategic importance or opportunity to improve business operations, which warrants a management action plan and related corrective action to be implemented as a matter of priority.

Moderate - Significant strategic importance or control weakness, which undermines the system of internal control and/or operational effectiveness and warrants improvement in the short to medium term.

Minor - Minimal strategic importance or opportunity to improve business operations, which is raised for management consideration of a medium to long term action plan.

The implementation of the agreed management actions will mitigate the risk associated with each of the findings in the Deloitte report. It should be noted that the timeframes indicated for the implementation of the management actions have been developed on the basis of using existing Shire resources.

EXTERNAL CONSULTATION

Deloitte were engaged, via a request for quotation process, to conduct the independent procurement audit.

COMMENT

The findings of the Deloitte Procurement Audit Report, which covered purchases for the period 1 July 2014 to 31 December 2015, did not identify any instances of fraud or misconduct by Shire staff. There was one finding of statutory non-compliance relating to tenders. The report presents a number of findings with associated recommendations for improvement of the Shire's existing policies, practices and procedures.

The findings of the procurement audit and agreed management actions are detailed below. Further detail regarding the finding and recommendations within the audit report can be found on pages 4 to 15 of the report (ATTACHMENT 1).

Finding 1 - Limited guidance provided in the tender processes (Risk – Critical)

Deloitte observations - there is currently no policy document in place that outlines the process for conducting a tender, contributing to an inconsistent tender process being applied throughout the Shire.

Management comments – a Tender process document has been developed and communicated to all relevant employees who are likely to be involved in a tender process. This document was presented to the Audit and Risk Committee in May 2016.

Finding 2 - Insufficient guidance to ensure consistent use of purchase orders across the organisation (Risk – Critical)

Deloitte observations - a Purchasing Policy (AS-04, "Updated for Change In Regs") has been created, however this version is silent on the requirement to use POs for spend categories and thresholds. The Admin-30 Ordering of Goods and Services procedure document states that POs are required for all spend except for card transactions, petty cash purchases, water, electricity or telephone usage invoices and cheque requests. Data analysis identified that 5,413 (\$10,419,390.80) invoices were received without raising POs. Owing to the lack of guidance within the Purchasing Policy and procedure documentation; a number of PO process gaps were identified.

Management comments - the Shire's existing Procedure document (Admin-30, Ordering of Goods and Services) will be reviewed and updated to include the recommendations in the report.

Implementing the recommendations will result in significant changes to procedures, including the possible implementation of new programs within the Shire's existing corporate finance software. As this will affect all purchasing officers and approvers a major communication and training plan will be developed and delivered. The anticipated date for implementation is 31 December 2016.

Procurement at the Shire is decentralised, ie the Shire does not have a dedicated procurement officer or section.

Finding 3 - Lack of robust conflict of interest process for employees involved in procurement activities (Risk – Important)

Deloitte observations - while employees are required to declare their financial interests on an annual basis as part of the Credit Card process, there is no process in place to ensure that conflicts of interest are identified and appropriately managed throughout the procurement process.

Management comments - in relation to recommendation a) all designated employees do submit primary and annual financial returns as required by the *Local Government Act*.

In relation to recommendation d) a draft “no gifts” policy applying to all Shire employees is currently being developed.

A process has been developed as part of the tender guidelines document to identify conflicts of interest and the management of interests during the procurement process.

The tender guidelines state that the evaluation process for tender must be free of bias and conflict of interest and any perception of bias or interest. Any connections between a panel member and a tenderer must be disclosed to the panel and the Chief Executive Officer (or Director of Infrastructure Services if the relevant delegation applies). Only in exceptional circumstances and following approval from the Chief Executive Officer shall a panel member continue to be included in the panel if there is a perceived association and bias.

Finding 4 - Expense policy document has not been developed (Risk – Important)

Deloitte observations - there is currently no expense policy in place, which outlines the process for incurring and reimbursing expenses.

Management comments - a procedure document will be developed to outline the process for the reimbursement of work related expenses to Shire employees. The anticipated date for completion is 30 September 2016.

Finding 5 - A robust contract management system is not in place (Risk – Important)

Deloitte observations - there is currently no policy in place that details the process for creating, executing and managing contracts to ensure they are consistently and appropriately applied throughout the Shire.

Management comments – a contract management procedural document will be developed outlining the process for creating, executing and management of contracts.

As the Shire does not have a central procurement or contract management section, consideration may need to be given to engaging the assistance of specialist external resources. Training for relevant employees will also be provided.

The Shire’s finance software (Civica Authority) modules for “Contract and Tenders register” will be investigated with a view of possible implementation to aid with the Shire’s contract management processes.

In relation to recommendation e) the Shire does have standard terms and conditions for contracts (available on the intranet) however the application of these standard terms and conditions is inconsistent. The existing terms and

conditions template will be reviewed and refresher training will be provided to staff.

The anticipated date for implementation is 30 June 2017.

Finding 6 - Financial Delegations of Authority have not been clearly communicated or applied consistently (Risk – Important)

Deloitte observations - A DoA has been created, which delegates particular statutory powers from the Council to the CEO and sub-delegates. The power to create and award tenders has been delegated to the CEO and Director Infrastructure Services for plant related spend. However, the DoA does not:

- *State who can execute contracts on behalf of the Shire. Of the five tenders selected for testing, one of the contracts was executed by the Manager Operations Services with the remaining being executed by the CEO.*
- *Outline the financial limits that are in place for the Shire.*

Management comments - an Organisational Practice Document will be developed and communicated to staff. The document will provide clarity as to who can sign contracts relating to tenders and circumstances other than tenders. The anticipated date for implementation is 30 September 2016.

Finding 7 - System controls with Online Requisitioning System (OLR) are insufficient to support the purchasing system (Risk – Important)

Deloitte observations - the OLR system has not been designed to effectively manage key aspect of the PO process, as all system warnings can be by-passed, with no independent release or subsequent review required (including spend over budget, duplicate invoices, variance between PO and invoice).

Management comments - this is largely constrained by the Shire's finance software (Civica Authority) and will require discussions with the Shire's software provider. Where possible, the recommendations will be implemented by 31 December 2016.

Finding 8 - Purchasing card spend is not appropriately controlled (Risk – Important)

Deloitte observations - The FI-01 Corporate Purchasing Card policy and the Admin-29 Issue and Use of Corporate Purchasing Cards procedure have been created to outline the process to issue and spend on the corporate cards. However, the credit card process as outlined within the policy and procedure is not robust as:

- *There is no requirement to submit a valid business case to support the approval to issue a Purchasing Card*
- *Purchasing Card spend limits are not aligned to the spend limits outlined in the Admin-30 Ordering of Goods and Services.*

- *Purchasing Card spend does not require pre-approval (e.g. travel, training etc.)*
- *There is no requirement to review Purchasing Card spend on a regular basis to identify trends and anomalies.*

Management comments – the relevant Shire documents, FI-01 'Corporate Purchasing Card policy' and Admin-29 'Issue and Use of Corporate Purchasing Cards' will be updated to incorporate the recommendations.

A review of the number of purchase cards required will be undertaken, with a view to significantly reduce the number of cards. An analysis and review of credit limits for all cards will also be undertaken.

It should be noted that an initial review undertaken by Finance identified nine cards that have not been used in the past 12 months (not 35 cards as highlighted in the Deloitte report).

In relation to recommendation d) Admin-29 Issue and use of Corporate Purchasing Cards procedure does detail the roles and responsibilities of the individuals involved with the purchasing card process (e.g. Card holder, spend approver, Finance)

The Civica Authority purchasing card module will be investigated as this may assist with better management of card spend/approval processes.

The anticipated date for implementation is 30 November 2016.

Finding 9 - Limited review of system changes as audit logs are not reviewed (Risk – Moderate)

Deloitte observations - all changes to OLR are required to be reviewed and approved by two individuals, with evidence maintained on a signed change request form. Within OLR however, it is possible for an individual to process a change without obtaining approval / release from a second individual. In addition, audit logs from OLR identifying changes that have been processed are not currently being reviewed.

