Minutes

Audit and Risk Committee Meeting held at 9.00 AM on Wednesday 2 February 2022 online via Microsoft Teams.

1   Present

Present

Mr Peter Knights (Chair)
Mr Tony Roberts
Ms Lynn Jensz (entered meeting 9.20am)
Cr Murray Emerson
Cr Kevin Erwin

Mr Trenton Fithall, Acting Chief Executive Officer (left meeting 9.57am)
Mr Vaughan Williams, Director Corporate Services
Mr Graham Haylock, Manager Financial Services
Mr Peter Phelan, Coordinator Financial Services
Ms Gabrielle Castree, Crowe (item 6.1)

2   Apologies

An apology was received from Ms Liana Thompson, CEO

3   Disclosures of a Conflict of Interest at a Council Auspiced Meeting

Nil

4   Confirmation of Minutes from the Previous Meeting

Confirmation of draft minutes from the Northern Grampians Shire Council Audit and Risk Committee meeting held, Thursday 16 September 2021.

Moved: Mr Tony Roberts
Seconded: Cr Kevin Erwin
Carried

5   Matters Arising from the Minutes

Nil

6   General Business

6.1 Risk Framework Review

Review of the Risk Framework to be presented by Ms Gabrielle Castree and Mr Vaughan Williams.

Outcome
Mr Williams and Ms Castree discussed the review of the Risk Framework.

Ms Castree discussed the NGSC Risk Assurance report prepared by Crowe. Items covered included the overall maturity ratings of council and the nine recommendations made as part of the report.

Resolution:
That the Risk Framework report be received and noted.

Moved: Ms Lynn Jensz
Seconded: Mr Tony Roberts
Carried

Attachments
1.   Risk Assurance Report [**6.1.1** - 15 pages]

Northern Grampians Shire Council

Risk Assurance Report

Prepared for:

Vaughan Williams, Director Corporate and Community Services

Prepared by:

Gabrielle Castree, Associate Partner, Crowe

27 January 2022

1 Executive Summary

1.1 Introduction

When the management risks are structured and comprehensive, customised, inclusive, dynamic, based on the best available information, considers both human and cultural factors and is focused on continuous improvement, risk management creates value and protection.

The purpose of a risk management framework is to drive risk culture, risk governance, risk resources, risk process and risk assurance.

Management engaged Crowe to review the risk management framework. by benchmarking Northern Shire Council's framework against Crowe's Risk - Maturity Assessment Tool (R-MAT). The R-MAT is designed around the key elements of the ISO 31000:2018 and provides a guide for assessing maturity (current and desired).

1.2 Risk Maturity Assessment Tool

The effectiveness of enterprise risk management will depend on the integration into the governance structure and ability to support decision making.

An enterprise risk management framework typically describes how the organisation arranges itself.

Areas covered in a framework include leadership and commitment. Within the R-Mat these areas have been categorised as risk culture, risk governance, risk resourcing, risk process, risk assurance and risk interagency.

A brief description of these areas is outlined in Table 1.1

Table 1.1 Risk Maturity Descriptors	
Area	**Summary statements**
1-Risk Culture:	The focus is on the behaviour of the people within the organisation supporting risk management practice.
2-Risk Governance:	The focus is on the approach for developing, supporting and embedding risk strategy and accountabilities.
3-Risk Resourcing:	The focus is on resources and planning allocated to the management of risk.
4-Risk Process:	The focus in on the process for identifying, assessing, evaluating, treating and monitoring risk.
5-Risk Assurance:	The focus is on establishing integrity and validity to bring confidence and support decision-making.
6-Risk Interagency:	The focus is on risks which are shared and unmitigated by one agency or interagency risk that increases risk to another agency.

In applying the assessment tool, we determined that Council's current maturity was overall assessed as:

- **Developed** across five maturity areas (culture, governance, resources, process and interagency)
- **Foundation** for one maturity area (assurance)
- The overall risk maturity rating is provided at Table 1.2

For the size of Northern Shire Council, the rating of 'developed' is adequate to support decision making of about risk.

Key area of maturity that requires focus and developed is the area of assurance. A documented and scheduled assurance program is underperforming and would add value to decision making if matured.

The R-Mat assessment tool is provided at Appendix 1.

High level observations and Recommendations are outlined in Section Two of this report.

Table 1.2 Overall Maturity Ratings						
Maturity Areas	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
1.Culture						
2.Governance						
3.Resources						
4.Process						
5.Assurance						
6.Interagency						

1.3   Key documents

The information considered for this review include:

- Audit and Risk Committee Charter
- Councillor Code of Conduct
- Staff Code of Conduct
- ARC Report Manager 2021
- Risk Committee Minutes 202011105
- Risk Committee Terms of Reference
- Risk Management Policy (2019)

- Risk Management Strategy (2021)
- Coordinator Community Futures Position Description
- Risk Register (full register)
- Position description

Within Section two of this report, collectively, these documents are referred to as the Risk Management Framework.

1.4 Key documents shared during the engagement

- VMIA Risk Culture Guide
- VMIA Control Effectiveness Guide
- IIA Three Lines model

2   Observations

2.1   Risk Culture

Risk culture is a sub-set of an organisations culture. Culture can also be described as the 'way things are done. There is evidence that leaders are committed to risk through. Northern Shire Council has assigned responsibilities to all Directors and Managers in the management of risk. In doing so, regular risk assessments are undertaken and reported. Risk management practices are linked to the values of council. This was evidenced through documented risk appetite statements outlined in the Risk Management Framework.

Improvement areas for consideration include:

- Using existing forums such as the Senior Leadership Team meeting to formally structure discussion around emerging risks or briefings on risk strategies or initiatives

Refer to recommendation one

2.2   Risk Governance

Northern Shire Council Risk Management Framework and Governance is supported by key documents, they include ARC Charter, Risk Committee terms of reference, Risk Management Policy, Risk Management Guidelines, Risk appetite statements, articulation of risk principles, outline of accountabilities and responsibilities and systems and tools to identify, assess and report against risk. Through these documents it is evidenced that risk management governance is aligned to the organisational structure, supported by the Audit and Risk Committee.

Improvement areas for consideration include:

- These include formalising processes for meeting legislative compliance requirements and seeking feedback from the ARC on their information needs.

- In addition, in discussion with management we identified with the introduction of the Project Management Framework, the protocols for assessing project risks had not been incorporated within the Risk Management Framework.

- The ISO 31000 reviews to the global risk standard. Edition one is 31000:2009 and edition two is 31000:2018. There are minor changes between the two editions. The Risk Policy and Strategy need to align to the 31000:2018

- The risk register business rules requirements and structure should be designed using the Risk Management Framework. At the time changes and updates are made Framework the risk register should be reviewed and as required updated to reflect changes.

Refer to recommendation two.

2.3   Risk Resources

The resources assigned and maintained by Northern Shire Council includes policy, guidelines, risk management system, and risk management and audit oversight committees. These resources are maintained to enable a consistent delivery of risk management across all departments and units. The enterprise risk system is supported by technology. On request, system user training is provided to employees.

No findings

2.4 Risk Process

Northern Shire Council has an established communication and consultation process in place. There is a defined risk appetite. The objectives are defined for managing risk and have a defined risk rating criterion.

Improvement areas for consideration include:

- As part of Northern Shire Council's risk process, there is a requirement to assess inherent risk. Inherent risk is uncontrolled risks. Then there is a requirement to assess risks following determination of established controls and effectiveness of controls. As we note it is management's decision to apply inherent risk, this step is not required under the ISO Standards.

- As part of our review of the risk register, we noted that there were instances where controls have not been documented or appropriately assessed; and risk ratings had been following on the assumption that controls were in place to modify or maintain the risk.

Refer to recommendations four and five.

2.5 Risk Assurance

Assurance is the process of establishing integrity and validity to bring confidence to support decision making. Northern Shire Council do not have a documented and scheduled assurance program in place.

Improvement areas for consideration include:

- Assurance that the critical internal controls assigned to modifying or maintaining risk are operating as intended.

- Assurance that risk and control owners have a clear understanding of their roles and responsibilities for providing assurance.

- Determining performance indicators so performance can be measured and maintained.

- Establishing risk management framework improvement plan.

- Business case for procuring independent assurance.

Refer to recommendations six, seven, eight and nine.

2.6 Interagency

Northern Shire Council's Risk Management Framework outlines the key agencies that council works with where risk may be shared.

No findings

3   Risk Assurance Recommendations

Risk maturity focus areas	Recommendations	Priority rating	Management comment
Risk Culture	1. To mature risk culture, incorporate a standing agenda item to the regular senior leadership team meetings to enable discussions around emerging risks, sharing risk management case studies, and risk management strategy.		**1-Agree** **Management Comments:** I support this suggestion as it enables risk considerations to be re-enforced. The agenda will be modified to include risk considerations from the next monthly meeting. **Responsible Officer:** Vaughan Williams, Director Corporate and Community Services **Target Date:** February 2022
Risk Governance	2. In taking a risk-based approach, identifying legislative areas pertaining to public safety (i.e. food safety, ohs, child safety, occupational violence) and review obligations and internal controls to assess if there are the established processes to meet legislative compliance requirements.		**2-Agree** **Management Comments:** Methods for determining compliance with the many legislative and regulatory mandates will be considered and reported back to the ARC. **Responsible Officer:** Vaughan Williams, Director Corporate and Community Services **Target Date**: 30 June 2022
	3. Review the risk management framework (Framework) to ensure naming conventions of standards are consistent, the framework is aligned to ISO 31000:2018. The Framework is the source of truth, all supporting documents such as the risk register, and management of project risks should be consistent with the Framework. Supporting documents should be reviewed to ensure alignment.		**3-Agree** **Management Comments**: We will review and change the framework to be consistent where required. **Responsible Officer:** Kylie Allen, Risk and Lease Management Officer **Target Date**:

Risk maturity focus areas	Recommendations	Priority rating	Management comment
			30 June 2022
	4. Reassess the purpose of inherent risk and value of applying this step within the risk process.		**4-Disagree** **Management Comments:** At the moment the inherent assessment is helpful. We will maintain status quo.
Risk Process	5. During the next risk register review cycle, request risk owners review all controls within the risk register and update as required, including assessment of the effectiveness rating of internal controls assigned to modify or maintain the risks.		**5-Agree** **Management Comments:** This will be incorporate during the next review cycle. **Responsible Officer**: Kylie Allen, Risk and Lease Management Officer **Target Date:** 30 June 2023
Risk Assurance	6. The risk management framework should outline the assurance role required of risk owners and controls owners. For example: - Capturing existing assurance activity across the business - Establishing the requirement for Directors and Managers to attest that the critical risks they are managing are maintained on the enterprise risk register and reviewed at least annually. This attestation should annually be submitted to the Audit and Risk Committee.		**6-Agree** **Management Comments**: Review requirements with CAMMS to enable input of assurance activities into risk register. **Responsible Officer:** Kylie Allen, Risk and Lease Management Officer **Target Date**: 30 June 2023
	7. Determine key performance indicators so risk management performance can be measured. The state of the plan should be reported annually to the Audit and Risk Committee.		**7-Agree** **Management Comments:** Will develop key performance indicators. **Responsible Officer:** Vaughan Williams/ELT

