# City of Rockingham
## Audit Committee Meeting Minutes
### 3:00pm Monday 14 May 2018

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Audit Committee Meeting Minutes
Monday 14 May 2018 - Committee Room

1. Declaration of Opening

The Chairperson declared the Audit Committee Meeting open at 3:03pm, welcomed all present, and referred to the Acknowledgement of Country.

2. Record of Attendance/Apologies/Approved Leave of Absence

2.1 Councillors
   - Cr Barry Sammels (Mayor)        Chairperson
   - Cr Chris Elliott
   - Cr Deb Hamblin (Deputy Mayor)

2.2 Executive
   - Mr Bob Jeans                     A/ Chief Executive Officer
   - Mr Peter Doherty                 Director Legal Services and General Counsel
   - Mr John Pearson                  Director Corporate Services
   - Mr Peter Varris                  Manager Governance and Councillor Support
   - Mr Rafal Kolodynski              Manager Internal Audit
   - Mr James Serrano                 Internal Audit Assistant

2.3 In Attendance: Nil

2.4 Apologies:
   - Cr Leigh Liley

2.5 Approved Leave of Absence: Nil

3. Terms of Reference

To oversee the risk management, internal control, legislative compliance and external audit processes of the City, including receipt of the Auditor's Statements and Management Reports.

4. Confirmation of Minutes of the Previous Meeting

Moved Cr Hamblin, seconded Cr Elliott:

That Committee CONFIRMS the Minutes of the Audit Committee Meeting held on Tuesday 10 April 2018, as a true and accurate record.

Committee Voting – 3/0

5. Matters Arising from the Previous Minutes

Nil

6. Declarations of Members and Officers Interests

3:04pm The Chairperson asked if there were any interests to declare.

There were none.

7. Petitions/Deputations/Presentations/Submissions

Nil
8. Agenda Items

Audit Committee

Audit Committee

<table>
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<tr>
<th>Reference No &amp; Subject:</th>
<th>AC-002/18 State Records Act – Councillor Compliance</th>
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</thead>
<tbody>
<tr>
<td>File No:</td>
<td>CPM/109</td>
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<tr>
<td>Proponent/s:</td>
<td></td>
</tr>
<tr>
<td>Author:</td>
<td>Mr Rafal Kolodynski, Manager Internal Audit</td>
</tr>
<tr>
<td>Other Contributors:</td>
<td></td>
</tr>
<tr>
<td>Date of Committee Meeting:</td>
<td>14 May 2018</td>
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<tr>
<td>Previously before Council:</td>
<td></td>
</tr>
<tr>
<td>Disclosure of Interest:</td>
<td>Executive</td>
</tr>
<tr>
<td>Nature of Council’s Role in this Matter:</td>
<td>Annexures A, B and C</td>
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Purpose of Report

The purpose of this report is to present the findings and recommendations of the recently completed Internal Audit Report IA17/18-08 State Records Act – Councillor Compliance.

Background

Internal controls testing captures the City processes in relation to record keeping, however, an audit gap was identified in relation to Councillors and as a result, an audit was developed to examine complete City-wide compliance in terms of legislation, regulation and rules that relate to record keeping for Councillors.

Details

The Audit Report specifically deals with the requirements, responsibilities and processes that Councillors are obliged to follow to ensure compliance with the State Records Act and by extension of that Act the City of Rockingham’s Record Keeping Plan.
The Audit was designed around the following objectives:

**Objective 1**
Are Councillors trained and do they understand the fundamentals of their obligations in relation to records keeping?

**Objective 2**
What type of correspondence that meets the definition of a record (State Records Act 2000 S3. (1)) do Councillors send and receive?

**Objective 3**
Establish if Councillors comply with the following:

- **Legislative and Regulatory**
  - I. State Records Act 2000
  - II. State Records Principles & Standards 2002
  - III. Australian Standards AS15489

- **Council Policy**

- **City Guidelines**
  - I. Records Keeping Plan 2012
  - II. Corporate Services – Records Management Handbook – Records Services – Customer and Corporate Support

**Objective 4**
Can Councillors provide sufficient evidence that records are being kept in line with legislation, regulation, council policy and City requirements?

**Methodology**
This audit examined several aspects of record keeping by Councillors at the City of Rockingham primarily that:

(a) In accordance with the State Records Act 2000 S.3(1) – Government organisation employees: Councillors are considered as employees of the City, and;

(b) All government employees are responsible for retaining records in accordance with the City’s Record Keeping Plan as per S17. Effect of plans of the State Records Act 2000.