Management comments- the risks associated with this finding are considered minimal due to segregation of duties that the Shire has in place.

The following functions in the purchasing cycle have a clear separation of duties:

- Approving invoices for payment
- Entering invoices into the system for payment
- Approving the bank file (or signing cheque) for payment of funds (two approvers required).

The Purchasing/OLR administration within Civica Authority will be moved to Finance Services for tighter control and segregation of duties (currently with Payroll).

The Civica Authority Accounts Payable Invoice approval program will be investigated as this may assist with meeting the requirement for approval of variances to purchase orders.

Finding 10 - Vendor master data file maintenance (Risk – Moderate)

Deloitte observations - there is currently no process in place to review the vendor master data file on a regular basis.

Management comments – the vendor master file within the finance system will be 'cleaned up' over the next 12 months. It should be noted that duplicate vendors cannot be deleted from the finance system (for audit trail purposes), however they are flagged as "do not use" in the system. Some duplicates have arisen due to businesses changing ownership.

The anticipated date of completion is 30 June 2017.

Finding 11 - Petty cash policy not in place (Risk – Minor)

Deloitte observations - petty cash is used across four locations, with a float totalling approximately \$500. Each location is responsible for distributing cash to employees and obtaining the relevant supporting receipts, with replenishments occurring centrally. There is currently no petty cash policy in place to outline the roles and responsibilities in relation to petty cash. The current process gaps have been identified:

- *There is no guidance as to when petty cash should be used.*
- *The one individual is responsible for issuing petty cash, replenishing petty cash and completing petty cash reconciliations.*
- *There is no requirement to conduct regular cash counts.*

Management comments- An Organisational Practice does exist, OP-32 "Petty Cash". This document will be reviewed and the recommendations of the report will be incorporated where gaps exist in the current document. It should be noted that whilst one individual is responsible for issuing petty cash, replenishing petty cash and completing petty cash reconciliations, all petty cash reconciliations are checked and approved by an independent finance staff member.

The anticipated date for completion is 30 September 2016.

5.36pm Cr Perks arrived at the meeting
5.37pm Cr Jeans arrived at the meeting

VOTING REQUIREMENT:

Simple majority

COMMITTEE DECISION	DARC2.07.16
<i>Moved by:</i> Cr Lavell	<i>Seconded by:</i> Cr Martin

That the Audit and Risk Committee:

1. Receives the Deloitte Procurement Internal Audit (May 2016) report (ATTACHMENT 1);
2. Notes management comments, actions and associated timeframes relating to each of the findings and recommendations of the procurement audit report; and
3. Notes that a report on the progress towards the agreed management actions will be presented at the Audit and Risk Committee meetings until complete.

CARRIED 6/0

For: Cr Bertola, Cr Perks, Cr Jeans, Cr Lavell, Cr Martin, Ms Stewart

Against: Nil

Attachment 1

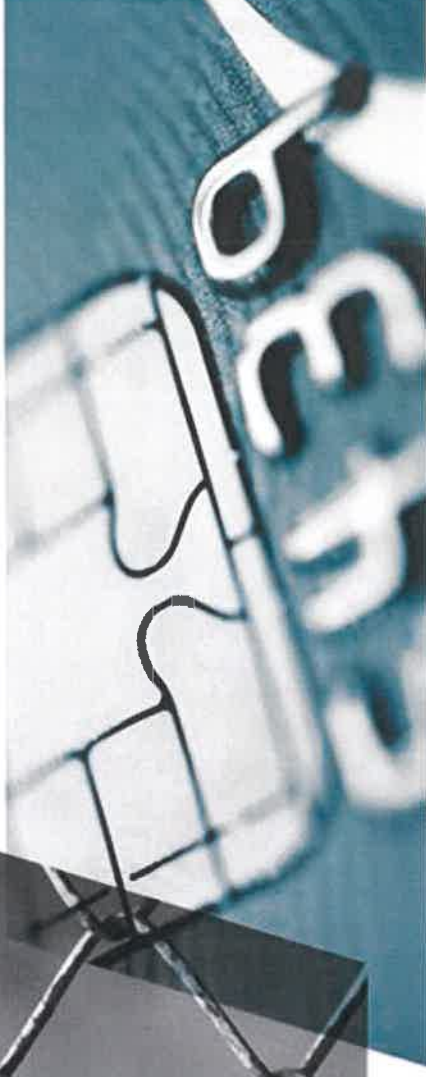
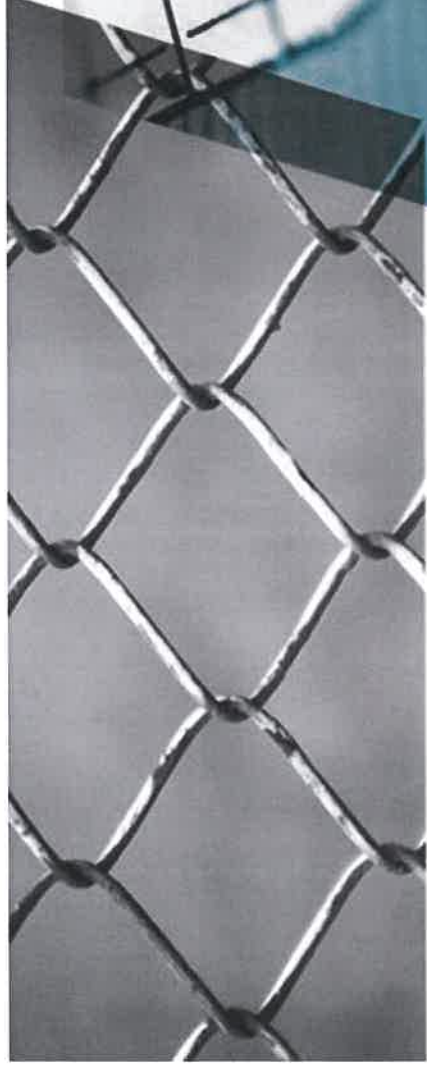
Report 8.1

22 pages

Deloitte.

Shire of Mundaring

Procurement internal audit



May 2016

Procurement

Contents	
Executive summary	3
Summary of findings	4
Detailed findings	5
Appendix A	16
• Priority rating definitions	
Appendix	17
• Data analysis visualisations	

Distribution	
Audit and Risk Committee	
Stan Kocian	Manager Finance and Governance
Debbie Morgan	Finance Team Leader

Inherent Limitations

The Services provided are advisory in nature and have not been conducted in accordance with the standards issued by the Australian Auditing and Assurance Standards Board and consequently no opinions or conclusions under these standards are expressed.

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate. Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by Shire of Mundaring personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

Limitation of Use

This report is intended solely for the information and internal use of the Shire of Mundaring in accordance with our contract executed on 29 January 2016, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than Shire of Mundaring for our work, for this report, or for any reliance which may be placed on this report by any party other than Shire of Mundaring.

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Executive summary

Purpose

The purpose of this internal audit was to assess whether purchases of goods and services are conducted in accordance with relevant legislation, Shire of Mundaring (Shire) policies and procedures and sound purchasing principles and practices.

Scope

The internal audit was to consider the capacity of systems, policies, procedures and practices of the Shire to prevent, identify and respond to misconduct in procurement practices, specifically to examine:

- Organisational structures, business processes and systems in procurement to prevent/minimise opportunities for misconduct
- Systems, controls and practices to identify incidences of non-compliance with legislation and procurement procedures
- Reporting and management practices for identified or suspected non-compliance and misconduct.

Work performed

To achieve the purpose of the internal audit, we:

- Obtained procurement related data for the audit period and conducted analytical procedures. Results of the data analysis were investigated through the internal audit, used to target specific sample testing
- Performed a framework assessment of the procurement process. The assessment focused on understanding the risks inherent within each process and how controls have been designed to manage the risk
- Walked through the in-scope processes with key personnel to understand if the actual process matched the designed process. As part of our walkthroughs, a sample was selected to demonstrate the application of the process
- Investigated the exceptions identified for a selection of the data analytics procedures and verified the data results.