Risk maturity focus areas	Recommendations	Priority rating	Management comment
			Target Date: 30 June 2022
	8. Develop and incorporate into the risk management framework, a risk management plan outlining continual improvement focus.		**8-Agree** **Management Comments:** Will develop a risk management plan. **Responsible Officer:** Kylie Allen, Risk and Lease Management Officer **Target Date:** 30 June 2022
	9. Consider procuring the services of an internal audit provider to provide independent assurance.		**9-Agree** **Management Comments:** Will explore options to fulfil internal audit functions. **Responsible Officer:** Vaughan Williams, Director Corporate and Community Services **Target Date:** 30 June 2022
Priority ratings action implementation time horizon	1-3 months 6 months 12 months		

Appendix 1 - Risk-Maturity Assessment Tool (2021)

1. Culture	The behaviour of the people within the organisation supporting risk management practice					
1.1- It is evident that leaders are committed to risk management.	• **The risk manager drives risk management activity.** • **There is evidence risk management is considered in some decision-making processes in the organisation**.			• There is a structure for Directors and Senior Managers to lead and champion risk management • **Risk management practice is visible.** • Contingency plans for potential adverse consequences (some) are developed. • The enterprise risk resources reflect the priority of risk management.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
1.2 It is evident that employees' contributions to risk management are valued.	• Employees are rewarded and recognised for their contribution to risk management.			• Recognition and reward systems actively encourage employees to manage risks and take advantage of opportunities. • Management are committed to learning from positive and negative outcomes. • Information about risks is shared and there is a strong indication of team work across the organisation.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
1.3 Risk management practices are linked to the ethics and values of the organisation.	• **There is an organisational-wide approach to linking risk management practices to ethics and values.**			• The values enable management to take a balanced approach to risk management.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
Overall maturity rating						

2. Governance	The approach for developing, supporting and embedding risk strategy and accountabilities					
2.1 There is evidence that risk management governance is aligned to organisational structure.	• **Risk management governance practices have been documented and are aligned with their Corporate Governance Framework.** • **Risk management responsibilities are aligned with an individual's authority and documented in the organisation's delegated authorities.**			• Employees are aware of risk management governance principles and practices. • Risk management governance practices and accountability are embedded in organisation planning and performance. Performance against the framework is measured.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
2.2 There is evidence that the Audit and Risk Committee demonstrates its role and responsibility in overseeing risk.	• **The audit and risk committee receives written risk reports that address its risk management responsibilities.** • **Reports are accurate, adequate, appropriate, comprehensive, timely, reliable, comparable, transparent, integrated with other relevant reporting processes and presented in a format the reader finds easy to use.** • **The audit and risk committee is provided with regular updates on the strategic risk profile.**			• The audit committee regularly receives written risk reports that specifically address its risk management responsibilities. • The reports identify emerging risks and changing context of the organisation's risk profile. Committee members consider reports and identify actions required.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
2.3 There is evidence of established processes for ensuring key legal and regulatory compliance obligations are met.	• There are established processes for meeting legislative compliance requirements.			• The legal and regulatory compliance framework is consistent with ISO Standards • There is a process so corrective actions are taken to address areas of non-compliance.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
2.4 There is evidence that individuals' roles, responsibilities, and accountabilities are documented.	• **Individual's roles, responsibilities and accountabilities for risk management are outlined in the organisations risk management policy and/ or plans.**			• The organisations risk management roles and responsibilities for employees have been documented and approved and are included in position descriptions.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
Overall maturity rating						

3. Resources	The resources and planning allocated to the management of risk					
3.1 The human resources required to support risk management system and processes are provided.	• Risk management capabilities have been established and skill gaps identified. • **Risk management awareness sessions are carried out regularly**			• Risk management capabilities and training are integral to individual learning plans. • Employees are trained, and skill gaps addressed. • Risk management training is an integral part of departmental training program.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
3.2 The risk management tools and templates are developed.	• **Enterprise wide risk management tools and templates have been agreed and approved.** • **Risk management tools and templates are coordinated to ensure consistency of application across the organisation.**			• Enterprise risk management tools and templates are readily available, understood and consistently applied by employees across the organisation. • The risk management tools and templates assist employees performing their risk management responsibilities and are easy to use.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
3.3 The risk management plan explicitly addresses uncertainty.	• **The enterprise risk management plan has been documented and approved and utilised by business areas**. • **The plan's terminology is consistent with AS: ISO 31000:2018.**			• The enterprise-wide risk management plan has been documented, approved and effectively deployed to all employees.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
3.4 There is enabling risk management technology	• **Organisations risk management framework is supported by technology.** • **The risk management framework has enabling enterprise technology and an assigned nominated system user**			• Risk owners are able to update critical risks. • Risk information is current, kept up to date and regularly review by risk owners		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
Overall maturity rating						

4. Process	The process for identifying, assessing, evaluating, treating and monitoring risk					
4.1 There is an established communication and consultation processes in place.	• **There is discussion and communication about risk management and the management of risk.** • **There is some documented evidence to support communication and consultation activities with stakeholders during the risk management process.**			• There is some documented evidence of communication and consultation with relevant stakeholders for key steps in the risk management process.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
4.2 There is a defined risk appetite.	• **Strategic risk appetite statements have been documented and linked to strategic objectives.** • **The consequence and likelihood scales and risk rating matrix are developed** • **There is a risk aggregation processes, risk reporting and escalation criteria.**			• The risk appetite and tolerance has been documented, approved and effectively deployed to employees across the organisation. • The risk appetite measurements are accessible to employees and aligned with organisation objectives.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
4.3 The objectives are defined for managing risk and have defined risk rating criteria.	• **There is a defined risk criterion to evaluate the significance of risk.** • **This risk criterion is documented and accessible to all employees**. • **The enterprise wide risk methodology is documented, approved, reviewed and effectively deployed to employees and includes the following elements: sources, events, causes and consequences.**			• Risks are explicitly linked to business planning and budget setting processes as well as to the risk management process. • The risk process identifies controls and rates control effectiveness. • The consequence and likelihood ratings are considered in context to the risk and control environment.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
4.4 Specialist risk profiles are identified and profiled.	• There is a process for identifying specialist risk areas. (For example, Safety, ICT and Procurement).			• Employees are aware of the process for identifying and documenting specialist risk areas.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
Overall maturity rating						

5. Assurance	The process of establishing integrity and validity to bring confidence and support decision-making.					
5.1 There is an established assurance program in place across the three lines of defence .	• The assurance program is aligned to providing assurance that the critical controls are operating as intended, • The assurance program is reviewed regularly. • There is an established independent internal audit program. • The internal audit program is aligned to the strategic risk profile.			• There is a clear documented link between the validation and assurance program and the risk profile of the organisation. • The validation and assurance program incorporates techniques including - predicative indicators, use of real time data, dashboard reporting, and measuring against target levels of compliance. • The is an independent enterprise wide validation and assurance program that is fully aligned with the risk management profile. • Risk management processes and internal controls are enhanced as necessary to reflect the outcomes of the validation and assurance activities.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
Overall maturity rating						
6. Interagency	Risks which are shared and unmitigated by one agency increases risks to another agency					
6.1 Interagency risk is documented and managed.	• **Management have partnerships with key stakeholders to deliver services and respond to critical incidents in the community.** • **There is evidence of developed agency relationships to identify and manage inter-organisational and interagency risks.**			• Relationships have been developed and a process has been documented to identify interagency risks. • There is an approach for the evaluation and treatment of interagency risks. • Mechanisms exist to escalate critical shared or interdependent risks.		
Maturity rating	Foundation	Partially Developed	Developed	Partially Integrated	Integrated	Optimised
Overall maturity rating						

Contact us

Findex (Aust) Pty Ltd

trading as Crowe Australasia

ABN 84 006 466 351

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd @2022

6.2 Risk Committee Update

Mr Vaughan Williams to provide a Risk Committee meeting update.

Outcome

Mr Williams provided an update regarding the activities of the Risk Committee. Topics covered included a new *Environmental Protection Act*, use of an EPA toolkit to update various processes and CAMMS, an update to the Protective Data Security Plan and Gift Register. Risk management training is proposed for February to enable managers and coordinators to attend.

Resolution:

That the Risk Committee update be received and noted.

Moved: Ms Lynn Jensz
Seconded: Mr Tony Roberts
Carried

Attachments
1.   20220131 Risk Committee Minutes [**6.2.1** - 7 pages]

Risk Committee Minutes

Date: 31 January, 2022

Attendees:
Trenton Fithall – Acting CEO
Vaughan Williams - Director Corporate & Community Services
Daryl Clifton - Manager People & Culture
Mary Scully – Manager Governance & Civic Support
Graham Haylock - Manager Financial Services
Kylie Allen - Risk & Lease Management Officer
John Hunt – Acting Director Infrastructure & Amenity

Apologies
Liana Thompson – CEO

		Item	Description	Action
1	Previous Minutes action update **(ALL)**			Nil
2	Policies and procedures development & review	Risk Committee ToR (KA)	Review for new structure & Risk Assurance Report recommendations	**KA ASAP**
		Risk Management Framework (KA)	Review as per Risk Assurance Report recommendations	**KA 30/6/2022**
3	Internal and external audit plans/reports	JMAPP Online Risk Improvement Assessment (KA)	Non compliances • proactive inspection program for all council insured buildings (only	**Tasked to relevant departments**

			evidence is ESM and not done) • Solar panel inspections • Climate Change Adaptation Plan	
		Risk Assurance Audit **(VW)**	*Outcome summary:* For the size of Northern Shire Council, the rating of 'developed' is adequate to support decision making of about risk. Key area of maturity that requires focus and development is the area of assurance. A documented and scheduled assurance program is underperforming and would add value to decision making if matured.	**Review of management comment/ responsibilities undertaken** **Schedule mini RC mtgs to address recommendations (KA)** **Agenda item ARC re purchase of CAMMS Audit to capture & trace audit recommendations (VW)**
		Other audit reports **(ALL)**	Gender Equity Plan underway Energy Safe Vic (powerlines) – next one to be added to the agenda	**Ensure all audit reports are tabled at this committee (flow through to all depts) (ALL)** **LSV recommendations – what is the outcomes? (VW)** **Need to establish monitoring recommendation tracking option**

4	Risk culture/training	JMAPP Risk Workshop 101	Booked for 24th Feb to coincide with SLT (11am – 1pm). Managers & Coordinators should attend. Session will be structured to include NGSC framework. *To be confirmed*	**Suggest online or Learning Hub** **DC – send KA invite to create learning hub option**
5	Legislative updates	*Environment Protection Act 2017* - requires councils to prevent and manage risks to the environment and human health (previously reported to committee - commenced 1/7/2021) **(MS)**.	New RCV [EPA Toolkit](#) - guide for rural councils to evaluate their existing systems in 6 key function areas: • Works delivery • Parks and Gardens • Waste Services • Property management • Procurement, Project Management, Contract Administration • Town Planning Councils to put in place *reasonably practicable measures* to eliminate or reduce risks of harm to people and the environment from pollution and waste. How do you want to proceed?	**GED requirements to be considered** **Strategic Waste Projects Officer is responsible for implementing compliance system**
6	Victorian Protective Data Security Framework (VPDSF)	Update on Protective Data Security Plan implementation status **(MS)**	• *ICT Acceptable Use Policy* reviewed and approved by ELT 30/11/21 • *Privacy Policy* reviewed in line with 2019 OVIC Examination of Local Government Privacy Policies and adopted by ELT 11/1/2022 • *Information Security Management Framework* endorsed by ELT 30/12/21 • *Security Performance Indicators* identified and set – Endorsed by DCS 17/11/21 • *Data Privacy and Security Training Plan* developed – Endorsed ELT 18/1/22	

			• *Cyber Incident Response Plan* developed and endorsed by ELT 30/11/21	
7	Gift Register	Annual report from Gift Register **(VW)**	The Director Corporate Services will report to the Executive Leadership Team and Audit and Risk Committee annually on the administration and quality control of the policy, processes and gift register. The report will include an analysis of any trends and risks or vulnerabilities identified (including multiple offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements. Public and Internal Gift Registers **attached.**	**Register reviewed by committee high value gifts discussed**

Public gifts, benefits, and hospitality register

This register displays gifts to the value of more than $50.00, offered during the past 12 months.