A questionnaire was designed and sent out to all Councillors to collect information on:

- How often do Councillors receive communications from the public that should be archived in accordance with the record keeping plan?
- What mediums are used to communicate information to Councillors?
- How do the Councillors respond to communication from the public?
- Are Councillors aware of the records management requirements as prescribed in:
  - o Records Management – Policy and Procedure for Councillors.
  - o The City’s Records Keeping Plan.

In addition to the above, a review of the types of training that is available to Councillors has been examined with particular focus on:

- Diploma of Local Government (Elected Member)
- Councillor induction provided by the City of Rockingham
- Council Policies available on the “Doc’s on Tap” platform
Audit Findings and Recommendations

Responses to the “Records Management Questionnaire” were received as per the below table:

<table>
<thead>
<tr>
<th>Councillor</th>
<th>Questionnaire response</th>
<th>HPE CM Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cr Andrew Burns</td>
<td>Yes</td>
<td>D18/16922</td>
</tr>
<tr>
<td>Cr Barry Sammels</td>
<td>Yes</td>
<td>D18/7801</td>
</tr>
<tr>
<td>Cr Chris Elliot</td>
<td>Yes</td>
<td>D18/16917</td>
</tr>
<tr>
<td>Cr Deb Hamblin</td>
<td>Yes</td>
<td>D18/10643</td>
</tr>
<tr>
<td>Cr Joy Stewart</td>
<td>Yes</td>
<td>D18/17827</td>
</tr>
<tr>
<td>Cr Katherine Summers</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Cr Lee Downham</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Cr Leigh Liley</td>
<td>Yes</td>
<td>D18/18168</td>
</tr>
<tr>
<td>Cr Mark Jones</td>
<td>Yes</td>
<td>D18/18369</td>
</tr>
<tr>
<td>Cr Mathew Whitfield</td>
<td>Yes</td>
<td>D18/7792</td>
</tr>
</tbody>
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The following is a summary of the key findings from the “Records Management Questionnaire”

1. In total, the Councillors receive between 30 to 50 individual pieces of correspondence per week collectively.

2. The most common forms of communication for Councillors are (in order of most common to least common):
   (a) Verbal
   (b) E-mail
   (c) Social Media
   (d) Post or in writing

3. The common thread in relation to Councillors responding to the public is that any queries or complaints relating to the operations of the City are passed on the relevant Director or Manager. In regards to political questions, the Councillors respond to the public directly.

4. Generally speaking, the Councillors have responded that they do understand their obligations; however there is a common theme amongst some of the answers that further guidance is needed from the City in terms of what is required of them in relation to records keeping.

5. In respect to record keeping requirements, the Councillors responded that they usually forward their correspondence to the CEO or other staff within the City. In some instances some Councillors indicated that they have not provided records to the City as yet.

6. About half of the Councillors provided evidence of records being forwarded to the City for action and record keeping purposes.

7. In relation to the providing the City records, the answers were mixed, varying from all records being provided to the City to guidance being sought, to some records being identified that may need to be provided to the City for records keeping purposes as a result of this audit.

Training

As part of this audit, training materials were examined to identify what information has been provided to the Councillors.

Diploma of Local Government (Elected Member)

A review was conducted to confirm that guidance and education relating to records is included within the Diploma of Local Government (Elected Members). Upon inspecting the curriculum for the diploma, a section within the module “Serving on Council” specifically deals with records keeping and students of the course are provided a guidance sheet.

*The course notes for “Serving on Council” that relate to the State Records Act 2000 are shown in Annexure A.*
Councillor induction provided by the City of Rockingham

The Councillor induction as presented on the 2nd of November 2017 specifically addresses the requirements of records keeping. The information presented is consistent with the information presented in the Diploma of Local Government (Elected Members). The Councillor induction also presents a video specifically tailored for elected members. This video has been produced by the State Records Office.

Please refer to Annexure B for full details.

Other available resources

Council Policies

The objective of a Council policy is to ensure that procedures created for the City of Rockingham are relevant, clear, consistent, regularly reviewed and reflect the good governance of the district.

The Council Policy – Records Management – Policy and Procedures for Councillors (D17/199205) was adopted at the Council meeting held on the 26th June 2007. This policy is available on the “Doc’s on Tap” platform. An adjustment was made to the Council policy on the 20th of December 2017 to update the records email address as authorised by document number D17/198581.