The internal audit focused on the current state processes. Where any sample testing or data analytics was undertaken, we considered the period of 1 July 2014 to 31 December 2015.

Context

The Shire is responsible for providing services to the local community including local road maintenance, rubbish collection and maintenance of the local sporting facilities (swimming pools and sporting grounds). The Shire has approximately 15,000 rateable properties, which generate \$25 million in rates revenue.

The Shire operates a decentralised procurement process, with a significant portion of the Shire's employees being able to undertake procurement activities across the Shire's multiple locations. Purchasing is undertaken using many payment methods including accounts payable/purchase orders (PO), purchasing cards, employee reimbursement and petty cash.

An electronic online requisition and purchase order approval system (OLR) has been implemented to workflow the approval of POs in line with agreed spending limits.

Purchasing cards have been provided to 72 active Shire employees in an effort to reduce the need for petty cash and to facilitate efficient payment of work related expenses.

Summary of findings

The Shire conducts a significant amount of spend across its multiple locations. Each of the locations is responsible for undertaking its own procurement activities, managing spend against respective budgets. For the 2015 calendar year, the procurement activities were undertaken across Capex, Engineering, Operating expenditure and Other as follows:



During the 18 month internal audit period ended 31 December 2015, purchasing was processed through accounts payable (POs), accounts payable (non-POs) purchasing card, petty cash and reimbursements as follows:



Further data analysis visualisations are presented in Appendix B of this report. Purchasing policies and procedures have been created, however these documents provide limited practical guidance to the locations as to the roles and responsibilities to conduct procurement activities. The limited formal guidance has contributed to inconsistent procurement practices being followed at each of the locations. The following findings and process improvements have been identified, which present an opportunity to enhance the procurement related processes:

- **Tendering** – Limited guidance has been provided to outline the thresholds of when a tender may be required, however there are no processes in place to follow to conduct a robust and transparent tender

- **POs** – The current Purchasing Policy is silent on the need to create POs and does not outline a clear process to create a PO. As a result, POs are being used to different degrees of effectiveness across the Shire's multiple locations
- **Conflicts of interest** – There is currently no requirement for staff involved in the procurement process to declare any conflicts of interest
- **Expense reimbursement** – An expense policy has not been created to outline which expenses are allowable, the appropriate approval of reimbursable expenses or the process to reimburse expenditure incurred
- **Contract management** – Contracts are currently managed by the relationship holder, with limited guidance provided to outline when a contract is to be created, how it is to be executed and how performance is to be monitored
- **Financial Delegations of Authority (DoA)** – Certain activities in relation to tenders have been captured within the DoA, however the document does not consider who is able to execute contracts nor the financial delegations
- **System controls** – OLR has automated controls in place to identify when a purchase may be outside of the inbuilt parameters, however it is possible for an individual to bypass any of the system generated warnings to continue to process the purchase
- **Purchasing cards** – Purchasing cards have been widely distributed to Shire employees to assist with efficient purchasing. Spend using the purchasing cards is not robustly controlled and has resulted in individuals utilising the purchasing cards rather than operating through the PO process
- **System changes** – Routine reviews of OLR system changes are not being carried out, as audit logs are not reviewed on a regular basis to identify any inappropriate changes
- **Vendor master data** – Data analytics identified vendor accounts that require updating, including missing ABNs, repeated/similar names, unused vendors. It also highlighted that vendor master data should be reviewed on a regular basis to ensure accuracy
- **Petty cash** – A policy has not been established outlining the roles and responsibilities in relation to petty cash.

Detailed findings

Finding	Risk/implication	Recommendation	Agreed Management Actions
<p>1. Limited guidance provided on tender processes</p> <p>There is currently no policy document in place that outlines the process for conducting a tender, contributing to an inconsistent tender process being applied throughout the Shire</p> <p>For example, of five tenders selected for testing:</p> <ul style="list-style-type: none"> The selection panel for one tender consisted of two members, whereas the Purchasing Policy required three panel members A tender was not conducted for one supplier with spend in excess of \$150,000 as required by the Local Government (Functions and General) Regulations 1996 (the Regulations). 	<ul style="list-style-type: none"> Inappropriate suppliers may be engaged Value for money may not be obtained Goods / services may not meet quality requirements Non-compliance with Local Government Regulations. 	<p>1. Develop a tender policy, which is aligned with the Regulations and outlines the process for conducting a tender, with consideration for:</p> <ol style="list-style-type: none"> The situations when a tender is required The roles and responsibilities of the individuals involved with a tender The approvals required throughout the process (e.g. tender criteria, tender award, contracts, POs) The minimum number of and type of members required on the tender panel Minimum documentation required to support the tender process The identification and management of conflicts of interest Establishment, approval and assessment of tender criteria Communicating with the tender participants (e.g. advertising, follow-up questions) Negotiation and execution of contracts. <p>2) Communicate the policy to all staff and make it easily accessible on the intranet.</p>	<p>Tender process document to be developed and communicated to relevant employees. Present to the Audit and Risk Committee in May.</p> <p>Responsible person and service area: Manager Finance and Governance – Governance Services</p> <p>Due date: June 2016</p>

Detailed findings

Finding	Risk/implication	Recommendation	Agreed Management Actions
<p>2. Insufficient guidance to ensure consistent use of POs across the Shire</p> <p>A Purchasing Policy (AS-04, "Updated for Change In Regs") has been created, however this version is silent on the requirement to use POs for spend categories and thresholds. The Admin-30 Ordering of Goods and Services procedure document states that POs are required for all spend except for card transactions, petty cash purchases, water, electricity or telephone usage invoices and cheque requests. Data analysis identified that 5,413 (\$10,419,390.80) invoices were received without raising POs. Owing to the lack of guidance within the Purchasing Policy and procedure documentation, the following PO process gaps were identified:</p> <ul style="list-style-type: none"> POs are not raised for all of the required spend categories POs are typically raised at the time of receiving the invoice Limited goods receipting is conducted Where an invoice exceeds the PO value, there is a practice for the Requestor to raise a PO for the difference (rather than the total expenditure / commitment value) Limited segregation of duties exists as the same individual can initiate a PO, approve a PO, goods receipt and approve an invoice Open POs are not reviewed in a timely manner Standing orders are not consistently raised or monitored. 	<ul style="list-style-type: none"> Spend is not appropriately approved prior to incurring expenditure Inappropriate suppliers may be engaged Value for money may not be obtained Goods / services may not meet quality requirements Lack of visibility as to the Shire's committed spend 	<ol style="list-style-type: none"> Develop and document a PO process, which outlines the process for creating, approving and managing POs, with consideration for: <ol style="list-style-type: none"> The types of purchases when a PO is required to be created The roles and responsibilities of the individuals involved with PO process (e.g. requestor, approver, Finance) Appropriate segregation of duties Routine review of management information, including open POs and PO/invoice variances Appropriate PO change/variation processes, to ensure that the total value (initial PO plus the variance) of the PO is approved in line with the approved limits Appropriate standing order creation and monitoring processes, including utilising standing orders for utilities The approvals required throughout the process (e.g. quotes/tender, requisition, PO, invoice payment) Minimum documentation required to support the PO processes (including maintaining quotes and justification for the use of Soul Source Suppliers) Communicate the procedure to all staff and make it easily accessible on the intranet. 	<p>Existing Organisational Procedure Admin-30, Ordering of Goods and Services, to be reviewed and updated to include recommendations.</p> <p>Significant changes to procedures are required including possible implementation of new programs within existing Authority software (AP approvals and Standing Orders). This will affect all purchasing officers and approvers and therefore require a major communication and training plan to be developed and delivered.</p> <p>Responsible person: Manager Finance and Governance – Finance Services</p> <p>Due date: December 2016</p>