Displaying 1 - 3 of 3

Date:	Offered To:	Donor:	Gift:	Decision:	Value:
08/12/2021	Employee	Navarre Minerals Pty Ltd	Gift hamper	Accepted	$ 100.00
22/06/2021	Employee	Absolute Outdoors	Peaks Trail Guided Tour	Accepted	$ 1,450.00
23/04/2021	Employee	U3A	5 memorial books	Accepted	$ 75.00
Date:	Offered To:	Donor:	Gift:	Decision:	Value:

Gifts register – internal

Record ID	Date Offered	Declared By	Donor	Gift Description	Reason For Gift	Accepted	Gift Value
GIFTREG402	21/12/2021	Jamie Hope	Jenny Bibby Kell Funerals	Chocolates and Biscuits	As a thank you for all the assistance throughout the year regarding St Arnaud Cemetery.	Yes	20.00
GIFTREG403	21/12/2021	Kerry Wilson	Judy Body	Tin of Roses chocolates 620g.	Christmas gesture	Yes	13.50
GIFTREG401	16/12/2021	Sepe Illig	Tingli Wu	A wrapped Christmas gift of a tin of Cadbury chocolates and a Christmas card.	Christmas gift to staff.	Yes	25.00
GIFTREG400	09/12/2021	Sepe Illig	Malcolm Hooper	A Lions Club Christmas fruit cake, large size.	In thanks for library staff putting the cakes up for sale on behalf of the Lions Club - Stawell.	Yes	17.00
GIFTREG398	08/12/2021	Nicholas Murphy	Navarre Minerals Pty Ltd Navarre Minerals Pty Ltd	Received a postage box in the mail at work. Opened it and it had some biscuits and a bottle of Seppelts red wine in it. Sort of a small Christmas hamper. Had a thankyou note from Navarre Minerals in it	Not 100% sure but suppose we have worked with them over the years on the ground testing they do. I left the gift at the town hall and did not bring it home as I	Yes	100.00

				who we occasionally work with as they do a lot ground testing in the area for gold	wanted to confirm whether it was suitable to bring home or not		
GIFTREG399	07/12/2021	Kerry Wilson	Unknown Unknown	Box of Lindt Christmas chocolates	Left at front desk as Christmas gift for staff	Yes	15.00
GIFTREG397	30/11/2021	Liana Thompson	Niraj Singh Australian Tourism Group	One cup of coffee at Flame Brothers, Halls Gap.	I met with Mr Singh at Flame Brothers, I had met him 18 months earlier and Covid had put a stop to his investigations into tourism accommodations in Halls Gap. I paid for the previous coffee and Mr Singh offered to pay for this coffee of which I accepted.	Yes	4.50
GIFTREG396	27/10/2021	Belinda Huggins	Betty McGuane	Raspberry sponge roll & 2 x passionfruit cream sponge slices	Yesterday St Arnaud Library helped Betty get an email address and access my.gov.au so that she could get a vaccination certificate and enter business premises under the new mandates. This took over an hour. Betty does not have a smart phone, and did not have an email address or my.gov account. Betty is in her 90's and didn't know where else to go for help.	Yes	10.00
GIFTREG394	22/06/2021	Justine Kingan	Adrian Manikas Absolute Outdoors	Three day, three night Grampians Peaks Trail guided 'Northern Luxe' tour, with Grampians Peaks Company.	To familiarise the Manager Economic Development with flagship visitor offerings associated with the Grampians Peaks Trail (GPT), to enhance Council's capacity to advocate and support growth of value-added to NGS economy from the GPT .	Yes	1,450.00
GIFTREG393	01/06/2021	Jacqueline Scott	Joyce Cameron	Bag of Lemons from the clients tree Handmade face mask	friendly gesture	Yes	5.00
GIFTREG392	29/04/2021	Vaughan Williams	Lisa Bennetto MAV	I presented at the MAV Tech conference on April 29 and was given a bottle of DeBertoli's Prosecco and a Batch & Co Spice Pear and Fig soda	Because I was involved in a panel discussion at a conference.	Yes	30.00
GIFTREG391	23/04/2021	Kerry Wilson	Gabby Chamberlaine U3A	Five books donated by U3A in memory of members who have passed away. Books will be processed and added to library collection.	They chose to donate a book in memory of each member that passed away last year.	Yes	75.00
GIFTREG390	12/03/2021	Liana Thompson	Matt Humphries Halls Gap Hotel	Tickets to a function at the Halls Gap Hotel on Sunday 21 March 2021.	A recognition of Council's contribution through a Business grant.	Yes	50.00

[GIFTREG389](#)	03/02/2021	Kathryn Sage	Gold Tralwar Manhari Metals	1 Leather bound diary, 2 Copper water bottles. Provided to Community Safety Team Leader from a new service delivery company- MANHARI Metals who apparently provide these gifts to all new customers	Gift is apparently given to all new customers	Yes	30.00
[GIFTREG358](#)	26/01/2021	Kara Way	Trish Egan	Large box chocolates	Thank you gesture for xmas	Yes	5.00
[GIFTREG327](#)	11/01/2021	Jason Hoffmann	Peter unknown	I was offered bottle of something with a red or black label.	Peter has decided to sell his allotment and purchase a more suitable allotment	No	50.00

6.3 Audit and Risk Committee Survey 2021

Mr Vaughan Williams to provide a presentation on the Audit and Risk Committee Survey results.

Outcome

Mr Williams discussed the results of the survey conducted in 2021. Four of five members participated in the survey.

Mr Williams made mention of the three areas where the results were not in total agreement:
- Business continuity assessment
- Audit program high risk focus
- Ability to instigate investigations

The Audit and Risk Committee Survey was received and noted.

Attachments

1. ARC Survey 2021 [**6.3.1** - 2 pages]

Audit and Risk Committee Survey 2021

These are the results of the self assessment survey conducted August last year. There were 4 of the 5 members of rthe Audit and Risk Committee who responded.

ARC - Survey 2021

Biannual Audit and Risk Report
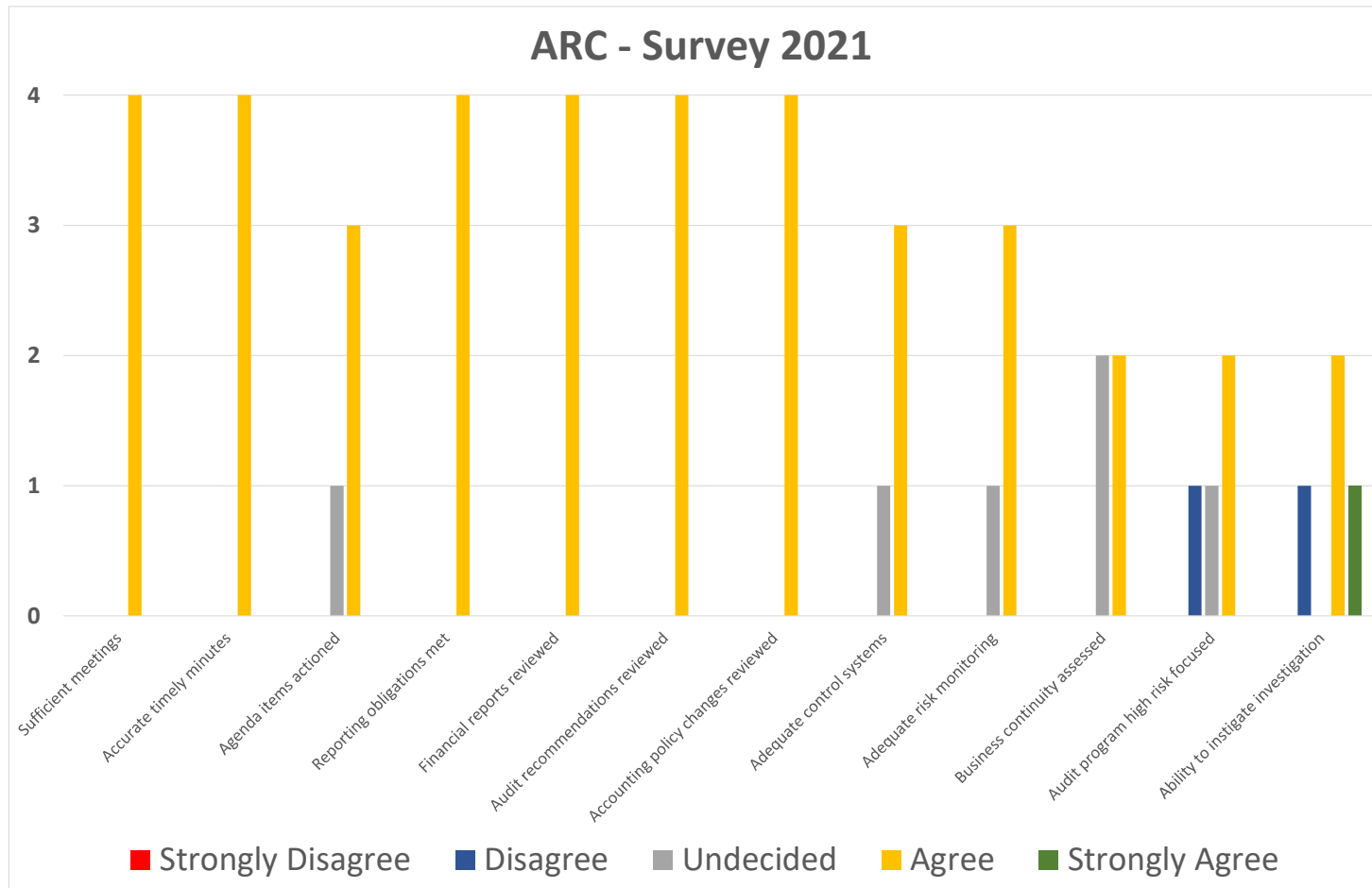
Comments

I have some concerns with the final interim management letter with regard to recommendations that have not been accepted by NGSC for various reasons. I also believe that the ARC has not taken enough responsibility in relation to the need for targeted internal audits. I am not suggesting that we do internal audits for the sake of them as I know that there is considerable cost associated with them but there will be areas within NGSC that require external review of internal controls, compliance etc. Council has with the introduction and adoption of the CAMMS risk register put in place a system that we should now move to utilise in order to identify internal audit areas that pose material business risk. The ARC Charter includes as part of its responsibilities "review and recommend the annual audit work program for approval by the Council " of which I have not seen to date but which I believe must be mandated going forward.

