14 May 2019

NOTICE OF MEETING

Dear Committee Member,

The next Audit and Risk Committee meeting will be held at 5.30 pm on Tuesday, 21 May 2019 in the Committee Room, 7000 Great Eastern Highway, Mundaring.

The attached agenda is presented for your consideration.

Yours sincerely

Jonathan Throssell
CHIEF EXECUTIVE OFFICER

Please Note

If an Elected Member has a query regarding a report item or requires additional information in relation to a report item, please contact the senior employee (noted in the report) prior to the meeting.

AGENDA
AUDIT AND RISK COMMITTEE MEETING
21 MAY 2019

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.

CONTENTS

1.0 OPENING PROCEDURES

Acknowledgement of Country

Shire of Mundaring respectfully acknowledges the Whadjuk people of the Noongar Nation, who are the traditional custodians of this land. We wish to acknowledge Elders past, present and emerging and respect their continuing culture and the contribution they make to the region.

1.1 Announcement of Visitors

1.2 Attendance/Apologies

Staff	Andrea Douglas	Minute Secretary
Apologies	Jonathan Throssell	Chief Executive Officer
	Danielle Courtin	Governance Co-ordinator

Guests

2.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

3.0 DECLARATION OF INTEREST

3.1 Declaration of Financial Interest and Proximity Interests

Elected Members must disclose the nature of their interest in matters to be discussed at the meeting *(Part 5 Division 6 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).*

3.2 Declaration of Interest Affecting Impartiality

An Elected Member or an employee who has an interest in a matter to be discussed at the meeting must disclose that interest *(Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C).*

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 Presiding Person and in accordance with the Shire's Meeting Procedures Local Law 2015. Questions must relate to a function of the Committee.

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held 19 February 2019 be confirmed.

7.0 PRESENTATIONS

7.1 Deputations

(1) Members of the public may, during the deputations segment of the order of business and with the consent of the Presiding Member, make a public statement on any matter that appears on the agenda for that meeting provided that –
   a) the deputation is limited to a maximum of 3 minutes, unless otherwise determined by the Presiding member;
   b) the deputation is not offensive or defamatory in nature, providing that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the statement in a manner that is not offensive or defamatory; and
   c) no discussion or questions relating to the deputation are permitted, unless otherwise determined by the Presiding Member.

(2) Fifteen minutes is to be allocated for deputations.

(3) Once all statements have been made, nothing prevents the unused part of the deputation time period from being used for other matters.

(4) If the 15 minute period set aside for deputations is reached, Council may resolve by resolution that statement time be extended for no more than two 15 minute extensions.

7.2 Petitions

(1) A petition is to –
   a) be addressed to the President;
   b) be made by electors of the district;
   c) state the request on each page of the petition;
   d) contain the legible names, addresses and signatures of the electors making the request;
   e) contain a summary of the reasons for the request;
   f) state the name of the person to whom, and an address at which, notice to the petitioners can be given; and
   g) not contain offensive or insulting language.

(2) On the presentation of a petition –
   a) the member presenting it or the CEO is confined to reading the petition; and
   b) the only motion that is in order is that the petition be received and that it be referred to the CEO for action.

(3) At any meeting, the Council is not to vote on any matter that is the subject of a petition presented to that meeting, unless –
   a) The matter is the subject of a report included in the agenda; and

b) The Council has considered the issues raised in the petition.

7.3 Presentations

8.0 REPORTS OF EMPLOYEES

8.1 Review of Corporate Credit Cards

File Code	FI.BNK 5
Author	Stan Kocian, Acting Director Corporate Services
Senior Employee	Jonathan Throssell, Chief Executive Officer
Disclosure of Any Interest	Nil
Attachments	Nil

SUMMARY

A review of the Shire's corporate credit cards was undertaken in April 2019. As a result of this review the Shire's Executive Leadership Team approved a reduction in the number of corporate credit cards issued to Shire employees and reduction in credit card limits for a number of credit cards.

At the time the review was undertaken the Shire had 41 active credit cards with a total credit limit of $80,800. The review resulted in four cards, with a combined credit limit of $2000, being closed. Of the remaining 37 cards, credit limits were reduced by a combined total of $23,500.

Post the review, the Shire has reduced the number of active credit cards to 37 and the total credit limit to $55,300.

BACKGROUND

At the Audit and Risk Committee held 20 November 2018 the Committee resolved as follows:

The Audit and Risk Committee requested that an Officer's report on purchase cards be presented to the Audit and Risk Committee meeting on 21 May 2019 addressing the following matters:

- *A review of existing purchase cards, i.e. numbers, values, requirements etc.*
- *Review of procurement and purchase card policies in terms of controls for purchases by purchase card*
- *Review the recommendations of the Auditor General's Local Government Procurement report of 11 October 2018 and comment on Shire controls in regard to the recommendations.*

This report addresses the first dot point of the committee's decision.

STATUTORY / LEGAL IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.1 – A fiscally responsible Shire that prioritises spending appropriately

Strategy 1.1.4 – Practice effective governance and financial risk management

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: The number of credit cards and associated credit limits do not align with the Shire's business requirements.		
Likelihood	**Consequence**	**Rating**
Possible	Minor	Moderate
Action / Strategy		
Regular reviews are undertaken to ensure that the number of credit cards and associated credit limits align with the Shire's business requirements		

EXTERNAL CONSULTATION

Nil

COMMENT

At the time the review was undertaken the Shire had 41 active credit cards with a total credit limit of $80,800. The review resulted in:

1. Four cards, with a combined credit limit of $2000, being closed; and
2. Reduction in the credit limits of eight of the 37 remaining cards by a combined total of $23,500.

The Shire now has 37 active corporate credit cards actions that have a combined monthly credit limit of $55,300.

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That the Committee notes a review of the Shire's corporate credit cards has been undertaken and that:

1. The number of cards has been reduced from 41 to 37; and

2. The Shire's total monthly credit card limit has been reduced from $80,800 to $55,300.

8.2 Auditor General's Reports - Local Government Procurement and Controls over Corporate Credit Cards

File Code	GV.AUD 1
Author	Stan Kocian, Acting Director Corporate Services
Senior Employee	Jonathan Throssell, Chief Executive Officer
Disclosure of Any Interest	Nil
Attachments	1. Auditor General's Report - Controls over Corporate Credit Cards ⇩ 2. Auditor General's Report - Local Government Procurement ⇩

SUMMARY

During 2018 the Auditor General released two performance reports as of a result of performance audits conducted with a sample selected local governments. The two reports were:

1. Controls over Corporate Credit Cards (released in May 2018); and
2. Local Government Procurement (released in October 2018)

This report:

1. Reviews the recommendations of the Auditor General's Report into Controls over Corporate Credit Cards and provides comment on the Shire's documented controls for corporate credit cards in regards to the recommendations; and
2. Reviews the recommendations of the Auditor General's Report into Local Government Procurement and provides comment on the Shire's documented controls in regard to the recommendations.

BACKGROUND

At the Audit and Risk Committee meeting held 20 November 2018 the Committee resolved as follows:

The Audit and Risk Committee requested that an Officer's report on purchase cards be presented to the Audit and Risk Committee meeting on 21 May 2019 addressing the following matters:

- *A review of existing purchase cards, i.e. numbers, values, requirements etc.*
- *Review of procurement and purchase card policies in terms of controls for purchases by purchase card*
- *Review the recommendations of the Auditor General's Local Government Procurement report of 11 October 2018 and comment on Shire controls in regard to the recommendations.*

This report addresses the seconds and third dot points of the committee's decision.