Detailed findings

Finding	Risk/Implication	Recommendation	Agreed Management Actions
<p>3. Lack of robust conflict of interest process for employees involved in procurement activities</p> <p>While employees are required to declare their financial interests on an annual basis as part of the Credit Card process, there is no process in place to ensure that conflicts of interest are identified and appropriately managed throughout the procurement process.</p>	<ul style="list-style-type: none"> • Inappropriate suppliers may be engaged • Fraud • Financial loss • Value for money may not be obtained. 	<p>1) Develop a conflict of interest process to confirm that all conflicts are identified and appropriately managed throughout the procurement process, including:</p> <ol style="list-style-type: none"> a) Require all staff to declare their interest (financial and non-financial) on a routine basis b) Create a register of interests that captures the interests and any mitigation plans in place c) Require the register of interests to be reviewed as part of any tender / purchasing activities to ensure there are no conflicts (perceived or actual). d) Require employees to ensure they do not undertake activities that could cause a conflict of interest (e.g. accept gifts / gratuities from a supplier) e) Minimum documentation required to support the conflict of interest process. <p>2) Communicate the policy to all staff and make it easily accessible on the intranet.</p>	<p>In relation to recommendation a) all designated employees do submit primary and annual financial returns as required by the LG Act.</p> <p>In relation to recommendation d) a draft "no gifts" policy applying to all Shire employees is being considered at Executive Level.</p> <p>Process to be developed to identify conflicts of interest and management of during the procurement process.</p> <p>Responsible person: Manager Finance and Governance – Governance Services</p> <p>Due date: Policy – June 2016</p> <p>Process – September 2016</p>

Detailed findings

Finding	Risk/implication	Recommendation	Agreed Management Actions
<p>4. Expense policy has not been developed There is currently no expense policy in place, which outlines the process for incurring and reimbursing expenses.</p>	<ul style="list-style-type: none"> • Inappropriate / unauthorised spend may occur • Value for money may not be obtained • Fraud • Goods / services may not meet quality requirements. 	<p>1. Develop an expense policy which outlines the process for incurring and reimbursing business related expenses, with consideration for:</p> <ol style="list-style-type: none"> a) The situations when it is appropriate to use out of pocket expenses (rather than petty cash, credit cards or purchase orders) b) The types of expenses that are reimbursable c) The roles and responsibilities of the individuals involved with an expense claim (staff member, approver, Finance) d) Situations where pre-approval may be required for expenses (e.g. Travel, training), the business case required for the expense and the evidence of approval that needs to be maintained e) The process of requesting reimbursement for expenses incurred f) The approvals required throughout the process (e.g. pre-approval, expense claim approval) g) Minimum documentation required to support expenses and the process to be followed where support cannot be provided h) The process and method for reimbursing the employee for approved expenses i) Disciplinary action for any contraventions of the policy (e.g. non-payment of expenses, performance appraisals, dismissal). <p>2) Communicate the policy to all staff and make it easily accessible on the intranet.</p>	<p>Procedure document to be developed to outline the process for incurring and reimbursing expenses.</p> <p>Responsible person: Manager Finance and Governance – Finance Services</p> <p>Due date: September 2016</p>

Detailed findings

Finding	Risk/implication	Recommendation	Agreed Management Actions
<p>5. A robust contract management system is not in place</p> <p>There is currently no policy in place that details the process for creating, executing and managing contracts to ensure they are consistently and appropriately applied throughout the Shire. For example, of five contracts sampled, we identified that one was inappropriately executed.</p>	<ul style="list-style-type: none"> • Lack of recourse in the event of a dispute • Inappropriate / unauthorised spend may occur • Value for money may not be obtained • Goods / services may not meet quality requirements 	<p>1. Develop a contract management policy, aligned with Department of Finance guidelines, which outlines the process for creating, executing and management contracts, with consideration for:</p> <ol style="list-style-type: none"> The types of relationships and purchase when a contract is required to be created (e.g. spend over a value threshold, a higher risk good / service) The roles and responsibilities of the individuals involved with contract management (contract owner, senior management, Finance) Creation, communication and routine review of Shire standard terms and conditions Appropriate contract negotiation, including pricing metrics, KPIs and contract value Requiring Shire standard terms and conditions to be used, rather than supplier terms Appropriate review and execution of contracts in line with the delegations of authority and the Regulations Routine supplier performance assessments and KPI monitoring Contract change management processes The approvals required throughout the process (e.g. contract negotiation, contract execution, contract changes) Minimum documentation required to support the contract management processes <p>2) Communicate the policy to all staff and make it easily accessible on the intranet.</p>	<p>A contract management procedural document to be developed outlining the process for creating, executing and management of contracts.</p> <p>As the Shire does not have a central procurement or contract management section, consideration may need to be given to engaging the assistance of specialist external resources. Training for relevant employees will also be provided.</p> <p>Civica Authority software modules for "Contract and Tenders register" to be investigated with a view to possible implementation to aid with the contract management processes.</p> <p>In relation to recommendation e) the Shire does have standard terms and conditions for contracts (available on the intranet) however the application of these standard terms and conditions is inconsistent. Refresher training to be conducted. Existing terms and conditions template will also be reviewed.</p> <p>Responsible person: Manager Finance and Governance – Governance Services</p> <p>Due date: June 2017</p>

Detailed findings

Finding	Risk/implication	Recommendation	Agreed Management Actions
<p>6. Financial DoA have not been clearly communicated or applied consistently</p> <p>A DoA has been created, which delegates particular statutory powers from the Council to the CEO and sub-delegates. The power to create and award tenders has been delegated to the CEO and Director Infrastructure Services for plant related spend. However, the DoA does not:</p> <ul style="list-style-type: none"> State who can execute contracts on behalf of the Shire. Of the five tenders selected for testing, one of the contracts was executed by the Manager Operations Services with the remaining being executed by the CEO Outline the financial limits that are in place for the Shire. <p>In addition, the DoA has not been clearly communicated to all Shire locations. For example, two of the three locations interviewed were unaware that a DoA existed.</p>	<ul style="list-style-type: none"> The Shire is inappropriately committed to a contract The Shire is unaware of the full extent of its contractual obligations / liabilities. 	<ol style="list-style-type: none"> Update the DoA to outline who can execute contracts on behalf of the Shire and in which circumstances Communicate the DoA to all staff and make it easily accessible on the intranet. 	<p>An Organisation Practice Document to be developed and communicated to staff. Document will provide clarity as to who can sign contracts relating to tenders and circumstances other than tenders.</p> <p>Responsible person: Manager Finance and Governance – Governance Services</p> <p>Due date: September 2016</p>

Detailed findings

Finding	Risk/implication	Recommendation	Agreed Management Actions
<p>7. System controls within OLR are insufficient to support the purchasing process</p> <p>The OLR system has not been designed to effectively manage key aspect of the PO process, as all system warnings can be by-passed, with no independent release or subsequent review required (including spend over budget, duplicate invoices, variance between PO and invoice).</p>	<ul style="list-style-type: none"> Inappropriate / erroneous POs are approved 	<p>1. Consider reconfiguring OLR to require any PO/activity that generates a warning to be stopped until it has been released by an independent individual.</p>	<p>This is largely constrained by the Shire's software (Civica Authority) and will require discussions with the Shire's software provider. Recommendations to be implemented where possible.</p> <p>Responsible person: Manager Finance and Governance – Finance Services</p> <p>Due date: December 2016</p>