Operation of ARC negatively impacted by restrictions of meeting only by online means due to covid. Internal audit activity schedule to be referenced after completion of full integration of Council risk reporting system due in current year, hence some activity held over to 2022

7   Financial Reporting and VAGO Audit

7.1 Quarterly Finance Report 2021-22
Mr Graham Haylock to present the Finance Report for the period ended 30 September 2021.

Outcome
Mr Haylock provided a summary of the key highlights from the Quarterly Finance Report. Mr Haylock highlighted the carried forward figures that account for the majority of the cash balance at June 2021 and discussed a rates debtors recovery graph that reveals a constant 95% collectability of debt over the last three years.

The Quarterly Finance Report 2021-22 was received and noted.

Attachments
1.   Quarterly Finance Report - September 2021 [**7.1.1** - 15 pages]

Financial Report

30 September, 2021

Contents

FINANCE REPORT - SEPTEMBER 2021: CARRY FORWARDS & MAJOR VARIATIONS

Summary of Variations

The variation between the 2021/22 Adopted Budget and the 2020/21 Actuals made up of the following components: -

	$000's
Opening Cash	
Additional Cash @ 30 June 2021 vs 2022 Opening Budgeted Cash Position	**14,782**
Explanation of Additional Cash	
Carry Forward to 2021/22:	
Capital Works & Projects	8,492
Projects Grants & Contributions	4,401
Operating Programs	391
	13,284
Explanations of Further Variances Against Additional Cash	
Savings in Operating Programs	1,498
	1,498

Summary of Carry Forwards	**$**

Capital Works

Expenditure budgeted for in 2020/21 - to be expended in 2021/22

Buildings program	2,489,623
Heavy Plant Replacement Program	164,885
Roads program	1,169,605
Footpaths Program	221,499
Bridge & Culverts Program	1,162,046
Drainage Program	188,033
Floodway Program	10,000
Project Management	130,251
	5,535,942

Capital Projects

Expenditure budgeted in 2020/21 - to be expended in 2021/22

Stawell Aerodrome Open Spaces	356,530
St Arnaud Streetscape	272,832
Grampian Rd/ Stoney Creek	163,349
SMART Waste Technology	256,365
Great Western Trail	294,880
Open Spaces - Central Park/North Park Upgrades	190,557
Bellfield Bikepath Development	25,289
Land Improvement - Sloane St Development	660,000
Greening St Arnaud	6,300
Great Western Future Plan	14,173
Soldiers' Memorial	20,109
Grampians RDV Regional Cycling	200,000
OPAN	167,851
Walkers Lake Reserve	100,158
EnhanciNG	61,625
Rural Councils ICT	70,816
Outdoor Dining Project	65,849
Halls Gap Pedestrian & Bike Path	29,348
	2,956,031

Project Grants & Contributions

Income budgeted in 2020/21 - to be received in 2021/22

Stawell Aerodrome Open Spaces	60,000
Footpaths Program	177,100
Bridge & Culverts Program	227,500
Buildings program	1,660,000
Spaces Program	2,076,219
Land & Land Improvement Program	200,000
	4,400,819

Operating Projects

Aged Friendly Grant	80,300
HACC - PYP	44,600
MCH Recurring Grant	48,460
Kinder Central Enrolment	33,000
Early Schools Readiness Funding	11,440
KISP Planning Grant	35,000
Engage! 18-20	25,000
Information Systems	65,500
	343,300

Operating Programs

St Arnaud ELC - programs	47,940
	47,940

Total Carry Forwards	**13,284,032**

Executive Summary as at 30 September, 2021

It should be noted that this report only reflects spending to 30 September, 2021.

The forecast shows a favourable movement of $-9.7M in expected closing cash held at the end of the financial year compared to budget.

It is projected that the Council will end the year with $21.3M cash.

Cash Flow Statement as at 30 September, 2021

	Actuals to September, 2021 $`000	Total Forecast $`000	Budget 2021-22 $`000	Variations to Budget Fav (Unfav) $`000
Operating Activities				
Revenue				
Rates & Charges	(3,360)	(18,748)	(18,756)	(8)
Operating Grants	(1,735)	(10,595)	(10,493)	102
Statutory Fees & Fines	(118)	(462)	(455)	7
User Fees	(360)	(1,982)	(1,813)	169
Contributions	(3)	(53)	(50)	3
Other Revenue	(173)	(858)	(883)	(25)
Total Revenue	**(5,749)**	**(32,698)**	**(32,450)**	**248**
Expenses				
Employee Costs	3,987	17,810	17,166	(644)
Materials & Services	2,832	10,146	9,388	(758)
Borrowing Costs	-	75	75	-
Other Expenses	180	1,387	1,608	221
Total Expenses	**6,999**	**29,418**	**28,237**	**(1,181)**
Net Operating	**1,250**	**(3,280)**	**(4,213)**	**(933)**
Investing Activities				
Capital Expenditure	1,554	24,141	15,649	(8,492)
Capital Grants	(563)	(12,482)	(8,081)	4,401
Capital Income	-	-	(155)	(155)
Capital Contributions	(233)	(510)	(510)	-
Proceeds from investment in associates	-	-	-	-
Repayment of Loans & Advances	(3)	(9)	(63)	(54)
Net Investing Activities	**755**	**11,140**	**6,840**	**(4,300)**
Financing Activities				
Principal Repayments	22	1,092	1,092	-
Interest Paid - Lease Liability	-	3	3	-
Repayment of Lease Liability	-	87	87	-
Net Trust Movement	(6)	(117)	-	117
Net Financing Activities	**16**	**1,065**	**1,182**	**117**
Net Movements for Year	**2,021**	**8,925**	**3,809**	**(5,116)**
Opening Cash	30,232	30,232	15,450	(14,782)
Closing Cash	**28,211**	**21,307**	**11,641**	**(9,666)**

Operating Statement as at 30 September, 2021

25% through the year

	YTD Committed Actuals $000's	Forecast $000's	Adopted Budget $000's	% Actuals to Forecast %
Revenue				
Rates & Charges				
Residential	(7,999)	(7,999)	(7,738)	100%
Farm/Rural	(5,359)	(5,359)	(5,562)	100%
Commercial	(755)	(755)	(725)	100%
Industrial	(494)	(494)	(291)	100%
Cultural & Recreational	(11)	(11)	(11)	100%
Municipal Charge	(1,337)	(1,337)	(1,330)	100%
Garbage Charge	(2,842)	(2,830)	(2,830)	100%
Rates in Lieu	(24)	(24)	(326)	100%
Rates & Charges	**(18,821)**	**(18,808)**	**(18,811)**	**100%**
Grants Capital				
Capital Grants	(563)	(12,482)	(8,081)	5%
Grants Capital	**(563)**	**(12,482)**	**(8,081)**	**5%**
Grants Operating				
Aged & Disability Services Grants	(194)	(880)	(868)	22%
Child Care Grants	(229)	(939)	(853)	24%
Environmental Grants	(75)	(75)	(75)	100%
Untied Grants	(1,064)	(8,205)	(8,205)	13%
Operating Grants	(173)	(373)	(368)	46%
Public Safety Grants	(0)	(123)	(123)	0%
Grants Operating	**(1,735)**	**(10,595)**	**(10,493)**	**16%**
User Fees				
Aged and Disability Service Fees	(109)	(384)	(382)	28%
Child Care Fees	(74)	(277)	(276)	27%
Leisure Fees	(69)	(698)	(698)	10%
Local Law Fees	(10)	(116)	(115)	9%
Other Fees	(18)	(142)	(142)	12%
Public Health Fees	(3)	(46)	(46)	8%
Rental Income	(52)	(116)	(116)	45%
Private Works Infrastructure	(1)	(17)	(17)	5%
Waste Management Fees	(14)	(22)	(22)	67%
User Fees	**(351)**	**(1,818)**	**(1,813)**	**19%**
Statutory Fees and Fines				
Building Fees	(57)	(285)	(285)	20%
Local Law Fees	(1)	(4)	(4)	35%
Other Fees	(11)	(37)	(29)	31%
Planning Fees	(49)	(137)	(137)	36%
Statutory Fees and Fines	**(118)**	**(462)**	**(455)**	**26%**
Contributions				
Contributions to Capital	(233)	(510)	(510)	46%
Contributions Other	(3)	(53)	(49)	7%
Contributions	**(236)**	**(563)**	**(559)**	**42%**
Other Revenue				
Interest Income	-	(175)	(175)	0%
Other Revenue	(173)	(683)	(652)	25%
Other Revenue	**(173)**	**(858)**	**(827)**	**20%**
Revenue	**(21,997)**	**(45,585)**	**(41,039)**	**48%**
Revenue (excl Rates & Charges)	**(3,176)**	**(26,777)**	**(22,228)**	**12%**

Operating Statement as at 30 September, 2021

	YTD Committed Actuals $000's	Forecast $000's	Adopted Budget $000's	% Actuals to Forecast %
Expenses				
Employee Benefits				
Salary & Wages	3,759	15,350	14,910	24%
Superannuation	327	1,528	1,463	21%
LSL Provision Movement	-	430	429	0%
Fringe Benefit Tax	(16)	33	33	-49%
Workcover	279	469	331	60%
Employee Benefits	**4,349**	**17,809**	**17,166**	**24%**
Materials & Services				
Advertising	23	123	122	18%
Apprentice Reimbursements	1	7	7	18%
Audit Fees	9	86	86	
Bank Fees	11	66	66	17%
Catering	0	46	45	0%
Communications	22	162	162	14%
Contract Employees	194	461	330	42%
Contractors	596	3,507	2,721	17%
Contributions - Reciprocal	10	116	116	8%
Cost of Goods Sold	29	175	175	16%
Equipment Mtc & Repair	237	711	680	33%
Fuel	118	556	556	21%
Insurance	554	728	586	76%
Leases	79	368	368	21%
Legal Expenses	2	118	117	2%
Memberships & Subscriptions	116	233	144	50%
Minor Equipment	13	87	73	15%
Office Supplies	1	10	10	8%
Other Materials and Services	372	2,128	800	17%
Postage & Freight	6	37	37	17%
Printing	5	81	81	6%
Professional Advice	150	582	554	26%
Recruitment & Retention Expenses	1	21	21	6%
Security Expenses	8	58	58	14%
Software Costs	208	1,016	1,000	20%
Uniforms & Protective Clothing	21	136	96	16%
Utilities	93	443	427	21%
Materials & Services	**2,879**	**12,062**	**9,435**	**24%**
Depreciation				
Depreciation	-	13,818	13,818	0%
Depreciation	**0**	**13,818**	**13,818**	**0%**
Amortisation				
Amortisation	**-**	86	86	0%
Amortisation	**-**	**86**	**86**	**0%**
Finance Costs				
Finance Costs	3	75	75	3%
Lease Costs	-	3	3	0%
Finance Costs	**3**	**78**	**78**	**3%**
Other Expenses				
Contributions - Non Reciprocal	17	979	1,001	2%
Councillor Allowances	53	214	214	25%
Other Expenses	111	349	391	32%
Other Expenses	**180**	**1,542**	**1,606**	**12%**
Expenses	**7,411**	**45,395**	**42,189**	**16%**
Expenses (excl Depreciation)	**7,411**	**31,491**	**28,285**	**24%**
Other Income Statement Items				
Proceeds of Asset Sales	-	(155)	-	0%
Other Income Statement Items	**0**	**(155)**	**0**	**0%**
Operating Statement	**(14,586)**	**(346)**	**1,150**	