STATUTORY / LEGAL IMPLICATIONS

The procurement activities of local governments are primarily governed by the *Local Government (Functions and General) Regulations 1996* (the Regulations). The Regulations require local governments to have policies for purchases that are expected to be less than $150,000.

For purchases over $150,000, section 3.57 of the *Local Government Act 1995* (the Act) and the Regulations set specific requirements for public tender. The Regulations also allow for exemptions from the public tender process however the circumstances when an exemption can be applied are prescribed under the Regulations.

The Act and *Local Government (Financial Management) Regulations 1996* require:

- The Council to oversee allocation of the local government's finances and resources and to determine policies;
- the CEO to ensure that proper accounts and records are kept in accordance with regulations;
- local governments to develop procedures for the payment of accounts to ensure that there is effective security for, and properly authorised use of, credit cards.

The Department of Local Government, Sport and Cultural Industries also have a guideline relating to corporate credit card use, *Local Government Operational Guidelines Number 11 – September 2006 Use of Corporate Credit Cards.*

POLICY IMPLICATIONS

The following Policies, Organisational Practices, Procedures and Guidelines provide direction and controls in terms of the Shire's procurement and corporate credit cards.

- AS-04 Purchasing Policy
- OP-32 Petty Cash
- OP-57 Employee Expense Reimbursement
- OP-58 Corporate Purchasing Cards
- Admin 29 Issue and Use of Corporate Credit Cards
- Admin 30 Ordering and Payment of Goods and Services
- Admin 31 Quotations for Purchase of Goods and Services
- Tender Guidelines – Guidelines for managing tender process
- Conflict of Interest – Conflict of Interest Guidelines for employees

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring 2026 Strategic Community Plan

Priority 1 - Governance

Objective 1.1 – A fiscally responsible Shire that prioritises spending appropriately

Strategy 1.1.4 – Practice effective governance and financial risk management

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: The Shire does not have appropriate systems and controls in place to manage procurement and corporate credit card use.		
Likelihood	**Consequence**	**Rating**
Possible	Moderate	Moderate
Action / Strategy		
Undertake regular reviews of the systems and controls in place for procurement and corporate credit cards to ensure they are appropriate.		

EXTERNAL CONSULTATION

Nil

COMMENT

The table below outlines the recommendations of the Auditor General's Report into Controls over Corporate Credit Cards and provides comment on the Shire's documented controls for corporate credit cards relevant to the recommendations.

Auditor General's Recommendations	Shire's Controls
1. Ensure policies specify requirements for all key credit card processes.	The Shire has two key documents in this regard - Organisational Practice, OP-58 Corporate Purchasing Cards, and Organisation Procedure, Admin 29 Issue and Use of Corporate Credit Cards. These documents set guidelines for the issue, use and management of corporate purchasing cards.
2. Keep adequate records of all card transactions, including information that describes the nature/purpose of the expenditure and evidence of review and approval.	Organisation Procedure, Admin 29 Issue and Use of Corporate Credit Cards stipulates – It is the cardholder's responsibility to ensure an account code is entered into the card provider's card website, ie NAB, within three working days of purchase. A detailed explanation of the expenditure incurred must also be entered. The cardholder should keep all invoices/receipts from purchases in a safe place until the monthly statement from the credit provider is available for download. On receipt of the statement the cardholder

	must: i. Check each transaction for accuracy ii. Attach all invoices/receipts and other necessary documentation to the statement iii. Advise their Manager and the Card Administrator immediately if an unidentified transaction appears on the statement iv. Sign the statement for authenticity and certify that "*The expenditure was incurred on official Shire business and has not been subject to a claim on funds from any other source*" v. Forward the statement to their Manager for expenditure approval.
3. Cancel redundant cards in a timely manner to avoid loss and/or misuse of cards.	Organisation Procedure, Admin 29 Issue and Use of Corporate Credit Cards stipulates – That it's the cardholder's responsibility to: • Return a de-activated or expired card to the Card Administrator for appropriate disposal • Reporting lost or stolen cards immediately to the Manager Finance and Governance. It's the Manager of Finance and Governance's responsibility to report lost or stolen cards to the card provider. It's the Card Administrator's responsibility to appropriately dispose of returned de-activated and expired cards.
4. Regularly monitor outstanding transactions to identify and follow up on long outstanding un-acquitted transactions.	Organisation Procedure, Admin 29 Issue and Use of Corporate Credit Cards doesn't allow for transactions to remain outstanding. All statements must be reconciled and submitted to Finance within two working days of the statement being released.
5. Ensure senior management periodically reviews credit card use, to confirm compliance with policies and to identify any abnormal trends. The results of these reviews should be documented and retained.	Under Organisation Procedure, Admin 29 Issue and Use of Corporate Credit Cards the Card Administrator is required to: • Undertake a quarterly review of the use of cards, focusing on low usage and dormant cards • Monitor monthly card transaction reports and high value transactions and report any concerns to the Manager Finance and Governance.

	It is the Manager Finance and Governance's responsibility to: • Evaluate and follow up any concerns raised by the Card Administrator • Keep a register of unauthorised card use, including the employee's name and the date and details of the unauthorised purchase.

The table below outlines the recommendations of the Auditor General's Report into Local Government Procurement and provides comment on the Shire's documented controls relevant to the recommendations.

Auditor General's Recommendations	Shire's Controls
Policy • LGs regularly review policy to assess if value thresholds and quote requirements reflect current needs	• The Shire's Purchasing Policy AS-04 includes explanation of the policy expectations, thresholds and processes. Policy was last reviewed June 2017.
• Policies are clear about when and how to apply exemptions	• The policy does not provide for exemptions and how they are to be applied. Procedure Admin 31 Quotations for Purchase of Goods and Services does state: *Where the above requirements cannot be met a detailed report or email is to be submitted to the relevant Director stating reason for non-compliance and seeking formal approval to proceed. Director's approval must be obtained prior to raising a purchase order and attached to the requisition.*
Training • LGs provide all staff involved in the procurement process with training in relevant policy and processes.	• Training in procurement processes is provided to all new employees as part of the induction process.
• Training emphasises personal accountability and how probity and transparency relate to procurement.	• Refresher training for the whole of the organisation was last provided when the purchasing policy was last reviewed ie post June 2017.
• LGs provide staff with refresher training.	

Seeking Quotes • That business requirements were determined prior to engaging suppliers. • LG staff used the right purchasing method, as required by their own policies and the Regulations. • That the use of exemptions was justified and documented.	• The Shire's Purchasing Policy AS-04 states that employees will be accountable for all purchasing decisions and the efficient, effective and proper expenditure of public monies to achieve the best outcome for the Shire and value for money. • The Purchasing Policy states all purchasing practices shall comply with relevant legislation, regulations and the Shire's policies, procedures and Code of Conduct. • Where the quotation requirements cannot be met a detailed report or email is to be submitted to the relevant Director stating reason for non-compliance and seeking formal approval to proceed. Director's approval must be obtained prior to raising a purchase order and attached to the requisition.
Tendering • That tenders were advertised, opened, assessed and recorded in line with the Regulations. • Documentation was retained to support open, fair and transparent decisions, and show that processes have been followed. • That a Tenders Register was maintained in line with Regulations.	• The Document *Tender Guidelines – Guidelines for managing tender process* provides clear direction in how tenders are to be advertised, opened, assessed and recorded. To this end the Shire utilises a program *Tenderlink* to facilitate the tender process. • Each tender the Shire undertakes has its own unique folder within the record management system. All documents relating to the tender are filed in these folders. • The Shire maintains a current tender register in accordance with the Regulations.
Conflict of Interest • That tender evaluation panel members provide positive assurance	• The Shire's tender guidelines document requires all evaluation panel members to complete a