Detailed findings

Finding	Risk/implication	Recommendation	Agreed Management Actions
<p>8. Purchasing Card policy requires enhanced controls</p> <p>The FI-01 Corporate Purchasing Card policy and the Admin-29 Issue and Use of Corporate Purchasing Cards procedure have been created to outline the process to issue and spend on the corporate cards. However, the credit card process as outlined within the policy and procedure is not robust as:</p> <ul style="list-style-type: none"> • There is no requirement to submit a valid business case to support the approval to issue a Purchasing Card • Purchasing Card spend limits are not aligned to the spend limits outlined in the Admin-30 Ordering of Goods and Services. • Purchasing Card spend does not require pre-approval (e.g. travel, training etc.) • There is no requirement to review Purchasing Card spend on a regular basis to identify trends and anomalies. <p>The data analysis conducted identified there were 35 employees that did not use their purchasing card in the previous 12 months.</p>	<ul style="list-style-type: none"> • Inappropriate / unauthorised spend may occur • Value for money may not be obtained • Goods / services may not meet quality requirements • Inappropriate suppliers may be engaged. 	<ol style="list-style-type: none"> 1. Develop and document a purchasing card process which outlines the process for issuing, use and monitoring of purchasing cards, with consideration for: <ol style="list-style-type: none"> a) The appropriate individuals who are required to have a purchasing card, with appropriate supporting business case b) Aligning purchasing card spend limits to the wider purchasing limits c) Outlining the types of purchases when a purchasing card is required to be used (compared to PO or petty cash) d) The roles and responsibilities of the individuals involved with purchasing card process (e.g. card holder, spend approver, Finance) e) Appropriate segregation of duties f) The approvals required throughout the process (e.g. to issue credit cards, pre-approval of spend, review of purchasing card claims, payment) g) Minimum documentation required to support the purchasing card processes h) Routine review of purchasing card usage to identify card holders with no activity. 2. Communicate the procedure to all staff and make it easily accessible on the intranet. 	<p>FI-01 Corporate Purchasing Card policy and Admin-29 Issue and Use of Corporate Purchasing Cards procedure documents will be updated to incorporate the recommendations.</p> <p>A review of the number of cards required will be undertaken, with the view of reducing the number of cards significantly.</p> <p>The relevant Managers of the 35 employees that have not used their purchase card in the past 12 months will be contacted with a view that these cards be cancelled.</p> <p>In relation to recommendation d) Admin-29 Issue and use of Corporate Purchasing Cards procedure does detail the roles and responsibilities of the individuals involved with the purchasing card process (e.g. Card holder, spend approver, Finance)</p> <p>Civica Authority purchasing card module to be investigated as this may assist with better management of card spend/approval processes.</p>
			<p>Responsible person: Manager Finance and Governance – Finance Services</p> <p>Due date: Policy – September 2016</p> <p>Canceling cards – June 2016</p>

Detailed findings

Finding	Risk/implication	Recommendation	Agreed Management Actions
<p>9. Limited review of system changes as audit logs are not reviewed</p> <p>All changes to OLR are required to be reviewed and approved by two individuals, with evidence maintained on a signed change request form. Within OLR however, it is possible for an individual to process a change without obtaining approval / release from a second individual.</p> <p>In addition, audit logs from OLR identifying changes that have been processed are not currently being reviewed.</p>	<ul style="list-style-type: none"> • Inappropriate / erroneous changes to OLR may be made • Inappropriate payments may be made. 	<ol style="list-style-type: none"> 1. Consider reconfiguring OLR to require any system changes to be approved / released by a second, independent individual 2. On a routine basis, generate OLR audit logs and confirm changes made were accurately completed and appropriately approved. Evidence of this review should be maintained. 	<p>Risk considered minimal due to segregation of duties.</p> <p>The following functions in the purchasing cycle have a clear separation of duties:</p> <ul style="list-style-type: none"> • Approving invoices for payment • Entering invoices into the system for payment • Approving the bank file (or signing cheque) for payment of funds (two approvers required). <p>Purchasing/OLR Administration within Civica Authority to be moved to Finance for tighter control and segregation of duties (currently with Payroll).</p> <p>Civica Authority Accounts Payable Invoice approval program to be investigated – should assist with meeting this requirement for approval of variances.</p> <p>Responsible person: Manager Finance and Governance – Finance Services</p> <p>Due date: Noted</p>

Detailed findings

Finding	Risk/Implication	Recommendation	Agreed Management Actions
<p>10. Vendor master data file is not regularly reviewed and maintained</p> <p>There is currently no process in place to review the vendor master data file on a regular basis.</p> <p>Data analysis identified:</p> <ul style="list-style-type: none"> • 37 vendor accounts, which appear to have a relationship with other vendor accounts (e.g. same name, address or bank account details) • 9,581 vendor accounts who are active within the system, yet no purchases have been made with them in the last 18 months • 223 vendor accounts do not have an A B N. • 174 vendor accounts that have also been paid via purchasing cards. 	<ul style="list-style-type: none"> • Inappropriate / erroneous / duplicate payments may be made 	<ol style="list-style-type: none"> 1. Develop and document a process which requires regular review of the vendor master data file to ensure it is accurate and free from duplicates. 2. Communicate the procedure to all staff and make it easily accessible on the intranet. 	<p>Vendor master file to be 'cleaned up' over the next 12 months. It should be noted that duplicate vendors can't be deleted from Authority system but are marked as "do not use". Some duplicates have arisen due to businesses changing ownership.</p> <p>Responsible person: Manager Finance and Governance – Finance Services</p> <p>Due date: 30 June 2017</p>

Detailed findings

Finding	Risk/Implication	Recommendation	Agreed Management Actions
<p>11. Petty cash policy is not in place Petty cash is used across four locations, with a float totalling approximately \$500. Each location is responsible for distributing cash to employees and obtaining the relevant supporting receipts, with replenishments occurring centrally.</p> <p>There is currently no petty cash policy in place to outline the roles and responsibilities in relation to petty cash. The current process gaps have been identified:</p> <ul style="list-style-type: none"> • There is no guidance as to when petty cash should be used • The one individual is responsible for issuing petty cash, replenishing petty cash and completing petty cash reconciliations • There is no requirement to conduct regular cash counts. 	<ul style="list-style-type: none"> • Inappropriate / erroneous petty cash payments • Misappropriation of petty cash. 	<p>1. Develop and document a petty cash process which outlines the process for using and monitoring petty cash, with consideration for:</p> <ol style="list-style-type: none"> Outlining the types of purchases for which petty cash can be used (compared to PO or purchasing cards) The roles and responsibilities of the individuals involved with the petty cash process (e.g. recipient, issuer, Finance) Appropriate segregation of duties, especially in relation to cash counts and replenishment The approvals required throughout the process (e.g. to obtain petty cash, to replenish petty cash) Minimum documentation required to support the petty cash expenses Conducting regular independent cash counts. <p>2. Communicate the procedure to all staff and make it easily accessible on the intranet.</p>	<p>Organisational Practice does exist – OP-32 "Petty Cash". Document to be reviewed and recommendations to be incorporated where gaps exist in existing document.</p> <p>Responsible person: Manager Finance and Governance – Finance Services</p> <p>Due date: September 2016</p>

Appendix A – Priority rating definitions

The following ratings have been used in this report to help management to prioritise their response to recommendations.

Priority	Definition
Critical	Critical strategic importance or operational exposure, which could seriously compromise internal control and/or operational effectiveness. Management action plan and related corrective action should be implemented as a matter of urgency
Important	Major strategic importance or opportunity to improve business operations, which warrants a management action plan and related corrective action to be implemented as a matter of priority
Moderate	Significant strategic importance or control weakness, which undermines the system of internal control and/or operational effectiveness and warrants improvement in the short to medium term
Minor	Minimal strategic importance or opportunity to improve business operations, which is raised for management consideration of a medium to long term action plan.

Appendix B – Data analysis visualisations

The following visualisations are part of the complete Tableau workbook used to guide our internal audit testing. This workbook is also available for the Shire to further investigate and test specific exceptions, trends and/or anomalies. The visualisations provided are:

2015 Spend – Shire spend by type, vendor and GL description (p.18)

Spend Profile by Procurement Method – Shire spend by method (PO, non-PO, purchasing card, reimbursements, petty cash) (p.19)

Invoices without Purchase Order – Details of all spend incurred without a corresponding PO (p.20)

Vendor to Vendor Relationships – Compares attributes of accounts payable vendor accounts to identify potential duplicates (p.21)

Spend Profile by Supplier – Purchasing card spend by vendor, with card holder and transaction level detail (p.22).