Ordinary Operating Revenue Progress

Category	
% Through Year	
Total Revenue	
Other Revenue	
Contributions	
Statutory Fees & Fines	
Fees & User Charges	
Capital Grants	
Operating Grants	

0%   20%   40%   60%   80%   100%
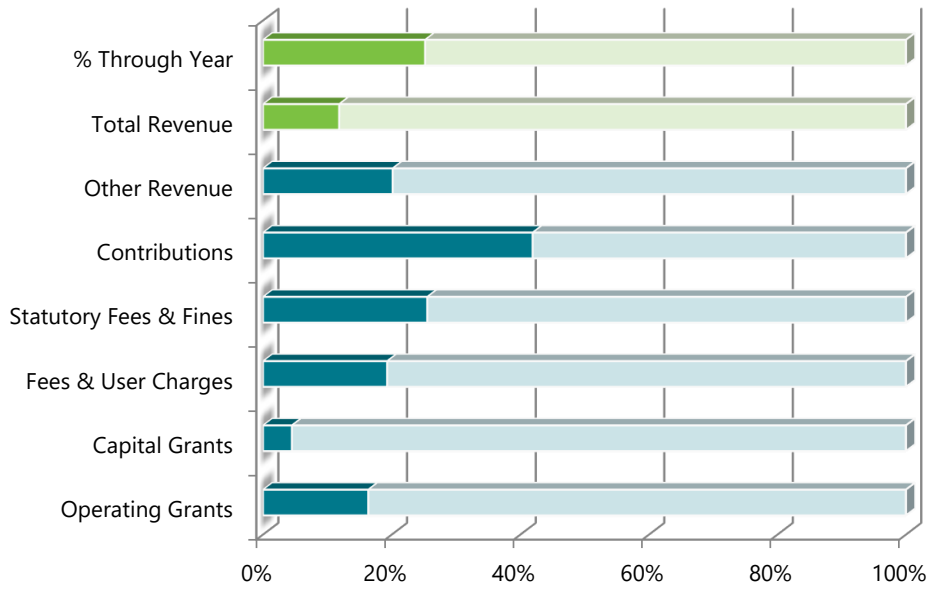
This graph excludes rates & charges , with the details for this area shown in the Debtors Report.

Ordinary Operating Expenditure Progress

Category	
% Through Year	
Total Expenses	
Other Expenses	
Borrowing Costs	
Materials & Services	
Employee Costs	

0%   20%   40%   60%   80%   100%

8
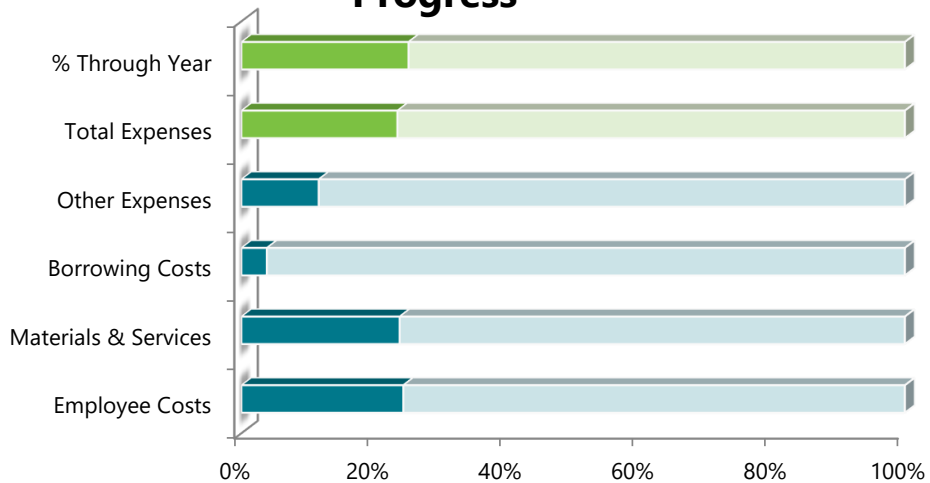
Capital & Project Expenditure Summary

Programs	Actuals $000's	Forecast $000's	% Complete	Remaning
Major Emergency Restoration	2	-	0%	100%
Roads	1,865	7,617	24%	76%
Bridges	213	2,190	10%	90%
Building	3,280	5,986	55%	45%
Drainage	110	352	31%	69%
Open Spaces	1,552	4,985	31%	69%
Land & Land Improvements	185	1,260	15%	85%
IT	37	-	0%	100%
Plant, Vehicles & Equipment	11	975	1%	99%
Projects	206	809	26%	74%
Total Capital & Projects	**7,461**	**24,174**	**31%**	**69%**

2021/22 Capital Program

Capital Projects	7,160	22,912
Expensed Projects	299	1,262

2021/22 Major Emergency Restoration

Capital Projects	-	-
Expensed Projects	2	-
Total Capital & Projects	**7,461**	**24,174**

Capital & Project Expenditure Progress

Category					
Total Capital & Projects					
Projects					
Plant, Vehicles & Equipment					
IT					
Land & Land Improvements					
Open Spaces					
Drainage					
Building					
Bridges					
Roads					
Major Emergency Restoration					

0%   20%   40%   60%   80%   100%
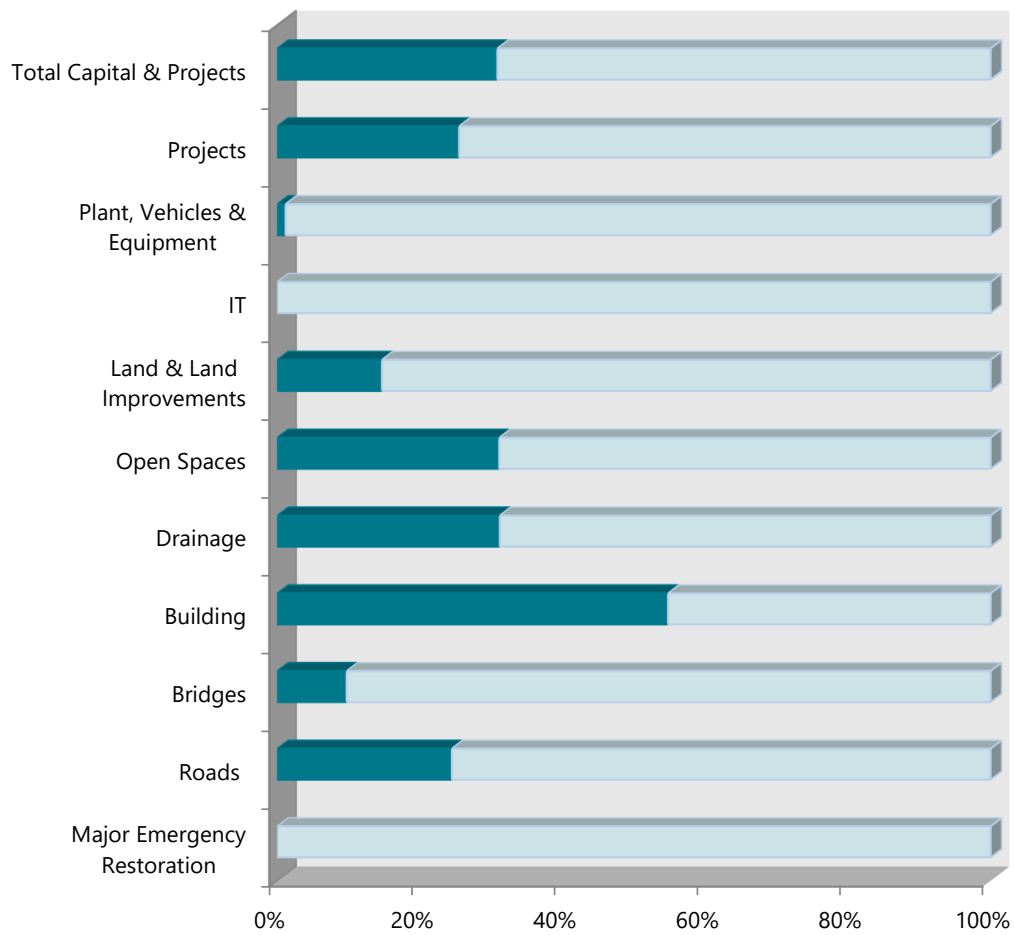
Capital & Project Expenditure Summary as at 30 September, 2021

Capital and Projects	Forecast	Adopted Budget
1112 - B - Roads - Aerodrome Program	656,530	300,000
1101 - B - Roads - Final Seal Program	405,000	325,000
1110 - B - Roads - Footpaths Program	629,599	408,100
1100 - B - Roads - Kerb & Channel Program	563,017	228,750
1102 - B - Roads - Major Rural Roads Program	398,000	398,000
1104 - B - Roads - Resealing Program	1,269,238	1,198,400
1105 - B - Roads - Resheeting Program	939,464	939,464
1106 - B - Roads - Rural & Residential Program	320,544	240,000
1111 - B - Roads - Streetscapes	976,568	540,387
1107 - B - Roads - Town Street Sealing Program	82,000	82,000
1108 - B - Roads - Transport Dev Program	797,337	408,000
1109 - B - Roads - Urban Rd Improvement Program	175,000	82,000
1103 - B- Roads - Rehabilitation Program	373,619	252,000
1113 - C - Bridge & Major Culverts Program	2,190,166	1,028,120
1114 - C - Floodway Program	31,000	21,000
1115 - D - Building Program	5,985,623	3,496,000
1116 - E - Drainage Program	352,283	164,250
1122 - F - Open Spaces Program	4,984,842	4,087,500
1120 - G - Land & Land Improvement Program	1,260,000	600,000
1119 - H - IT Program	0	0
1118 - H - Plant, Vehicles & Equipment Program	974,885	810,000
1121 - J - Projects	809,041	40,000
Grand Total	**24,173,756**	**15,648,971**

Capital & Project Revenue Summary as at 30 September, 2021

Level 2	Forecast	Adopted Budget
02 - Capital		
1112 - B - Roads - Aerodrome Program	(360,000)	(300,000)
1101 - B - Roads - Final Seal Program	(157,000)	(157,000)
1110 - B - Roads - Footpaths Program	(371,200)	(194,100)
1102 - B - Roads - Major Rural Roads Program	0	0
1104 - B - Roads - Resealing Program	(880,000)	(880,000)
1105 - B - Roads - Resheeting Program	(520,984)	(520,984)
1111 - B - Roads - Streetscapes	(425,387)	(425,387)
1108 - B - Roads - Transport Dev Program	(204,000)	(204,000)
1109 - B - Roads - Urban Rd Improvement Program	0	0
1103 - B- Roads - Rehabilitation Program	(140,000)	(140,000)
1113 - C - Bridge & Major Culverts Program	(377,500)	(150,000)
1114 - C - Floodway Program	(10,000)	(10,000)
1115 - D - Building Program	(3,231,000)	(1,571,000)
1116 - E - Drainage Program	(88,000)	(88,000)
1122 - F - Open Spaces Program	(5,626,719)	(3,550,500)
1120 - G - Land & Land Improvement Program	(600,000)	(400,000)
1118 - H - Plant, Vehicles & Equipment Program	(155,000)	0
1121 - J - Projects	0	0
Grand Total	**(13,146,790)**	**(8,590,971)**