declarations. • That declarations were retained and there was a record of how they were assessed and how any conflicts were addressed.	declaration form (form is an appendix to the guidelines). These declarations must be filed in the relevant tender folder within the Shire's records management system. • The document *Conflict of Interest – Conflict of Interest Guidelines for employees* addresses the assessment of conflicts of interest and how they should be addressed.
Purchase orders and approvals • That purchase orders were raised for the full expected amount of the procurement. • Purchase orders were approved by staff with appropriate authority. • Internal approvals were obtained before goods and services were purchased.	• Shire employees use an electronic purchase order system that has a hierarchy set up so that only delegated staff have the authority to approve orders.
Segregation of duties • Appropriate segregation of duties across the procurement process.	• The electronic purchase order system ensures that there is a segregation between the person who is submitting a requisition and the person who is authorising the purchase. • The tender process is outlined in the policy and guideline and provides for segregation in terms of the decision to go to tender, conducting the tender, assessing the tender and awarding the tender.
Reviewing invoices and payments • Any differences between invoice charges and quoted or contracted rates had been reviewed and appropriately justified. • Goods and services were received and approved by staff with appropriate authority.	• There is a system tolerance of 10% or $2k (whichever is lower) over the original requisition, anything above the tolerance requires a new Purchase Order (which is approved by a person other than the requisitioner). • Invoices aren't paid until the purchase order is receipted by either

• That there were strong controls around payment of suppliers and access to bank accounts. • Documentation was retained to support open, fair and transparent decisions, and show that processes have been followed.	the requisitioner or authoriser of the purchase order. • There are strong controls in place for verifying bank details and making amendments to such details. Change of detail requests are verified both in writing and phone contact. Changes are actioned by the Accounts Payable Officer and counter signed by a senior finance officer (normally the Accountant). Payments to suppliers are created by the Accounts Payable Officer and checked by the Accountant before processing. All payments are then independently approved by two authorised signatories. • All documents are kept in hard copy and electronically within the Shire's record management system.

It should be noted the review undertaken was an exercise of comparing the Shire's systems and controls to the recommendations of the Auditor General. The review did not assess the level of compliance with the Shire's documented policies, procedures and controls.

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That the Committee notes:

1. The comments on the Shire's documented controls for corporate credit cards in regards to the recommendations of the Auditor General's Report into Controls over Corporate Credit Cards; and

2. The comments on the Shire's documented controls in regards to the recommendations of the Auditor General's Report into Local Government Procurement.

Western Australian
Auditor General's Report

Controls Over Corporate Credit Cards

Report 7: May 2018

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Western Australia

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WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Controls Over Corporate Credit Cards

Report 7
May 2018

WESTERN AUSTRALIA

THE PRESIDENT
LEGISLATIVE COUNCIL

THE SPEAKER
LEGISLATIVE ASSEMBLY

CONTROLS OVER CORPORATE CREDIT CARDS

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

The report summarises the results of my first focus area audit in the local government sector.

The audit assessed whether 8 local governments have effective controls over the use of corporate credit cards. We found that they generally had satisfactory controls, but we did note various shortcomings and have made related recommendations for improvement.

I wish to acknowledge the cooperation of the staff at the local governments included in this audit.

COLIN MURPHY
AUDITOR GENERAL
9 May 2018

Contents

Auditor General's overview

I am pleased to present my first local government audit report to Parliament, under the *Local Government Amendment (Auditing) Act 2017*.

This report reflects the results of a focus area audit on Controls Over Corporate Credit Cards. These audits have a narrow scope and normally focus on specific areas of financial controls. We audited 8 local governments, some big in size and some small, some metropolitan based and some regional, to give an idea of how local governments are performing in this area.

Given the huge diversity among local governments, the intent of these audits is not to compare, but to provide examples of better practice as well as opportunities for improvement.

Corporate credit cards offer significant benefits to entities. They can reduce costs and streamline business processes associated with authorising, tracking, purchasing, payment and reconciling purchases. But like all financial processes and tools, they can be misused if not properly managed.

I recognise the challenges that small local governments in particular experience with regard to matters such as segregation of duties and suitable arrangements while key staff are on leave. In saying that, the results of this audit are generally good. While we noted some areas that could be done better, the local governments mostly had satisfactory controls in place.

Importantly, the local governments were accepting of our findings and were open to change to address the issues we identified. And I encourage all local governments to follow suit – to assess their own management of corporate credit cards against the findings and recommendations of this report and to promptly act where required.

Parliament gave the Auditor General the mandate to audit local government to enhance accountability and transparency across the sector. For this to be a success we need to continue on the path we started with this audit. That is working together to recognise good practice as well as identify areas where things can and should be done better – in the public interest.

Controls over corporate credit cards

Background

Corporate credit cards are an important part of modern purchasing systems, offering significant benefits such as reduced costs and streamlined business processes. They are used for local government purchases including computing and other equipment, general consumables, hospitality and travel. While local governments generally use credit cards for a small proportion of their payments, it is important they are effectively managed to reduce the risk of improper or unauthorised use.

Local government employees and chief executive officers (CEOs) use corporate credit cards. However, the elected members that make up a local government Council cannot use these cards as the *Local Government Act 1995* (LG Act) does not allow them to incur debts. Instead, local governments pay allowances or reimburse expenses to an elected member.

The LG Act and associated regulations require:

- the Council to oversee allocation of the local government's finances and resources and to determine policies
- the CEO to ensure that proper accounts and records are kept in accordance with regulations
- local governments to develop procedures for the payment of accounts to ensure that there is effective security for, and properly authorised use of credit cards.

In conducting our audit, we considered the above requirements, *Local Government Operational Guidelines Number 11 – September 2006 Use of Corporate Credit Cards* and other accepted better practice guidance.

Conclusion

Local governments in our sample generally had satisfactory controls in place to manage the use of credit cards. We noted shortcomings however, of varying significance, in the policies and practices at most local governments we audited. We did not find any inappropriate use of credit cards.

Recommendations

1. Local governments should:
    a. ensure policies specify requirements for all key credit card processes
    b. keep adequate records of all card transactions, including information that describes the nature/purpose of the expenditure and evidence of review and approval
    c. cancel redundant cards in a timely manner to avoid loss and/or misuse of cards
    d. regularly monitor outstanding transactions to identify and follow up on long outstanding un-acquitted transactions
    e. ensure senior management periodically reviews credit card use, to confirm compliance with policies and to identify any abnormal trends. The results of these reviews should be documented and retained.

What we did

The focus of this audit was to determine if the local governments in our sample have effective controls over the use of corporate credit cards. We also assessed if there was adequate independent review of the credit card use of CEOs.

We assessed the policies and practices at 8 local governments, over the period 1 January 2017 to 30 September 2017, using the following lines of inquiry:

1. Do local governments have appropriate policies and administrative systems in place for corporate credit cards?
2. Are suitable controls in place to monitor and manage the issue and use of cards and the timely approval of card transactions?
3. Do management periodically review their use of corporate credit cards and act on any identified shortcomings?

We conducted this audit under sections 18 of the *Auditor General Act 2006* and 7.12AJ of the *Local Government Act 1995* and in accordance with Australian Auditing and Assurance Standards.

Local governments included in our audit

Focus area audits assess local governments against common business practices to identify good practices, and control weaknesses and exposures so that local governments, including those not audited, can compare their own performance.