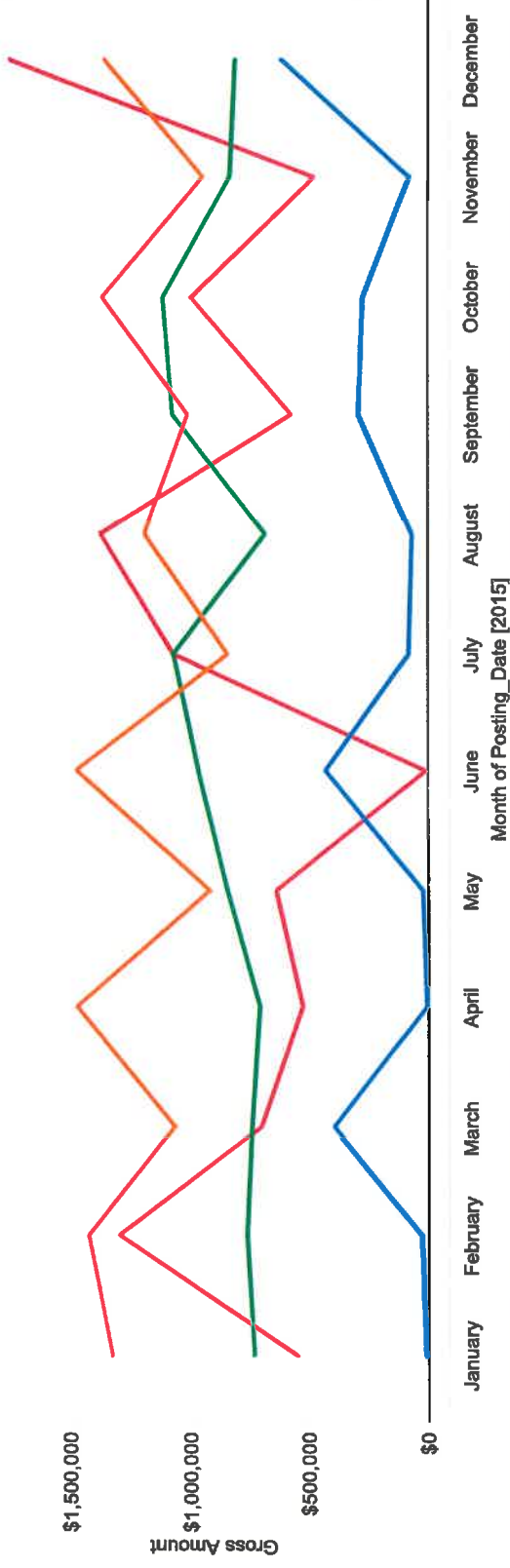
2015 Spend

Spend Over Time

Legend

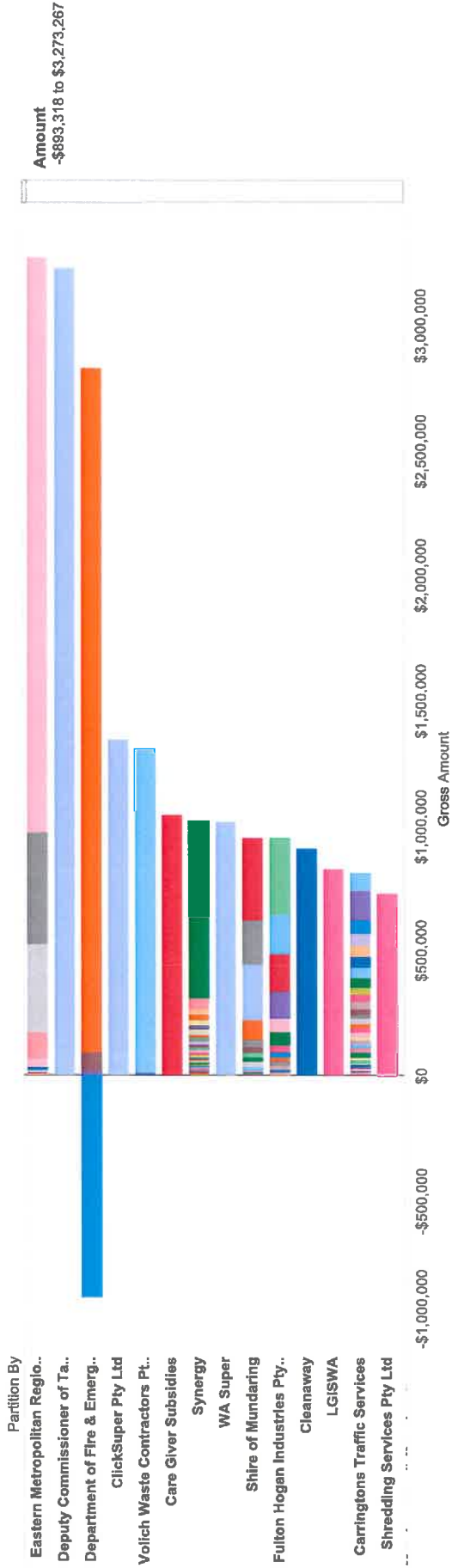
- Split By:
Spend Category
- CAPEX
 - ENGINEERING
 - OPEX
 - OTHER