Cash and Investments as at 30 September, 2021

Cash Balance - Comparison Between Years
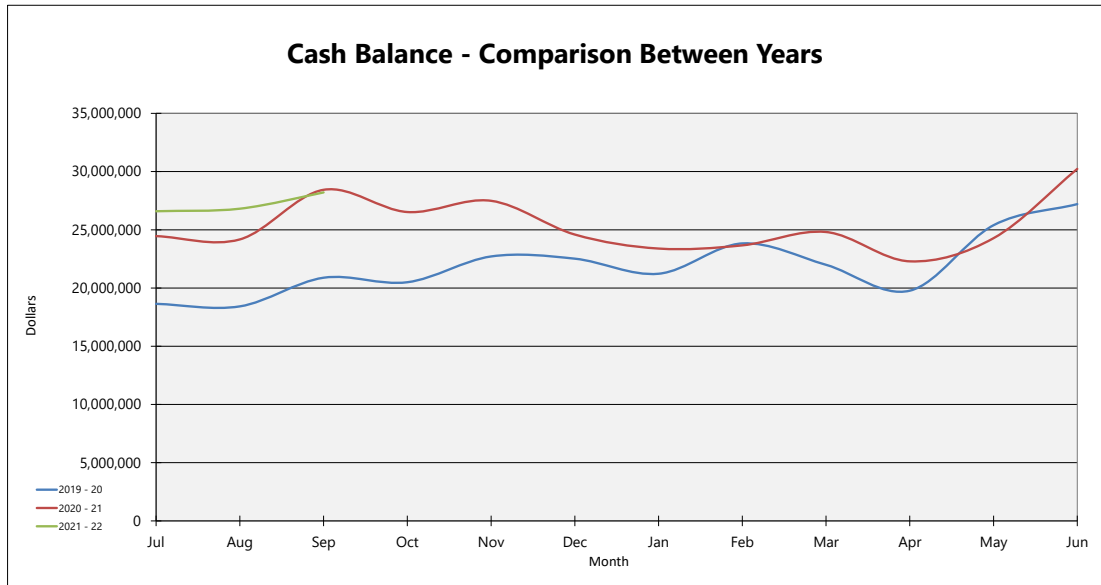
Total Cash Balance at Month End

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2017 - 18	12,943,095	11,722,616	12,402,540	10,045,586	11,871,466	10,298,760	8,070,124	10,076,254	10,520,858	9,157,008	11,843,662	16,202,519
2018 - 19	14,662,878	13,696,212	14,814,349	19,043,239	19,466,664	18,213,979	17,049,983	19,275,427	18,514,123	16,357,309	18,298,119	20,785,979
2019 - 20	18,642,143	18,424,373	20,885,437	20,496,673	22,711,437	22,520,759	21,226,659	23,831,676	21,993,073	19,771,946	25,394,596	27,206,212
2020 - 21	24,458,405	24,173,971	28,436,358	26,525,969	27,490,366	24,592,324	23,388,847	23,663,702	24,811,535	22,290,630	24,280,838	30,230,677
2021 - 22	26,594,594	26,813,020	28,211,375									

13

Debtors Reports as at 30 September, 2021
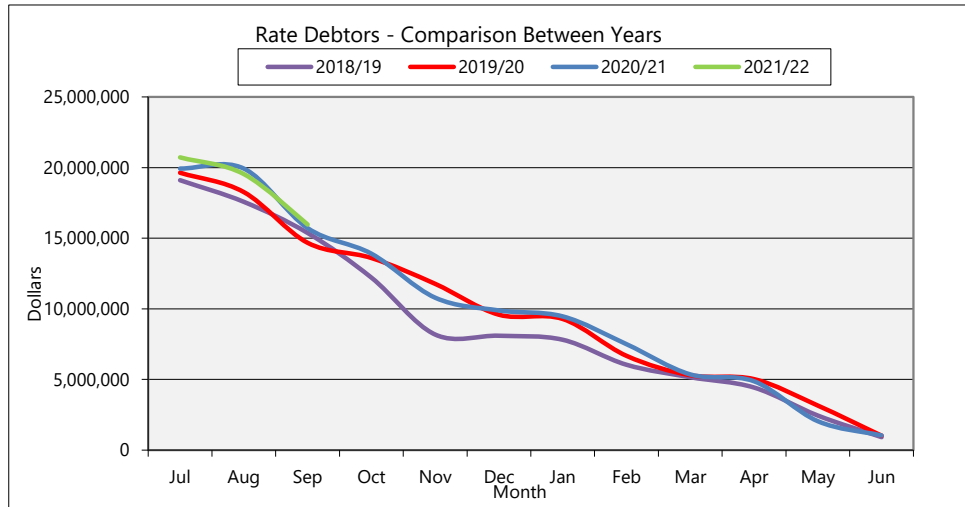
Rates Debtors YTD

	$	%
Current	14,585,674	91%
Arrears	1,381,946	9%
Total	**15,967,619**	**100%**
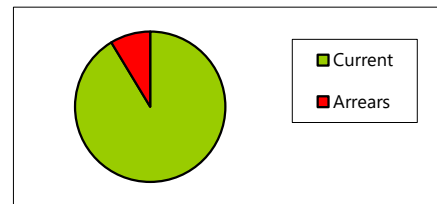
Sundry Debtors YTD

	$	%
Current	189,086	19.6%
30 Days	555,352	57.5%
60 Days	4,634	0.5%
90 Days or Greater	216,985	22.5%
Total	**966,057**	**100%**
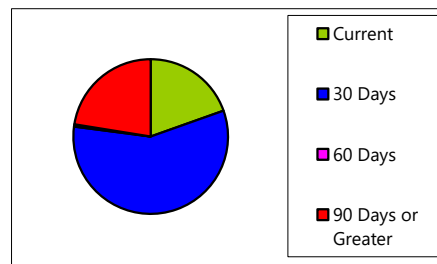
Details:

Current	The majority of the current balance is for the Swifts Football/Netball contribution to the North Park Clubrooms
30 days	This is mostly made up of $525,096 invoiced to the Department of Transport for road upgrade funding
60 days	No major debtors
90 Days or Greater	Larger debts relate to: Stawell Cemetries ($61k) and a loan with $25,368 remaining (a payment arrangement is in place)

14

Loan Report - Budget 2021/22

Borrowing principles:

Indebtedness

Our level of debt will not exceed 60% or $11.3 million of rates and charges revenue.

Indebtness Calculation Check	**6%**	✓

Debt servicing costs

Our level of annual debt servicing costs (principal plus Interest) will not exceed 5% or $2.1 million of our total operating revenue.

Debt Servicing Calculation Check	**3%**	✓

Loans budgeted 2021/22:

Principal

	$000's
Loans outstanding as at 30 June, 2021	2,189
Add proposed new loans 2021/22	-
Less scheduled repayments 2021/21	(1,092)
Loans Outstanding as at 30 June, 2022	1,097

Expiry of existing loans

	Expiry	Balance $000's
Loan 16	Jun-23	97
Loan 20	Jun-26	1,000
		1,097

8   Internal and external audits
Nil

9   Compliance

9.1 Procurement Policy
Mr Graham Haylock to provide a presentation of the updated Procurement Policy which was revised to comply with the requirements of the Local Government Act 2020.

Outcome
Mr Haylock discussed the updated Procurement Policy which was revised to comply with the requirements of the *Local Government Act 2020*. Mr Haylock provided an update on the Financial Plan engagement program and highlighted key changes. The plan is to be circulated for review.

The Audit and Risk Committee received and noted the Procurement Policy.

Attachments
1.   Procurement Policy [**9.1.1** - 16 pages]

Procurement Policy 2021

Council Policy

December 2021

PROCUREMENT POLICY 2021

Council Policy

Responsible director:	Director Corporate and Community Services
Responsible officer:	Manager Financial Services
Functional area:	Financial Services
Date adopted by Council:	6 December 2021
Review date:	July 2022

Purpose

The purpose of this document is to set out the key policies and principles forming the framework for procurement at the Northern Grampians Shire Council, to ensure that all purchases:

- demonstrate and achieve value for money
- are undertaken in a consistent and robust manner
- are consistent with Council objectives
- comply with all relevant legislation; and
- meet expected standards of probity and transparency.

This policy document is supported by a more detailed set of Procurement Guidelines which are designed to assist with the implementation of this policy. These documents, along with the relevant sections of the *Local Government Act 2020* (the Act), provide direction for how all Council procurement should be performed.

Background

Section 108 of the Act requires Council to prepare and approve a procurement policy which must:

- specify the principles, processes and procedures that will apply to all purchases of goods, services and works by the Council
- seek to promote open and fair competition and provide value for money.
- establish the thresholds and processes for public procurements
- provide for collaboration in procurement
- included the conditions where goods or services may be purchased without inviting a public tender or expression of interest
- describe the process of how a public tenders or expression of interest will be undertaken
- be reviewed at least once during each 4-year term of the Council

The Northern Grampians Shire Council spends a significant amount of its annual budget on purchasing goods and services and assets. These purchases have an enormous impact on the delivery of programs, services and projects therefore it is crucial that the process is well conducted.

Policy

Expectation to comply
Compliance with this policy, including associated guidelines, is mandatory.

Officers must bring any instances of non-compliance to the attention of their direct Manager or Director. The Manager or Director must then notify the Manager Financial Services of the non-compliance and any remedial action taken.

Non-compliance with this policy is taken seriously and will be dealt with in accordance with Council's [Disciplinary Procedure.](#)

All Council staff, including their agents are expected to implement this policy:

- Officers engaged in the selection of external suppliers should seek timely input from the Contracts Officer
- Officers engaged in any procurement activity must be able to demonstrate that they have complied with this policy
- The source of funds must be identified, and the procurement authorised in accordance with Council delegations of authority, before any commitment to purchase is made
- More than one person will be involved in, and responsible for, each transaction with appropriate authorisations obtained and documented.

Conduct of Councillors and Council staff/conflict of interest
Councillors and Council officers must exercise the highest standards of integrity in a manner able to withstand the closest possible scrutiny. In accordance with sections 126-131 of the Act, Councillors and Council officers have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest.

 Councillors and Council officers, must:
- Maintain confidentiality of Commercial in Confidence matters and information such as contract prices and other sensitive information
- Treat potential and existing suppliers with equality and fairness
- Council officers with delegated Council powers or duties are prohibited from exercising those powers, duties or functions if they have conflicts of interest
- Councillors (and members of the Audit and Risk committee) must disclose a conflict of interest
- A Councillor must comply with the Primary Principle of Councillor Conduct and avoid conflicts between their public duties as a Councillor and their personal interests and obligations.
- At all times avoid situations in which private interests' conflict, or might reasonably be thought to conflict, or have the potential to conflict, with their Council duties
- Disclose a direct or indirect interest (and the type of interest) before providing advice or reports (or any other matter)
- Not participate in any action or matter associated with the arrangement of a procurement where that person has a direct or indirect conflict as defined by the Act; and
- When becoming aware of a conflict, promptly declare the direct or indirect Conflict of Interest to the Governance Unit.