When deciding which local governments to include in this audit we aimed for a mix of different size local governments from diverse locations with varying budgets, resourcing and purchasing requirements. This allowed us to identify potential issues, better practice examples and improvement opportunities that are likely to be applicable across the broader local government sector.

We included the following local governments in this audit:

Local government	Number of credit cards	Number of credit card purchases made	Number of credit card purchases as a % of all purchases made	Value of credit card purchases	Value of credit card purchases as a % of all purchases made
City of Kalamunda	12	959	14%	$159,585	0.34%
City of Rockingham	90	4,391	20%	$1,213,175	0.89%
City of Wanneroo	54	3,199	4%	$417,185	0.28%
Shire of Carnarvon	4	108	4%	$17,144	0.17%
Shire of Cranbrook	2	293	16%	$45,688	1.06%
Shire of Dandaragan	4	143	4%	$41,249	0.43%
Shire of Denmark	4	122	6%	$22,799	0.34%
Town of Port Hedland	8	553	12%	$176,929	0.47%

Table 1: Key expenditure statistics from 1 January 2017 to 30 September 2017

What did we find?

Overall policies and administrative systems for managing corporate credit cards were appropriate

Good policies and procedures provide essential guidance for staff to manage credit cards in accordance with management's expectations. They should cover matters such as controls over issuing and cancelling cards as well as approving and acquitting purchases.

We found that appropriate policies and administrative systems were generally in place for use of credit cards, however:

- at the Shire of Denmark and the City of Wanneroo we found that policies did not specify the timelines for acquitting and approving monthly credit card statements. Setting timelines is important as they help ensure timely acquittal and approvals, and also early identification of any unauthorised transactions
- at the City of Wanneroo, we found 2 instances where cardholders had not completed cardholder agreements. Cardholder agreements outline cardholder duties and responsibilities.

Suitable controls were generally in place for managing credit card use, however most local governments had opportunities for improvement

Strong controls assist in the early identification of erroneous, inappropriate or unauthorised transactions. It is good practice for transactions to be matched to invoices and vetted by the cardholder before being independently approved by the cardholder's supervisor. These steps should be completed within a reasonable timeframe on a monthly basis.

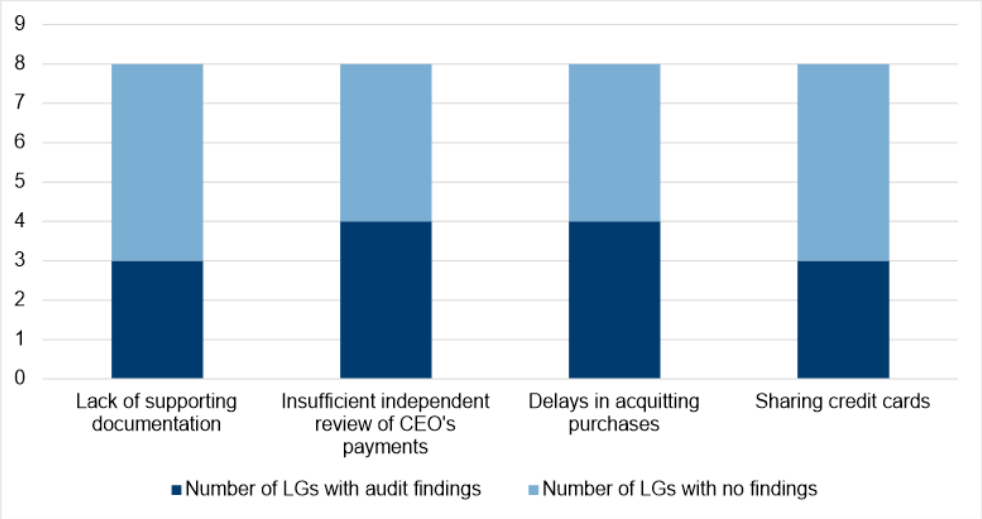

Figure 1: Audit findings by number of local governments (LGs)

We identified control weaknesses of varying significance at all local governments, except the Shire of Carnarvon:

- The City of Rockingham did not always have appropriate independent approval of credit card transactions. For 54% of cardholders, the coding and review of their transactions was performed by subordinates, and the cardholders thereafter approved their own transactions.

- CEO credit card transactions were approved by a subordinate, or were self-approved at 4 local governments. This process could be improved to increase transparency, without introducing additional approval processes, by periodically reporting the CEO's transactions to the Council, and clearly identifying them for noting.
- To ensure the person using the credit card is identifiable and accountable, staff should not share credit cards. We found sharing of cards at 3 local governments:
    - At the City of Kalamunda, we found that cardholders permitted staff within their departments to use their card. The monthly statement was then signed off by the cardholder and a subordinate. We were unable to determine who made the purchases and could not substantiate if approvals were independent. Staff at the City of Wanneroo and Shire of Dandaragan also shared cards but they were able to demonstrate independent approval and monitoring of these purchases.

  We recognise the challenges of small local governments in this regard, however they should consider other arrangements to avoid sharing of cards.
- We found delays in cancelling cards when staff resigned, at the Shire of Denmark and the City of Wanneroo. The maximum delays were 4 months and 11 months respectively. If cards are not cancelled promptly, they may be used by other non-authorised staff.
- The City of Rockingham did not have adequate documentation for 20% of the transactions we audited. The Shire of Cranbrook and Shire of Denmark lacked adequate documents for a small number of transactions. This makes it difficult for management or auditors to determine the appropriateness of purchases.
- We found 4 local governments were not always acquitting their credit card transactions in a timely manner or in line with their own policy. The delays ranged from 7 business days later than required by the policy, to over 4 months. Timely acquittals help identify any erroneous or inappropriate payments.

While local governments were reviewing credit card usage, there was inconsistent reporting to Council

We found that all the local governments were reviewing the use of credit cards in some way, on a regular basis. We were pleased to note that the City of Rockingham and the Shire of Carnarvon recently audited their credit cards. Internal audits provide management with important insight into credit card usage and associated effectiveness of controls.

Reporting to Council on credit card expenditure was inconsistent as:

- half the local governments reported payment of the outstanding credit card balance
- the others reported individual purchases made on the credit card.

The latter approach clearly provides more transparent oversight of this expenditure as regular detailed review of all payments can help identify unusual card use. Councils interpreted Regulation 13 of the Local Government (Financial Management) Regulations 1996 inconsistently. This regulation requires local governments to present the details of all payments, including corporate credit card payments to Council on a monthly basis.

Response from local governments

Local governments in our sample generally accepted the recommendations and confirmed that, where relevant, they have amended policies and administrative systems or will improve practices for managing credit cards.

The City of Wanneroo agreed that in future credit cards will be cancelled when staff leave. The City advised that in the instances identified during our audit, although the cards had not been promptly cancelled with the bank, they had been promptly destroyed when the staff members resigned and that no transactions had been made using those cards.

Auditor General's Reports

Report number	2018 reports	Date tabled
6	Audit Results Report – Annual 2017 Financial Audits and Management of Contract Extensions and Variations	8 May 2018
5	Confiscation of the Proceeds of Crime	3 May 2018
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Western Australian
Auditor General's Report

Local Government Procurement

Report 5: October 2018-19

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WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Local Government Procurement

Report 5
October 2018-19

WESTERN AUSTRALIA

THE PRESIDENT
LEGISLATIVE COUNCIL

THE SPEAKER
LEGISLATIVE ASSEMBLY

LOCAL GOVERNMENT PROCUREMENT

This report has been prepared for Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

This was a narrow scope performance audit, conducted under section 18 of the *Auditor General Act 2006* and in accordance with Australian Auditing and Assurance Standards. Narrow scope performance audits have a tight focus and generally target compliance with legislation, public sector policies and accepted good practice.