- Split By
- CAPEX
 - ENGINEERING
 - OPEX
 - OTHER

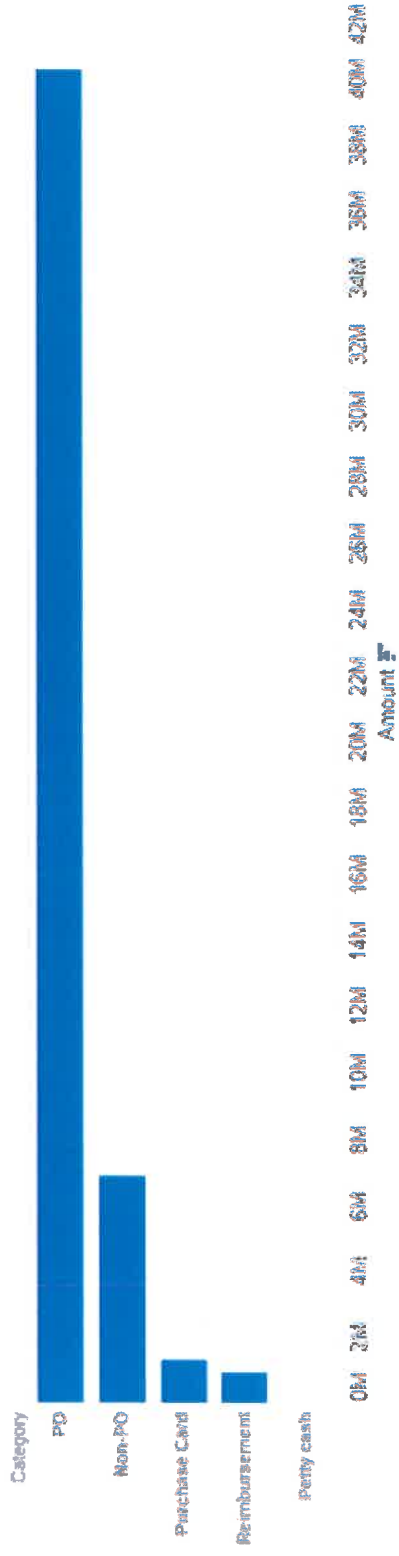


Paid Invoices by Vendor

Partition By Vendor

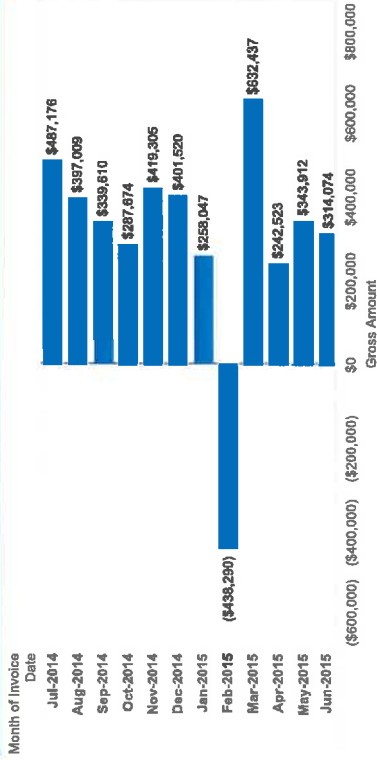


Spend Profile by Procurement Method

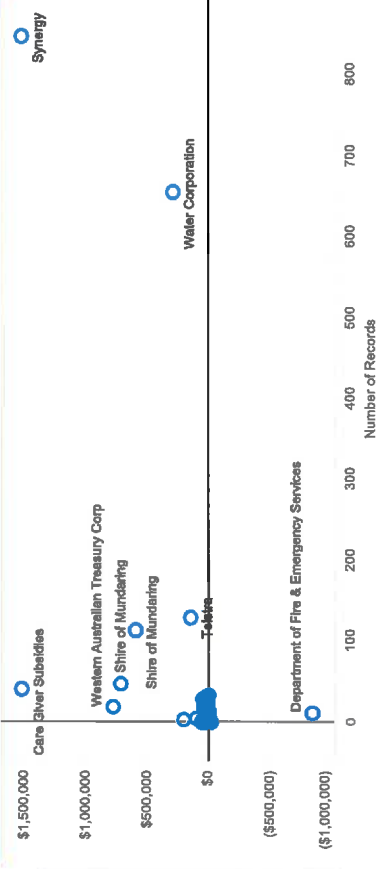


Invoices without Purchase Order

Za. Inv WO PO By Month



Zb. Inv WO PO by Vendor



Filters

- Vendor ID & Vendor Name: Synergy
- Vendor Status: Active
- Vendor Type: Commercial

Zc. Inv WO PO Details

Vendor ID	Vendor Name	Vendor Status	Vendor Type	ABN	System Invoice Number	Physical Invoice Number	Invoice Date	Due Date	Comment	GL Account Description	Invoice Amount
335	Westlammers Kleenheat Gas Pty Ltd	Active	Commercial	40008679543	3630561	20660240	2015-05-22	2015-06-30	GAS - HUB	(BLD) THE HUB OF THE HILLS	\$146
					3682739	20711527	2015-08-07	2015-09-30	GAS - HUB OF THE HILLS - 8 CRAIG ST	(BLD) THE HUB OF THE HILLS	\$146
					3727727	20743574	2015-09-25	2015-10-30	GAS - HUB	(BLD) THE HUB OF THE HILLS	\$137
8814	SCS Super Pty Ltd - Australian Catholic Superannua	Active	Commercial	Null	3754770	20776083	2015-11-27	2015-12-30	GAS	(BLD) THE HUB OF THE HILLS	\$6,632
					3548458	ENTITLEMENTS	2014-12-23	2014-12-23	ENTITLEMENTS FROM 1/7/14 - 31/10/14	COUNCILLORS ALLOWANCE	\$4,316
					3565684	ID - 10049064	2015-01-21	2015-01-22	ENTITLEMENTS FOR 1 - 31 JANUARY 20.	COUNCILLORS ALLOWANCE	\$4,316
					3579357	10049064	2015-02-17	2015-02-18	CONTRIBUTION FOR HELEN DULLARD - ..	COUNCILLORS ALLOWANCE	\$4,316
					3586868	42064	2015-03-19	2015-03-20	ENTITLEMENTS FOR 1-31 MARCH 2015	COUNCILLORS ALLOWANCE	\$4,316
					3613229	42095	2015-04-20	2015-04-21	HELEN DULLARD - ID 10049064 SUPER C.	COUNCILLORS ALLOWANCE	\$4,316
					3629364	42125	2015-05-20	2015-05-21	CLIENT ID - 10049064 HELEN DULLARD	COUNCILLORS ALLOWANCE	\$4,316
10932	Kim Bowman Music	Active	Commercial	31210935838	3686353	185	2015-07-24	2015-07-25	INTERPRETIVE MUSICAL EQUIPMENT - ..	SCULPTURE PARK DEVELOPMENT	\$28,752
9813	Buck Holdings Pty Ltd T/As Midland Isu..	Active	Commercial	76094424674	3710832	46827	2015-08-19	2015-09-18	Null	SUPERVISOR CONSTRUCTION VEHICL..	\$13,378
1052	Darlington Arts Festival Association	Active	Commercial	22497123352	3728982	46827	2015-08-19	2015-10-23	SUPPLY OF NEW ISUZU D-MAX 4X4 CRE..	SUPERVISOR CONSTRUCTION VEHICL..	\$13,378
					3505271	GRANT	2014-10-09	2014-10-10	COMMUNITY EVENT GRANT 2015	GRANT - COMMUNITY EVENTS GRANT ..	\$11,000
306	Darlington Volunteer Bushfire Brigade	Active	Commercial	Null	3686757	220	2015-08-20	2015-08-18	ESLEXPENSES CLAIM- DEC 2013 - MAR..	(BLD) DARLINGTON VBFB STATION	\$4,008
					3774786	223	2015-12-05	2015-12-06	REIMBURSEMENT OF ESL EXPENSES 01..	DARLINGTON VBFB	\$1,834

9. Vendor to Vendor Relationships

VZV summary - 108 matches

Match #	Vendor1 ID	Vendor2 ID	Vendor1 Type	Vendor2 Type	DTT Vendor1 Name	DTT Vendor2 Name	Vendor1 Payments	Vendor2 Payments	Name Match	ABN Match	Bank Match	Address Match	Number Match	Match Classification
5	13	688	Commercial	Commercial	Shire of Mundaring	Shire of Mundaring	\$60,310	\$881,741						All
	1471	8684	Commercial	Commercial	Department of Parks and Wildlife	Department of Parks & Wildlife	\$5,040	\$1,320						Bank Match
	4088	9801	Commercial	Commercial	Hills Landscaping Supplies	Chris Mitchell Earthworks	\$1,388	\$101,980						All
4	13	3462	Commercial	Commercial	Shire of Mundaring	Care Giver Subsidies	\$60,310	\$2,027,177						Overlapping Payments
	119	262	Commercial	Commercial	Telstra	Telstra Corporation Ltd	\$361,103	\$62,283						Yes
	1471	5390	Commercial	Commercial	Department of Parks and Wildlife	WA Naturally Publications	\$5,040	\$107						Vendor1 Type
	3462	589	Commercial	Commercial	Care Giver Subsidies	Shire of Mundaring	\$2,027,177	\$881,741						All
	3462	4183	Commercial	Commercial	Care Giver Subsidies	Midvale Early Childhood & Parent..	\$2,027,177	\$2,792						Vendor2 Type
	3768	7314	Commercial	Commercial	Midland Toyota	Buick Holdings Pty Ltd T/A DVG ..	\$2,547	\$88,589						All
	4183	589	Commercial	Commercial	Midvale Early Childhood & Parent..	Shire of Mundaring	\$2,792	\$881,741						All
	7100	9703	Commercial	Commercial	Hills Group - Riding for the Disa..	Riding for the Disabled WA Hills ..	\$1,060	\$5,030						Vendor1 Blocked
	10622	3768	Commercial	Commercial	Buick Holdings Pty Ltd - T/As D..	Midland Toyota	\$26,007	\$2,547						No
	10622	7314	Commercial	Commercial	Buick Holdings Pty Ltd - T/As D..	Buick Holdings Pty Ltd T/A DVG ..	\$26,007	\$88,589						Vendor2 Blocked
	11131	7314	Commercial	Commercial	Buick Holdings Pty Ltd T/A DVG ..	Buick Holdings Pty Ltd T/A DVG ..	\$13,192	\$88,589						No
3	13	5719	Commercial	Commercial	Shire of Mundaring	Shire of Mundaring - Laiba Club	\$60,310	\$14,834						Vendor2 Blocked