Basic principles

There are some basic principles that should be applied to all purchases, irrespective of the value or complexity of the purchase:

- value for money

- open and fair competition
- accountability
- risk management
- probity and transparency
- ethical behaviour
- responsible financial management
- collaborative procurement
- other considerations

Value for money

Value for money does not necessarily mean accepting the lowest price but obtaining the best quality and value for the price, for quality goods/services that meet Northern Grampians Shire Council's criteria and cost constraints.

Factors considered in the evaluation of value for money may include:
- contribution to the advancement of Council's priorities and objectives
- fitness for purpose, quality, social and environmental impacts, service and support
- cost-related factors including whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining and disposing of the goods, services or works

Value for money will be facilitated by:
- developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout the procurement lifecycle
- aggregating purchasing whenever possible; and
- undertaking competitive procurement processes.

Open and fair competition

All prospective suppliers/vendors must be treated fairly in an open and transparent manner without bias (or perception of bias), with the same access to information regarding the proposed purchase, in order to enable submission of quotes/tenders to be made on the same basis.

Accountability

Clear and robust processes consistent across the entire organisation must be followed, in order that the lines of responsibility and accountability are clear, and to ensure that appropriate audit controls are in place.

Risk management

All purchases carry some level of risk. It is important that this risk is identified, assessed and dealt with appropriately.

Probity and transparency

Probity in purchasing relates to fairness, impartiality and integrity, and is often used in a general sense to mean good process. All Council dealings must be conducted in a fair and open manner, observing the highest standards of honesty, and demonstrating the highest levels of integrity consistent with the public interest.

Council's purchasing processes must be undertaken in a manner which meets all expected standards of probity and transparency, including consistent application of procedures, appropriate record keeping, compliance with policies and legislation, consideration for suppliers, and clear and transparent decision making.

Ethical behaviour

Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Council's purchasing processes must be undertaken in a manner which meets all expected standards

of ethical behaviour and includes avoiding conflicts of interest and avoiding improper use of an individual's position. At all times, Councillors and Council staff must act in accordance with relevant policies, codes of conduct and guidelines regarding gifts and hospitality and conflicts of interest.

Specific processes regarding application of these basic principles are included within the Procurement Guidelines. If any officer is unclear of their responsibilities regarding procurement, they should seek advice from the Manager Financial Services.

Responsible financial management
The principle of responsible financial management will be applied to all procurement activities.

The availability of existing funds within an approved budget or source of funds will be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to contain the costs of the procurement process without compromising any of the procurement principles set out in this policy.

Collaborative procurement
When procurement is being planned, due diligence should be undertaken to evaluate if best value for money can be achieved by using an Agent or a collaborative tender.

Where practical, Council will collaborate with other Councils in order to take advantage of economies of scale, reduce risk and deliver community benefits for all participating councils.

In accordance with section 109 (2) of the Act, the Chief Executive Officer must ensure that any report to Council recommending entering into a procurement agreement includes information in relation to any opportunities for collaboration with other Councils or public bodies which may be available.

As such, any report to Council on the outcomes of a tender process must set out information relating to opportunities explored for collaborative procurement and why or why not those identified opportunities are recommended.

Collaborative procurement will be achieved through:

- aligning procurement categories and timing (joint procurement)
- using Panels, including Panels in the region (that include the capacity to provide services outside of the contracting council area under the same terms and conditions)
- using State Government contracts and aggregators

Other considerations
There are also a number of organisational and legislative directives that help set the framework for purchasing decisions made by Council including the Council Plan and the *Local Government Act 2020* (see – Legislation/Standards).

In addition to the requirements of the Act, purchasing decisions must also consider other principles, Council policies, guidelines and philosophies. These include:

- sustainable procurement
- social procurement
- environmental purchasing

- local purchasing philosophy
- innovation
- IT hardware and software procurement
- category management
- purchase orders
- officer's financial delegations
- panel of contactors
- contractor register (approved suppliers)
- procurement vehicle
- thresholds
- threshold exemptions
- variations to Council resolution; and
- public tender requirements

Sustainable procurement

Council will consider benefits and value for money based on whole of life costs, as well as social and environmental impacts of its procurement processes, in order to achieve the best outcomes for the community having regard to the long-term and cumulative effects of its decisions.

Social procurement

Council supports procurement that not only delivers appropriate value for money goods and services and works, but also generates positive social outcomes.

Where strategic opportunities arise, Council's Economic Development Team will work with locals to encourage economic development.

The Economic Development Team and Contract Officer will work with local suppliers to explain Council's requirements with regards to providing goods and services and works to Council and the tendering processes in line with this policy and encourage them to tender for business.

Environmental purchasing

Council prefers to purchase recycled and environmentally sound products whenever they perform satisfactorily and represent value for money.

Local purchasing philosophy

Council is committed to supporting the local business community and encouraging its involvement in purchasing processes. Buying locally is preferred where local suppliers are competitive and achieve value for money.

Wherever practicable, Council will fully examine the benefits available through purchasing goods, services or works from suppliers/contractors within the Northern Grampians Region. Council will also seek from prospective suppliers/contractors where applicable what economic contribution they will make to the Northern Grampians region.

All tenders/quotes should allow at least five percent (5%) evaluation allowance for local suppliers.

Council will endeavour to obtain quotes from local suppliers wherever possible, if two or more quotes are required then a minimum of one should be from a local supplier. If no local suppliers can be identified, this must be noted on the standard quote form.

Innovation

Council will use innovative procurement solutions to promote sustainability and achieve best value.

IT hardware and software procurement
To ensure consistency in our IT system architecture in-line with Council's Business Transformation Strategy, all IT hardware and software procurement is subject to additional requirements and must have the preapproval of the Manager Business Transformation before proceeding to the procurement stage.

Category management
Council will use a category management approach to identify the most appropriate and effective sourcing and supply arrangements in order to achieve the best outcomes for the community.

Purchase orders
Notwithstanding the processes used to select suppliers, purchase orders are to be raised and forwarded to suppliers to commit Council expenditure in advance of the goods or services being received, or works being commenced, in accordance with the Council's Purchasing Guidelines.

Officer's financial delegations
Section 11 of the Act enables Council to delegate its powers, duties and functions. Northern Grampians Shire Council has by an Instrument of Delegation delegated powers and responsibilities to the Chief Executive Officer. In turn, the Chief Executive Officer has delegated powers, responsibilities and financial purchasing limits to officers as appropriate to perform their duties.

Officers must be aware of their role and financial responsibilities and must ensure that all purchases they make are within their delegated authority. In the case of a purchase exceeding their authority the intended purchase should be referred to an appropriate officer with suitable delegated levels. Under no circumstances is a single purchase to be dissected into smaller dollar values in order to circumvent the prescribed financial delegations.

It should be noted that no employee can raise a purchase order or authorise reimbursement for their own training/conferences and associated costs (such as accommodation and meals) and this should at all times be referred to their line manager for approval and authorisation.

Panel of contractors
A panel of contractors is a contractor/company that has been appointed following an open tender process (this includes third party agents (e.g. MAV Procurement, Procurement Australia, State Government, etc.). A panel of contractors cannot be appointed in any other manner. Unless specified during a tender process, no minimum quantity of work or turnover is guaranteed to any contractor on the panel.

Benefits of appointing a panel of contractors include:
- Savings in time and money
- Provide higher level of quality
- Faster turnaround times; and
- Increased confidentiality.

A panel of contractors should be appointed for one (1) year with a further option to extend for two (2) x one (1) years to a maximum of three (3) years, subject to contract requirements.

Council's panel of contractors should always be utilised whenever possible. A full list is available from the OnBudget section within InSites. When utilising any contractor within the panel "best value for money" should always be the first consideration.

Where a panel or standing offer agreement has been established through a competitive and open process, the following purchasing thresholds may be used to support purchases through these existing agreements.

Value (exclusive of GST)	Procurement threshold (minimum requirement)
$0 - $50,000	Issue a request in writing to at least two panel suppliers. Responses to be managed through the procurement e-tender platform. Rationale for selecting successful respondent must be documented.
Purchase of goods and services: **$50,001 - $150,000** *Carrying out of works:* **$50,001 - $200,000**	Issue a request in writing to at least three panel suppliers. Responses to be managed through the procurement e-tender platform. Rationale for selecting successful respondent must be documented.

Any project, single purchase or a combination of approved contractors are not to be utilised to bypass the requirements to tender where the total project cost may exceed the threshold limits for tendering. If a schedule of rates was not provided, then a preferred supplier is to be selected by standard competitive quotation or tender process, subject to the value of the service or works (refer Thresholds section below).

Approval to complete the works or services, by panel contractors, is subject to normal limits for Council's financial delegates.

Provided the preferred contractor is pre-approved by Council, the CEO may approve the supplier appointment notwithstanding that the services / works may exceed normal delegation limits. CEO approval of amounts above delegation limits only applies where:

- The preferred contractor is pre-approved by Council as a member of the contractor panel; and
- The services/works to be performed were identified in the tender specifications that gave rise to the panel of contractors; and
- The services/works are to be performed within the contract term pre-approved by Council.

Where the preferred contractor is pre-approved by Council to carry out services/works within the contract term, then it is deemed that the CEO is not exercising a financial delegation, by approving the preferred supplier, but rather exercising the resolution of Council.

Where the above conditions are not met, and the value of the works or service exceeds the CEO delegation, then the project is to either be the subject of a public tender and/or required to be approved by Council.

Contractor register (approved suppliers)
Council has established a pre-qualified contractors register for those contractors who have submitted their insurances, qualifications, and OH&S documentation. These contractors/suppliers have not been through a public tender so have not submitted a schedule of rates. As a schedule of rates was not provided, then a preferred contractor/supplier is to be selected by standard competitive quotation or tender process, subject to the value of the service or works (refer Thresholds section below).

New contractors/suppliers can be added to the Contractors Register at any stage throughout the year via the process on Promapp: *Register a new contractor.*

Procurement vehicle
The acquisition of goods and services for which the estimated expenditure exceeds $150,000 and carrying out of works for which the estimated expenditure exceeds $200,000 must be undertaken by public tender.

Thresholds
There are a number of methods by which goods and services can be purchased, however not all methods are appropriate to all circumstances. The critical factors in determining the most appropriate method to purchase goods or services are the value of the purchase, the extent of risk associated with the purchase and any other complexities involved in the purchase decision.

Other factors such as market size/potential suppliers and time constraints may affect the decisions made in regards to the procurement process.

It should be noted that the thresholds as detailed below for a formal public tender will come into effect when one of the following occurs: 1) the cumulative supplier spend per financial year exceeds or is expected to exceed the threshold or 2) the expected spend per project exceeds the threshold.

The following table sets out Council's policy regarding procurement processes to be followed based on the value of the purchase.