The audit objective was to determine if local governments have effective procurement arrangements in place.

I wish to acknowledge the cooperation of staff at the local governments included in this audit.

CAROLINE SPENCER
AUDITOR GENERAL
11 October 2018

Contents

Auditor General's overview

I am pleased to present this performance audit on aspects of local government procurement that require close attention.

Local governments in Western Australia manage more than $40 billion in community assets and spend over $4 billion annually on community infrastructure and services such as roads and footpaths, public halls, recreation facilities and rubbish collection.

Good procurement practices centred around the principles of probity, accountability and transparency are key to managing procurement risks and the delivery of good outcomes for ratepayers. When procurement processes are not followed, or local governments are seen not to be acting in the best interests of their communities, they face reputational damage and expose themselves to the risk of fraud and misconduct. Unfortunately, there are numerous recent reports from integrity agencies which highlight the very real consequences when procurement activities in the public sector are not managed effectively.

My report highlights weaknesses in procurement controls, processes and documentation across the 8 local governments we audited, as well as the need for them to build procurement capability to give staff the knowledge and skills to effectively carry out their jobs. These generally reflect areas for improvement identified in our previous audit reports about State Government entities as well as other public reports.

Some local governments disagreed with the significance of a number of control weaknesses identified. Local governments considered that a finding was not worthy of a 'significant' rating if the control weakness did not result in a breach of regulations or the audit did not find evidence of wrongdoing. While legislation places minimum specific requirements on local governments, they still need to ensure they have strong internal controls and good governance. Controls prevent things going wrong and are particularly important in financial management processes, where there is an inherent risk of financial misappropriation. I welcome discussion on this matter and am pleased all local governments have committed to amending their policies and procedures and improving internal controls over purchases, where required.

The findings from this audit have helped me identify areas worthy of future audit attention. Fostering enhanced understanding in the local government sector about the importance of strong internal control frameworks, around not only procurement, but over a wide range of areas, including information system security and regulatory functions, will be prioritised in our future work. I encourage all local governments to review their procurement practices against the focus areas of this audit.

Executive summary

Introduction

The objective of this audit was to assess the effectiveness of procurement arrangements at 8 local government entities (LGs) of varying sizes in both metropolitan and regional Western Australia.

Background

There are currently 148[1] LGs in WA. The population and geographical spread of each LG varies significantly, from small regional LGs like the Shire of Sandstone with a population of around 90, to large metropolitan LGs like the City of Stirling with a population of around 220,000.

LGs in WA employ around 15,000 people and manage more than $40 billion in community assets. In 2016-17, the total expenditure across all Western Australian LGs was over $4 billion.

Procurement activities in LGs are primarily governed by the Local Government (Functions and General) Regulations 1996 (the Regulations). The Regulations require LGs to have policies for purchases that are expected to be less than $150,000. LGs develop their own policies, which are required to cover things like the form (verbal or written) and minimum number of quotes that must be obtained, and how procurement information will be recorded and retained.

For purchases over $150,000, the Regulations set specific requirements for public tender. These include advertising, acceptance and rejection of tender applications, notification of outcomes, and maintaining a tenders' register.

The Regulations also allow for exemptions from the public tender process, these include, but are not limited to:

- certain emergency situations
- if a contract is to be awarded through auction (with Council approval)
- if goods and services are obtained through the WA Local Government Association's (WALGA) Preferred Supplier Program – a program of suppliers that have been pre-qualified to supply certain goods and services. WALGA members, of which most LGs are, can access the program.

LGs that are members of WALGA can also access a procurement toolkit that includes purchasing and contract management templates. LGs that use WALGA services are still required to meet their own policy and probity requirements and comply with the Regulations.

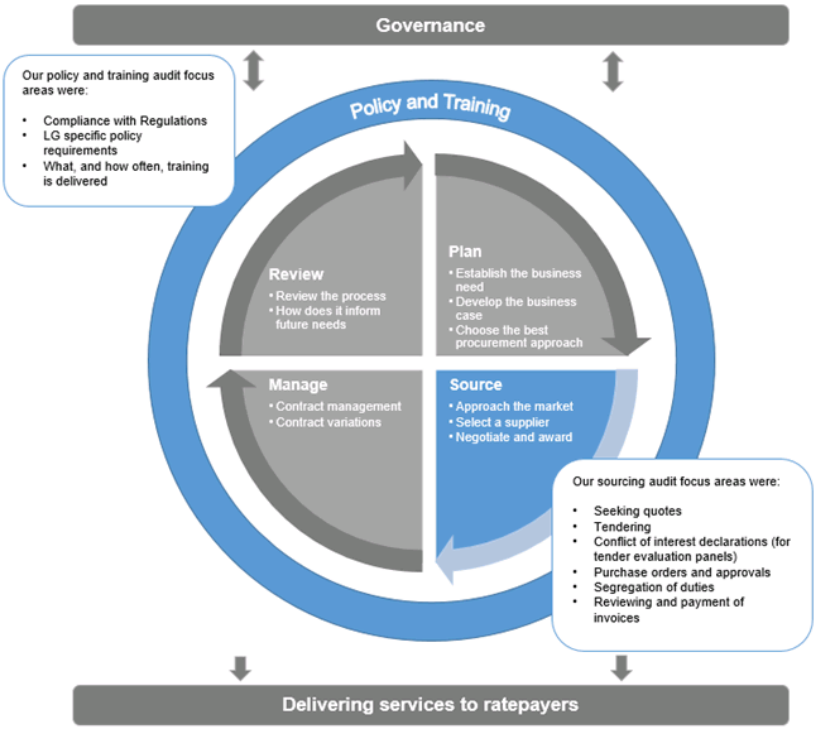
There are a number of procurement processes and controls that help reduce broader procurement risks and support value for money (Figure 1). Some of these are covered in Regulations, others are based on sound practice.

Due to a variety of factors affecting the way that LGs procure, we did not expect to find identical procurement practices across the LGs included in our audit. The audit therefore required significant judgement when assessing proper procurement practices. However, we did expect them to meet the principles of the *Local Government Act 1995* which places obligations on councils to oversee the allocation of the LG's finances and resources, and for determining the LG's policies, as well as for LGs to keep proper accounts and records.

[1] This includes 137 LGs, 2 Indian Ocean territories and 9 regional councils.

Furthermore, LGs are required to establish efficient systems and procedures for financial management which includes procurement.

Our audit focus areas are set out in Appendix 1. We reviewed the processes and controls used by LGs, but we did not review if procurement decisions attained the best value for money or outcomes for LG communities.



Source: OAG, with blue shading showing areas within audit scope

Figure 1: Procurement framework

Audit conclusion

All 8 local governments we reviewed had shortcomings in their procurement practices, most related to weak procurement controls, processes and documentation for tendering, purchase orders and approvals, and reviewing invoices and payment. However, we did not identify any evidence of misconduct.