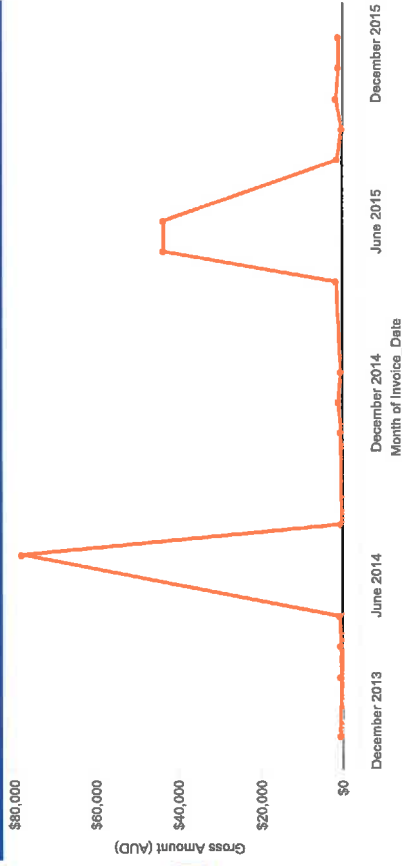
VZV Matched Attributes

Shared Attribute	Attribute
ABN	76094424674
Bank Account	036000 560686

All Attributes

Vendor1 ABN	Vendor1 Account	Vendor1 Address	Vendor1 Number	Vendor2 ABN	Vendor2 Account	Vendor2 Address	Vendor2 Number
76094424674	036000 560686	166 Leach Hwy MELVILLE WA 6156	93300778				
76094424674	036000 560686	192 - 204 Great Eastern Hwy MIDLAND WA 6056	92730000				

Vendor Transactions



Sort By

Match Strength

Vendor Name & Vendor Id

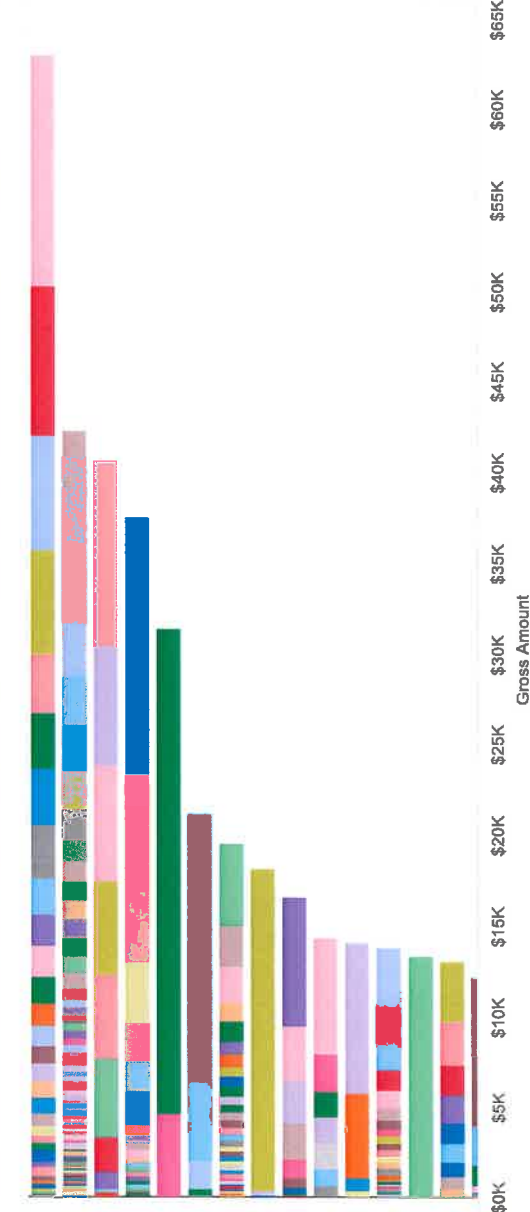
7314, Buick Holdings Pty Ltd T/A ..

Spend Profile by Supplier

Supplier Spend

Filters

Simplified Supplier_Name
 Judroc Pty Ltd
 Bunnings 318000
 Eastern Region Security
 Jb HI FI
 Acclaimed Catering
 Coles 0337
 Staples Auset Pty Ltd
 Covs
 Bookworld
 Konica Australia P/I
 Eecw Pty Ltd
 Officeworks 0611
 Mundaring Smash Repair
 Eastern Hills Saws &
 Fire And Safety Wz



Category
 Account Description

Simplified Supplier_Name
 All

Legend

Display Category

- Null
- (AC) MUNDARING CEMET..
- (BDM) MOUNT HELENA T..
- (BDM) MUNDARING HARD..
- (BLD) 3205 JACOBY STRE..
- (BLD) ADMIN CENTRE BUI..
- (BLD) AFM (MDG) LIBRAR..
- (BLD) BILGOMAN POOL
- (BLD) BOYA HALL
- (BLD) BROWN PARK AGRIL..
- (BLD) BROWN PARK COM..
- (BLD) BROWN PARK RUG..
- (BLD) BROWN PARK YOU..
- (BLD) BRUCE DOUGLAS P..
- (BLD) CHIDLOW RECREA..
- (BLD) CHILDRENS SERVI..
- (BLD) DARLINGTON HALL
- (BLD) DARLINGTON OVAL..
- (BLD) DARLINGTON SCO..
- (BLD) GLEN FORREST HA..
- (BLD) HRISEBOROUGH O..
- (BLD) HUGO THROSSELL ..
- (BLD) KSP (GREENMOUN..
- (BLD) LAKE LESCHENAU..
- (BLD) MAHOGANY CREEK..
- (BLD) MAHOGANY CREEK..
- (BLD) MIDVALE CHILD CA..
- (BLD) MIDVALE TOY LIBR..
- (BLD) MOUNT HELENA PU..

Transaction Details by Supplier

Simplified Supplier_Name	Dtl Emp Id	Full Name	Account Description	Expense Description	Trans Date	Amount
Judroc Pty Ltd	EMP_1070	Glenn Askew	(RSM) MUNDARING LIONS PIONEER P..	replacement cable for bore pump	2014-11-17	\$103.20
			(RSM) GRUNDY PARK	for repairs to laterals at Grundy pk	2015-04-01	\$71.90
			(RDM) FOOTPATHS	repairs to main line at Grundy pk	2015-05-27	\$242.91
			(RSM) BROWN PARK OVAL	repairs to relic at 103 boquata blvd heilana valley	2015-03-26	\$19.51
			(RSM) BLACKBOY HILL	Poly Fittings for reticulation repair	2015-02-02	\$25.64
			(RSM) ADMIN GROUND MAINTENANCE	Scheme water piping and fittings to connect storage tank.	2015-04-17	\$156.65
			(RSM) BROWN PARK OVAL	Repairs to cut reticulation line (poly Fittings)	2014-07-02	\$40.79
			(RSM) BROWN PARK OVAL	replace faulty valves	2014-08-13	\$173.43
			(RSM) MUNDARING OVAL	valve replacements at brown pk	2014-08-14	\$92.26
			(RSM) MUNDARING OVAL	pump repairs	2014-12-10	\$83.45
			(RSM) MUNDARING OVAL	replacement salts meter for bore water	2014-08-14	\$134.75
			(RSM) MUNDARING OVAL	mainline repairs	2014-10-03	\$97.92
			(RSM) MUNDARING OVAL	replacement valve box and wire connectors	2014-10-30	\$100.50
			(RSM) MUNDARING OVAL	new pressure switches for midg bores	2015-02-02	\$538.00
			(RSM) MUNDARING OVAL	replacement sprinklers	2015-05-25	\$887.04
			(RSM) MUNDARING OVAL	replacement sprinklers	2015-06-19	\$726.72

9.0 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

10.0 URGENT BUSINESS (LATE REPORTS)

Nil

11.0 CONFIDENTIAL REPORTS

Nil

12.0 CLOSING PROCEDURES

12.1 Date, Time and Place of the Next Meeting

The next Audit & Risk Committee Meeting will be held on Tuesday, 16 August 2016 at 5.30pm in the Weir Room.

12.2 Closure of the Meeting

The Presiding Person declared the meeting closed at 6.44pm.