Value of purchase (ex. GST)	Method of purchasing / selection of supplier
Under $5,000	• Officers are able to determine the most appropriate process as identified in Council's Procurement Guidelines. • Minimum 1 verbal quote from a potential supplier. • Use of agency contracts (e.g. Procurement Australia) may be considered.
$5,001 - $15,000	• Minimum 1 written quotation • Use of agency contracts (e.g. Procurement Australia) may be considered.
$15,001 – $50,000	• Minimum 2 written quotations* • Use of agency contracts (e.g. Procurement Australia) may be considered.
$50,001 - $100,000	• Minimum 3 written quotations * • May be publicly advertised. • Formal contract agreement should be implemented if the purchase involves high risk for Council – confirm with Contracts Officer. • Use of agency contracts (e.g. Procurement Australia) may be considered.
Purchase of goods and services: **$100,001 - $150,000** ***Carrying out of works:*** **$100,001 - $200,000**	• Minimum 3 written quotations * • Formal quotes required including (but not limited to) OHS questionnaire – confirm with Contracts Officer • Formal contract agreement should be implemented if the purchase involves high risk for Council – confirm with Contracts Officer. • May be publicly advertised. • Use of agency contracts (e.g. Procurement Australia) may be considered. • Public Tender may be used depending on risk, complexity or where project estimates are close to $200,000 for contracts for the carrying out of works.
Purchase of goods and services: **$150,001 and over** ***Carrying out of works:*** **$200,001 and over**	• Public Tender is required. • Option to tender, or conduct Expression of Interest (EOI) followed by a Tender • Use of agency tenders, (e.g. MAV Procurement) subject to Ministerial approval, may be considered.

* A minimum of one of the quotes must be obtained from a local supplier/provider wherever possible.

Specific details regarding application of these procurement processes are included within Council's Procurement Guidelines. If any officer is unclear regarding their responsibilities in regards to procurement they should seek advice from the Manager Financial Services.

Threshold exemptions

Exemption Description	Explanation, including any limitations and responsibilities
1. A contract made because of genuine emergency or hardship	• Where the Council has resolved that the contract must be entered into because of an emergency (e.g. to provide immediate response to a natural disaster, declared emergency, etc.)

2. A contract made with, or a purchase from a contract made by another government entity, government-owned entity, or other approved third party	• This general exemption allows engagements:
	   o With another government entity or government owned entity. For example, Federal, State or Local Government or an entity owned by the Federal, State or Local Government; and/or
	   o In reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, Municipal Association of Victoria (MAV) or National Procurement network members (e.g. Local Buy), Procurement Australia (PA).

4. Extension of contracts while Council is at market	• Allows Council to extend an existing contract where the procurement process to replace the contract has commenced, and where the tender process or negotiations will take or are taking longer than expected. • This exemption may be used when the establishment of an interim short-term arrangement with an alternative supplier is considered not to be in the public interest, as it may be cost prohibitive and/or present a risk in the delivery of critical public services to the municipality.
5. Professional services unsuitable for tendering	• Legal services • Insurance
5. Novated contracts	• Where the initial contract was entered into in compliance with this policy and due diligence has been undertaken in respect to the new party.
6. Information technology resellers and software developers	• Allows Council to renew software licenses, maintenance and support, or upgrade existing systems. This includes situations where the barrier to change software providers is prohibitive.
7. Regional Waste and Resource Recovery Groups	• Situations where a Regional Waste and Resource Recovery Group constituted under the *Environment Protection Act 1970* had already conducted a public tender for and on behalf of its member councils.
8. Proven monopoly or specialised market	• Statutory compulsory monopoly insurance schemes, i.e. Workcover, motor vehicle compulsory third party. • Other statutory bodies such as water supply, electricity connections. • Landfill providers. • Legislatively required services, such as Aboriginal Land Council. • When supply of goods, services or works can only be sought from a monopoly supplier, for example the marketplace is restricted by a statement of licence, technology or third-party ownership of an asset. • If there are few suppliers for the goods, services or works being sought or where the work is highly specialised.
9. Operating leases	• Where a lessor leases an asset (generally a vehicle or plant and equipment) to the Council and assumes the residual value risk of the vehicle.
10. Borrowings (loans)	• Borrowings are not within the scope of this policy as these are considered contracts of borrowings and not contracts of goods, services or the carrying out of works.

In addition to the listed exemptions, the CEO or Director may grant an exemption from seeking responses via a competitive procurement process, such as tenders or multiple quotations, when it can be demonstrated that:

- it is in the public interest;
- Council is still obtaining value for money in the process adopted; and
- the process is defensible and able to withstand internal and external scrutiny – one which achieves both accountability and transparency.

Variations to Council resolution
Where Council has resolved to award a contract, a variation up to 10% of the resolution amount may be approved without requiring a Council resolution provided the variation:

- does not exceed $150,000 for goods or services, and $200,000 for works
- is within the allocated budget
- does not change the intended outcome(s) of the contracted works or services
- is approved by both the relevant Director and the CEO.

Public tender requirements
All public tenders will be published via Council's eTendering Portal and will be publicly advertised. Advertising will be appropriate to the offering, at a minimum this will include local papers. Information regarding current tenders will be placed on Council's website.

Council Plan Objective/Strategy
Council Plan 2021-25; Objective - to improve organisational effectiveness.
Strategies for effectiveness - streamline processes by reviewing internal processes to reduce red tape and increase efficiency.

Legislation and standards
Local Government Act 2020 – s.108 Procurement Policy
Section 108 of the Act requires Councils to prepare and approve a procurement policy which must include the principles, processes and procedures that will apply to all purchases of goods, services and works by the Council. Also, the policy must seek to promote open and fair competition and provide value for money

In addition, the policy must include:
- the contract value which Council must invite a tender or seek an expression of interest
- a description of the criteria to be used by the Council to evaluate whether a proposed contract provides value for money
- a description of how the Council will seek collaboration with other Councils and public bodies in the procurement of goods or services
- the conditions under which the Council may purchase goods or services without inviting a public tender or expression of interest
- a description of the process to be undertaken in inviting a public tender or expression of interest

Local Government Act 2020 – s.109 Procurement
Section 109 of the Act requires Councils to comply with its Procurement Policy before entering into a contract for the purchase of goods or services or the carrying out of works.

Also, this section requires the CEO to ensure that any report to the Council that recommends entering into a procurement agreement includes information in relation to any opportunities for collaboration with other Councils or public bodies which may be available.

Responsibilities

The Director Corporate and Community Services is responsible for the good governance of Council's procurement practices. The Manager Financial Services is responsible for the development and management of this policy. The Contracts Officer is responsible for assisting delegated purchasing officers and facilitating compliant tender and contract processes and procedures.

Monitoring of the Policy will be through:

- day to day enforcement of the processes as defined in the Procurement Guidelines by the officer/s responsible for processing the final payments for purchases made on behalf of Council
- periodic scrutiny of the processes as defined in the Procurement Guidelines by the officer/s responsible for authorising the final payments for purchases made on behalf of Council; and
- Internal Audits.

Stakeholders

Mayor, Councillors, Chief Executive Officer, Director Corporate and Community Services, Manager Financial Services, Contracts Officer, all delegated purchasing officers and all other Council staff, temporary employees, contractors and consultants while engaged by Council.

Review

Assessment of the Policy will be undertaken every four years to align with the Council term to ensure it remains current with the Council's goals, processes, aims and requirements and as a means by which to reduce Council's exposure to risk. Triggers for an earlier assessment include legislative changes and introduction of new systems or procedures.

Communication and implementation

Northern Grampians Shire Council's EDRMS Procurement Guidelines
Council induction and in-house training presentations

References

Local Government Victoria Beyond Value for Money - Social Procurement for Victorian Councils – 3rd edition
Victorian Local Government Best Practice Procurement Guidelines 2013
MAV Model Procurement Policy (August 2011)
Local Government Victoria Conflict of Interest Guidelines
Procurement Guidelines
Staff Code of Conduct
Councillor Code of Conduct
Public Interest Disclosures
Fraud Policy and Fraud Awareness Training
Council Purchasing Delegations
Standard Tender and Contract documents
Disciplinary Procedure

Privacy and Data Protection compliance

All Council policies must consider the *Privacy and Data Protection Act 2014* and the *Victorian Protective Data Security (VPDSS) Framework* which adopts a risk-based approach to protective data security. This policy includes relevant, identified security risks and governance arrangements in place to protect security across the domains of information, personnel, ICT and physical.

Gender Equality compliance
N/A

Charter of Human Rights compliance
It is considered that this policy does not impact on any human rights identified in the *Charter of Human Rights & Responsibilities Act 2006*.

Definitions
In this Policy, the following words and phrases have the meanings set out below:

Procurement/purchasing – to buy or acquire products, goods or services using Council's operational or capital works budgeted funds in order to deliver outcomes consistent with Council's objectives.

Category – an area of spending determined by market boundaries separating different products, services or industries.

Category management – recognising suppliers within certain markets that are likely to have similarities which enable a tailored approach to procurement.

Conflict of interest - an interest, pecuniary or otherwise, that could conflict with the proper performance of duties, or conflict or incompatibility between personal interests and the impartial fulfilment of public or professional duties.

Expression of interest – Public request for organisations to register their interest in the supply of goods or services but without providing details of pricing

Sustainable Procurement – a process whereby Council meets its needs for goods and services and works in a way that achieves value for money on a whole of life basis in terms of generating benefits not only to Council, but also to society and the economy, whilst minimising damage to the environment.

Tender/Request for Tender – Public request for organisations to submit a bid for the supply of goods or services, including pricing and other relevant information which demonstrates their ability to meet the specification and address the relevant selection criteria.

Procurement Australia/MAV Procurement – External contracting organisations that act on behalf of all Victorian Local Governments and establish various supply and service contracts at tendered rates.

Review history

Date	Review details	Action
7 November, 2013	Aligned to new format and updated to include information based on the Victorian Local Government Best Practice Guidelines 2013 and MAV Model Procurement Policy (Updated).	Presented to Audit Committee 12 November, 2013 Presented to Council Briefing 18 November, 2013 Presented to Council Meeting 2 December, 2013
18 November 2014	Increase the threshold levels that have remained constant for many years to recognise inflationary increases in costs.	Presented to Audit Committee 25 November, 2014 Presented to Council Briefing 23 November, 2014 Presented to Council Meeting 1 December, 2014
4 November 2015	Altered the review process of the policy to incorporate this statement, "If the policy is deemed to require only minor changes then the review process is to inform Councillors through the Councillor Bulletin. Significant alterations to the policy will require the Council to adopt the changes."	Submitted to the Councillor Bulletin on 4 November, 2015
29 June 2017	Aligned to new format and forwarded to civic support to include in next Councillor Bulletin	Submitted to the Councillor Bulletin on 29 June, 2017
22 August 2018	*New threshold limits:* Threshold limit for going to public tender separated into 2 different dollar values being: 1. $125,001 and above relating to contracts for the purchase of goods and services 2. $170,001 and above relating to contracts for the carrying out of works Amended all NGSC thresholds from GST inclusive to GST exclusive. Included an additional section under thresholds in relation to information on compliance with the policy.	Presented to Audit Committee 5 September 2018 Presented to Council Meeting 1 October 2018

	New wording around purchase order splitting added.	
29 July 2019	*Thresholds:* Paragraph 3 added for formal public tender to include cumulative spend per supplier and spend per project. *Officers Financial Delegations:* Paragraph 3 added whereby no employee should be purchasing/reimbursing their own training/conferences and associated costs.	Presented to Audit Committee 9 September 2019
7 October 2019	Presented to Council Meeting 7 October 2019	
31 August 2020	Panel of Contractors & Contractors Register now included	
7 September 2020	Presented to Council Meeting 7 September 2020	
6 December 2021	Presented to Council Meeting 6 December 2021	Adopted by Council

10 Next Meeting

The next meeting is scheduled to be held after Easter in April 2022.

11 Close

The meeting closed at 10.25am.