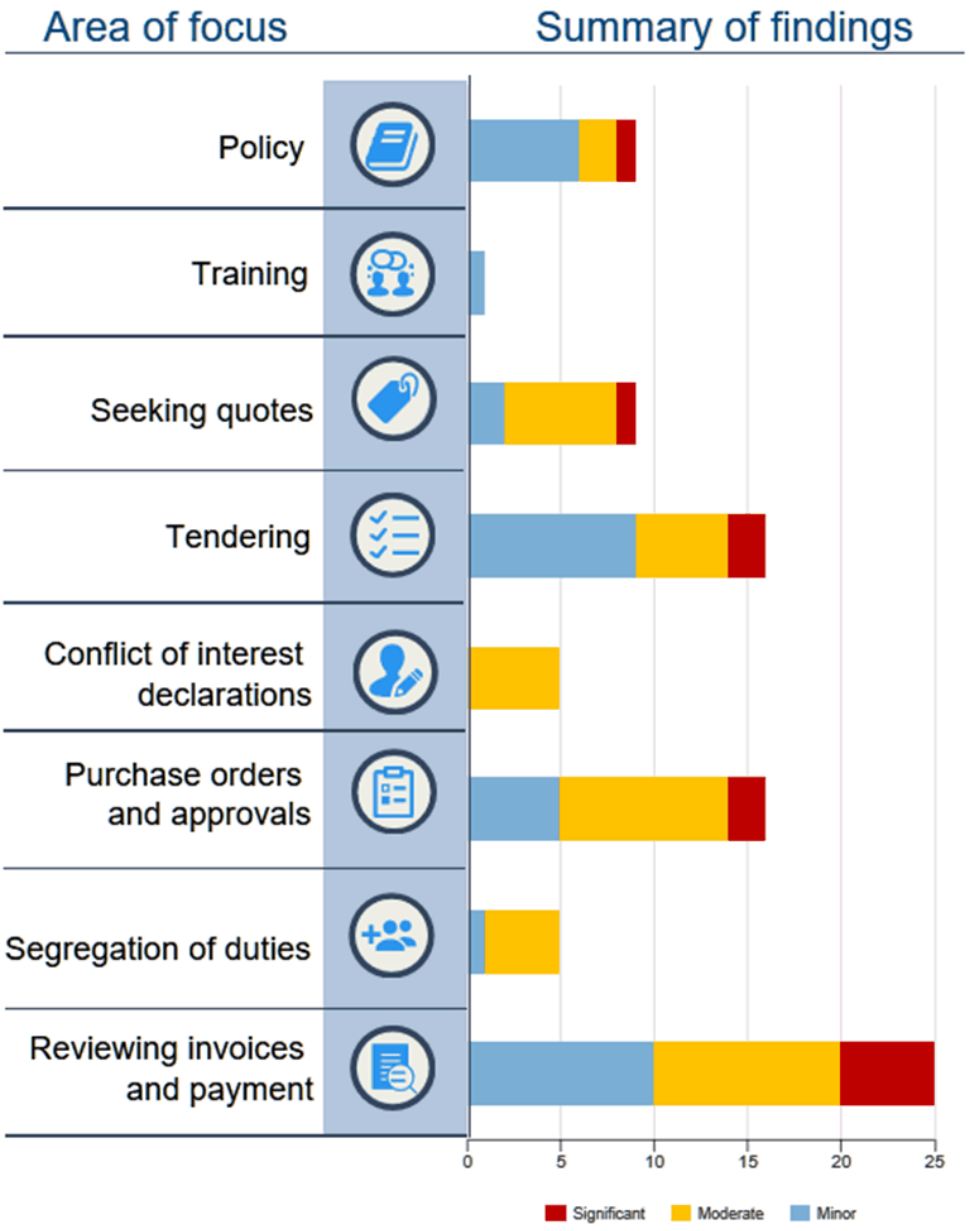
Local governments varied in how well they complied with legislation and their own procurement policies. While local government's policies broadly met regulatory requirements, they need to do more to monitor procurement controls and the effectiveness of processes. We saw no notable difference in the effectiveness of controls between the regional and metropolitan, and the small and large local governments we examined.

Having policies and controls that are appropriate, and monitoring their effectiveness is essential if local governments, and the ratepayers that they serve, are to have confidence in local government procurement activities. Procurement practices that focus solely on minimum compliance with legislation are unlikely to provide local governments with the oversight and control they need to address risks and ensure value for money in their procurement.

The issues identified in this audit are relatively simple to fix. By addressing them, governance of this important local government function can be strengthened.

Summary

We reported 86 detailed findings across the 8 LGs. This included 11 significant findings across 5 LGs, and 41 moderate and 34 minor across all 8 LGs. Figure 2 shows the findings against all our audit focus areas.

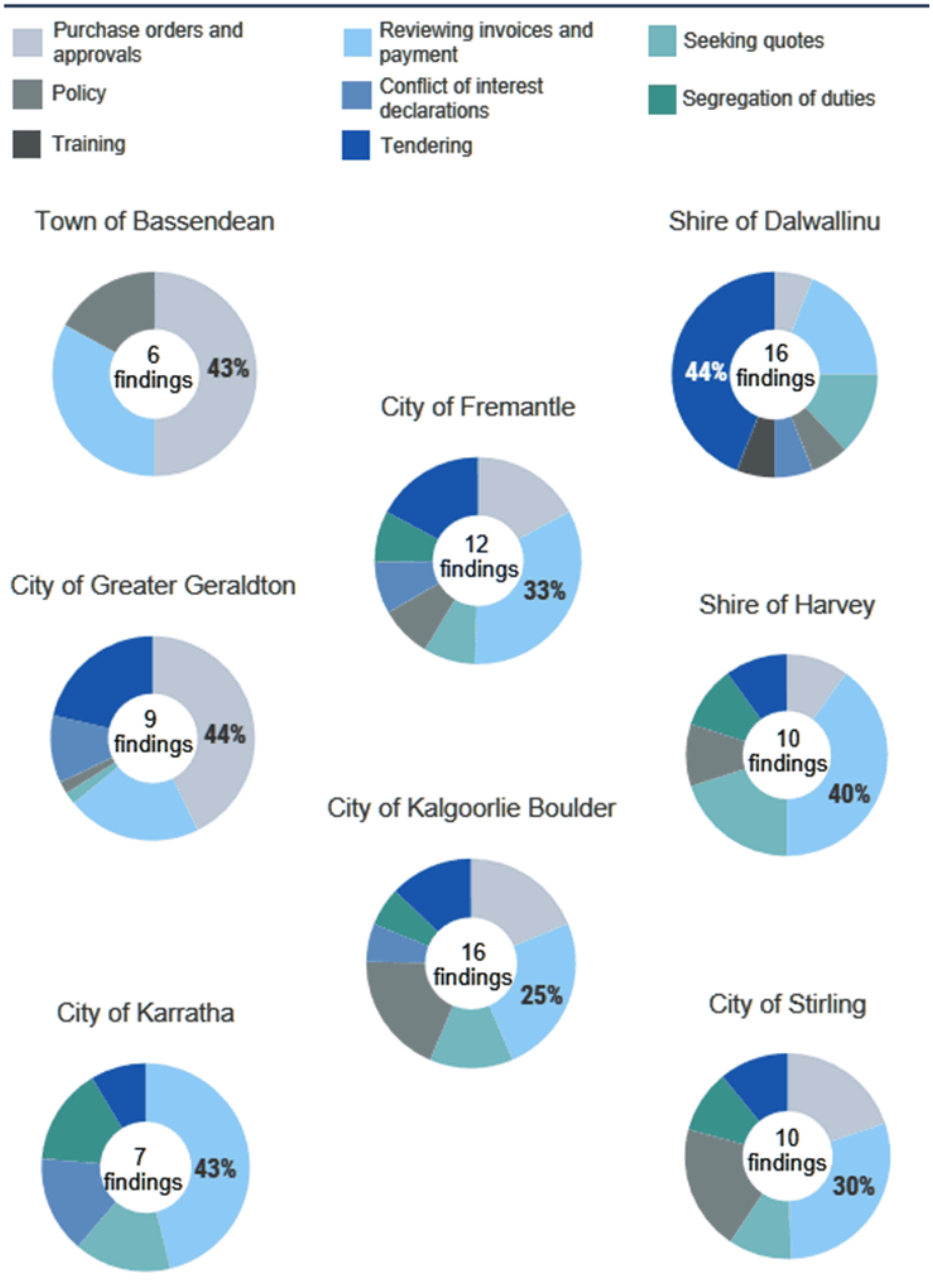


Source: OAG

Figure 2: Summary of key findings

Findings per local government

The issues we identified represent weaknesses in key policy and control principles. Figure 3 shows the breakdown of findings for each of the 8 LGs we reviewed, and shows no specific trends across size or location of the LG.



Source: OAG

Figure 3: Key findings by LG

Recommendations

All LGs, including those not sampled in this audit, should review their policies, processes and controls against the focus areas of our audit in Appendix 1.

Each LG we audited should provide an action plan to address this recommendation, table it with their Council, and make it available on their website, as per the *Local Government Act 1995*.

Response from local governments

Local governments in our sample generally accepted our recommendations and confirmed that, where relevant, they have either amended their policies, procedures or administrative systems or will improve controls for monitoring and managing procurement activities.

Audit focus and scope

The audit objective was to determine if LGs have effective procurement arrangements in place.

The specific lines of inquiry were:

- Have LGs established policies and procedures for procurement of goods and services?
- Is there effective oversight and control of procurement activities?

We visited and reviewed the following LGs:

- Town of Bassendean
- Shire of Dalwallinu
- City of Fremantle
- City of Greater Geraldton
- Shire of Harvey
- City of Kalgoorlie Boulder
- City of Karratha
- City of Stirling.

We assessed LGs against the policy, training, and sourcing audit focus areas shown in Appendix 1. This audit did not review if procurement decisions attained the best value for money or outcomes for LG communities.

At each LG we selected 20 transactions with a value under $150,000. For these items we reviewed recordkeeping of procurement activities, segregation of duties, quote processes, decision and approval delegations, LG policy and compliance with the Regulations. We also reviewed LGs use of WALGA's Preferred Suppliers as a procurement route, but did not review the arrangements in place at WALGA.

We reviewed a separate sample of 5 tenders from each LG. We assessed them against the requirements in the Regulations, including where and how long they were advertised, how submissions were recorded, if assessments were completed and recorded and if tenderers were notified of outcomes. We also reviewed how LGs recorded and assessed declarations of interests for tender evaluation panels and where applicable, council agendas, minutes and reports.

This was a narrow scope performance audit, conducted under section 18 of the *Auditor General Act 2006* and in accordance with Australian Assurance Standards ASAE 3500 Performance Engagements. We complied with the independence and other relevant ethical requirements related to assurance engagements. Performance audits primarily focus on the effective management of agency and LG programs and activities. The approximate cost of undertaking and tabling of this audit was $470,000.

Findings

While all LGs had procurement policies and procedures, they are not always effectively and consistently used

All LGs had policies and training in place to support staff in the procurement process. However, we found examples where LG procurement activity did not comply with their own policies, either because staff did not understand the policy requirements, or the policy did not meet the LG's needs. This included instances where the purchasing method used did not comply with the LG's own policies:

- 5 of the 8 LGs had instances of staff not seeking and recording quotes in line with their own policies
- 2 LGs had purchases that should have gone to tender, but did not.

LGs do not always purchase in line with their own policies

We found 23 purchases across 5 LGs, one of which had 8 instances where staff did not obtain quotes or failed to record them in accordance with their policies. Seeking and recording quotes promotes open and effective purchasing. When LGs do not comply with their own policies it reduces the likelihood they will get value for money and increases the potential for misappropriation of funds.

We also identified 2 purchases at 2 LGs that should have gone to tender, but did not. One LG sought quotes for the purchase from a number of suppliers, but did not tender. The other accepted a quote from a single supplier. Neither process met the tender, or exemption requirements under the Regulations. Tendering for high value purchases supports LGs in understanding the market and encourages open and effective competition for suppliers.

All LGs had procurement policies but there is opportunity to improve

All 8 LGs we reviewed had purchasing policies. At the time of our audit, 1 LG had a high level policy which did not meet the requirements of the Regulations. The LG has since updated its policy to meet requirements.

LGs should review their policies to ensure things like purchasing thresholds and quote requirements reflect current needs. In doing this LGs demonstrate they meet regulatory requirements and their policies are fit for their purpose. The issues identified above, around non-compliance with policy, also highlight an opportunity for LGs to review the appropriateness of their policies. Non-compliance can indicate a lack of understanding by staff, or that policies no longer meet the needs of the LG.

LGs provided staff with procurement training

All 8 LGs provided procurement training to staff. Three LGs delivered procurement training programs that included both induction and set refresher sessions. We found the training content to be sound as it not only covered policy and legislative requirements, process and procedures, but also provided essential context around procurement compliance and probity.

The other 5 LGs provided training at induction, through on-the-job activities or as a result of policy updates. We found this training covered policy requirements, but provided less context around procurement risks and individual accountability. These LGs also lacked a clear approach to providing refresher training.

The Corruption and Crime Commission's 2015 *Report on Misconduct Risk in Local Government Procurement*[2] (CCC report) identified inadequate training as one of the risks common to procurement related misconduct in LGs. Structured training and regular refresher training helps LGs manage this risk and reduce the number of instances of non-compliance with LG policies.

LGs need better procurement oversight and controls

We found weaknesses in key controls around approvals, segregation of duties, and checking of invoices at the 8 LGs. This exposes LGs to unnecessary procurement risks, such as improper use of funds or paying for goods and services not received.

Controls over raising and approving purchase orders could be improved

We saw a range of control weaknesses over purchase orders across all LGs, these included:

- 5 purchase orders across 4 LGs that were approved by staff without the appropriate authority to do so. All LGs maintained lists of the role, position and dollar value limits of staff that are authorised to approve purchase orders. However, these approval limits were not always complied with, which increases the risk that goods or services are procured by someone without the proper experience or authority to determine the best value purchase for the LG.
- 13 instances across 5 LGs where purchase orders were raised after invoices were received. Purchase orders act as an internal approval and control mechanism to proceed with a purchase. These controls are ineffective if purchase orders are raised after goods and services have been received. It is not possible for the LG to determine who approved the initial request for the goods or services, and if they had the proper authority to do so.
- We found a small number of purchase orders at 3 LGs that were raised for $0 or for a nominal value (e.g. $0.91) that did not reflect the expected spend. This was despite there being a known budget, quote or existing contracts for many of these items. Purchase orders should be raised for the full, expected amount prior to the purchase being made and approved by someone with appropriate delegation. This increases the likelihood that expenditure will be capped or monitored.

LGs should strengthen processes for checking goods and services when receiving them

We identified 36 invoices across 8 LGs that could not be verified against purchase orders, quotes or contracts. The invoices contained insufficient detail to reconcile them against agreed contract milestones and price schedules, but had still been approved for payment by the LG. The invoices included instances of LGs being overcharged and undercharged. Verifying invoices for payment is an important control to ensure that LGs have received the expected goods and services and that they have been correctly charged.

It is important that even small variances are checked as these are more likely to go undetected for long periods of time. The CCC Report identified supervisors not checking payment processes and work actually done on contracts as common risks to procurement related misconduct.

Sound practice is to ensure that there is evidence to support all transactions and that a clear audit trail exists. This includes documentation for contract payments, any variations, and reviewing supplier invoices for accuracy.

[2] Corruption and Crime Commission. 2015. *Report on Misconduct Risk in Local Government Procurement*.

LGs had weaknesses in their segregation of duties

Five of 8 LGs had not effectively segregated key steps in the procurement process or had insufficient records to show controls had been followed. For example:

- In 9 of the 20 purchases we reviewed at 1 LG, the same person had approved purchase orders, checked that goods and services had been received, and approved invoices to progress for payment. The 9 purchases totalled less than $150,000.

Four LGs captured insufficient information for us to independently verify who was receiving goods and services and approving invoices to progress to payment. Without clear records the risk of inappropriate payments is increased and the effectiveness of monitoring controls is reduced.

Stronger controls would include, where possible, the implementation of automated systems that require segregation across the different procurement functions.

Segregation of duties is a key internal control which assumes the risk of two or more people making the same error or colluding to defraud is less than an individual acting alone[3]. The CCC Report identified failure to separate duties as a risk common to procurement related misconduct. The report cited the example of one person being able to be involved in various stages of organising contracts and authorising payments. Segregating duties is one key way LGs can reduce this risk.

In smaller LGs, where resources are limited and full segregation is more difficult, the increased involvement of other senior staff in checking purchases and controls can mitigate this risk.

While we identified weaknesses in individual segregations, we did not identify any purchases where one person was the sole approver for all steps in the process, including payment.

Procurement decisions and conflict of interest considerations need to be better documented

To ensure accountable and transparent procurement activities LGs need to document key processes. This includes justifying the use of sole supplier exemptions, tendering decisions and potential conflicts of interests.

Exemptions from seeking quotes are regularly used, but are poorly documented and not always justified

All 8 LGs claimed exemptions from procurement policies for purchases we reviewed. Exemptions can improve efficiency in procurement activities, but need to be properly managed and sufficiently justified. They should not be used to avoid testing the market. Of the 8 LGs:

- 5 LGs did not have sufficient records to support sole supplier exemptions, 3 LGs did.
- 1 LG used the sole supplier provisions 5 times for purchases totalling nearly $150,000 but did not keep records to support these exemptions in line with its own policy. In 1 instance, when we requested support for the use of the sole supplier provision the LG advised that the supplier was an authorised distributor of a product, not that they were a sole supplier.

There are opportunities for LGs to be more transparent and efficient around when exemptions can be applied. For example, 1 LG achieved this by including a list of purchase types that were exempt from policy requirements (e.g. legal fees, utilities). Ideally this list

[3] Western Australian Local Government Accounting Manual, Section 7 – Internal Control Framework, p 27.

would be approved by Council. Reporting higher value exemptions to Council, or a committee of Council (such as the Audit Committee) would also improve transparency and accountability. One LG already included this reporting mechanism in its policy.

Recording of tender processes and conflict of interests could be improved

Under the Regulations tenders have a number of specific requirements. We found 7 LGs could improve the information they captured on tender processes, for example:

- proof of when and where tenders have been advertised
- individual tender panel assessments
- sufficient detail in individual panel member workbooks to support awarding of scores.

Complete records provide transparency that tenders are handled and assessed in line with regulatory requirements and the LG's policy. All LGs are required to maintain a Tenders Register and make it available for public inspection. All LGs maintained a public register but only 1 had the information available on its website. Making the register available online can reduce barriers to how the public accesses the information and increase confidence in tender processes.

We found 1 LG did not have a clear record to support why Council did not accept the tender evaluation panel's recommendation. Evaluation panels only make a recommendation to Council, who are not obliged to accept the recommendation. However, keeping a record of Council's reasons for not following a tender panel's recommendation supports the principle of transparent and accountable decision making and the requirement to keep proper records of the affairs of the LG.

We also identified weaknesses in how 5 LGs recorded declarations of interest for tender evaluation panel members. Declaring an interest doesn't automatically exclude someone from taking part in the evaluation process. However, there should be a clear record that a declaration has been made and signed, reviewed by someone with appropriate authority, and assessed as to whether it results in an actual, potential or perceived conflict of interest. The decision made on how to remove or manage the conflict should be clearly recorded. Weaknesses we identified are shown in Figure 4.

Declarations of interest and management of conflicts – Tender panels

Four of the 8 LGs we reviewed had weak processes:

- 2 LGs required panel member declarations of interest, but for some samples none were recorded and for other samples some panel member declarations were retained, but others were missing
- 1 LG had instances of incomplete and unsigned panel member declarations
- 1 LG had 3 instances where panel members had declared interests and they were appropriately recorded. However, it was not clear how the interests were addressed. In all but 1 instance the panel member remained on the evaluation panel.

One LG only required panel members to complete a declaration if a conflict existed. Providing positive assurance by requiring declarations from all panel members is a sound approach that encourages all staff to engage with the process and consider if any real or perceived conflicts of interest exist.

Figure 4: Weaknesses in the management of conflict of interest declarations

Appendix 1: Audit focus areas

The following table shows our audit focus areas. They cover a number of sound procurement practices and controls, and are not intended as an exhaustive list.

Procurement Framework	Focus Area	What we expected to see:
Policy	*Policy*	• LGs regularly review policy to assess if value thresholds and quote requirements reflect current needs • policies are clear about when and how to apply exemptions
Training	*Training*	• LGs provide all staff involved in the procurement process with training in relevant policy and processes • training emphasises personal accountability and how probity and transparency relate to procurement • LGs provide staff with refresher training
Sourcing	*Seeking quotes*	• that business requirements were determined prior to engaging suppliers • LG staff used the right purchasing method, as required by their own policies and the Regulations • that the use of exemptions was justified and documented
	Tendering	• that tenders were advertised, opened, assessed and recorded in line with the Regulations • documentation was retained to support open, fair and transparent decisions, and show that processes have been followed • that a Tenders Register was maintained in line with Regulations
	Conflict of interest	• that tender evaluation panel members provide positive assurance declarations • that declarations were retained and there was a record of how they were assessed and how any conflicts were addressed
	Purchase orders and approvals	• that purchase orders were raised for the full expected amount of the procurement • purchase orders were approved by staff with appropriate authority • internal approvals were obtained before goods and services were purchased
	Segregation of duties	• appropriate segregation of duties across the procurement process
	Reviewing invoices and payments	• any differences between invoice charges and quoted or contracted rates had been reviewed and appropriately justified • goods and services were received and approved by staff with appropriate authority • that there were strong controls around payment of suppliers and access to bank accounts • documentation was retained to support open, fair and transparent decisions, and show that processes have been followed

Auditor General's reports

Report number	2018-19 reports	Date tabled
4	Opinions on Ministerial Notifications	30 August 2018
3	Implementation of the GovNext-ICT Program	30 August 2018
2	Young People Leaving Care	22 August 2018
1	Information Systems Audit Report 2018	21 August 2018
Report number	**2018 reports**	**Date tabled**
13	Management of Crown Land Site Contamination	27 June 2018
12	Timely Payment of Suppliers	13 June 2018
11	WA Schools Public Private Partnership Project	13 June 2018
10	Opinions on Ministerial Notifications	24 May 2018
9	Management of the State Art Collection	17 May 2018
8	Management of Salinity	16 May 2018
7	Controls Over Corporate Credit Cards	8 May 2018
6	Audit Results Report – Annual 2017 Financial Audits and Management of Contract Extensions and Variations	8 May 2018
5	Confiscation of the Proceeds of Crime	3 May 2018
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9.0 URGENT BUSINESS (LATE REPORTS)

10.0 CLOSING PROCEDURES

10.1 Date, Time and Place of the Next Meeting

10.2 Closure of the Meeting