Council Policy – Records Management – Policy and Procedures for Councillors has been specifically developed to assist Councillors to meet their recordkeeping responsibilities.

According to the Council policy, all Councillors must comply with the policy in their conduct of official business for Council. Official business includes business relevant to the performance of the function and duties of the office of Councillor. The Policy applies to records in all formats, including electronic records.

Please refer to Annexure C for the full policy.

There are inconsistencies in how the City administers the Council Policy – Records Management – Policy and Procedures for Councillors (D17/199205). Instances have been identified where Councillors have sent records to the City and the records were not distributed in accordance with the Policy. The Policy states that:

**Email and electronic records**

Email and other electronic records should only be forwarded to the Council email – councillor.records@rockingham.wa.gov.au. Once received the email will be registered into the records management system and forwarded to the appropriate officer.

If records are of a sensitive or confidential nature, the Councillor should alert the Senior Records Officer to this fact so that appropriate security controls can be applied.

Councillors should not forward correspondence to any other Council officer.

Additionally, some Councillors are sending their electronic records to the CEO as well, rather than the specified email address. It appears in some instances, that records are sent for archival in blocks. This practice raises the risk of records not being sent in or being the subject of IT failure.

Code of Conduct

The City’s Code of Conduct states the following:

5.7 Corporate Obligations

(b) Communication and Public Relations.

(iv) When approached by members of the public to address an issue on their behalf, Councillors should:

(a) Ascertain if an approach has been made to a relevant employee and if not, encourage such approach.

(b) Obtain comment and any related information from a relevant employee should it be considered necessary to meet with the person(s) or to discuss the matter further.

(c) Provide a brief file note of the meeting for Council’s records.
As per the responses from the Councillors’ questionnaire and emails that have been sent to Directors from Councillors on behalf of Rockingham constituents, there appears to be confusion as to the process of efficiently dealing with complaints and queries.

The current Policy: City of Rockingham – Council Policy – Records Management – Policy and Procedures for Councillors does not clearly delineate between complaints queries and records. This is causing confusion in terms of dealing with complaints.

In accordance with the Code of Conduct, Councillors are encouraged to refer the constituent to submit their complaint through the appropriate channel. There appears, in some instances, that Councillors are canvassing complaints to be addressed to them directly and then passing on the complaint to the City.

The City has well designed processes that are efficient and effective in collecting, responding to and archiving of operational queries and complaints. The current process of constituents directly communicating with Councillors who then pass the query or complaint through the relevant director circumvents the current process.

**Implications to Consider**

a. **Consultation with the Community**
   Not Applicable

b. **Consultation with Government Agencies**
   Not Applicable

c. **Strategic**

   **Community Plan**
   This item addresses the Community’s Vision for the future and specifically the following Aspiration and Strategic Objective(s) contained in the Community Plan 2015-2025:

   **Aspiration C:** Quality Leadership

   **Strategic Objective:** Governance – Governance systems that enable Council to make informed and considered decisions, effectively supported by an executive informing and implementing those decisions; all within an accountable, legally compliant, transparent and ethical environment.

d. **Policy**
   Not Applicable

e. **Financial**
   Nil

f. **Legal and Statutory**

   State Records Act (WA) 2000 creates an obligation for compliance with the City's Record Keeping Plan as per section 17 of that Act.

   **Section 17 states:**

   17. **Effect of plans**

   A government organisation's record keeping plan must be complied with by –

   (a) the government organization; and

   (b) every government organisation employee of the organisation.

   The State Records Act (WA) 2000 states:

   **Section 3. Terms used**

   government organisation employee means —

   (a) a person who, whether or not an employee, alone or with others governs, controls or manages a government organisation; or
(b) a person who, under the Public Sector Management Act 1994, is a public service officer of a government organisation; or

(c) a person who is engaged by a government organisation, whether under a contract for services or otherwise,

and includes, in the case of a government organisation referred to in item 5 or 6 of Schedule 1, a ministerial officer (as defined in the Public Sector Management Act 1994) assisting the organisation;

The City of Rockingham – Recordkeeping Plan state (page 16):

Creation of Records

All elected members, staff and contractors create full and accurate records, in the appropriate format, of the City of Rockingham’s business decisions and transactions to meet all legislative, business, administrative, financial, evidential and historical requirements.

The State Records Act (WA) 2000 states:

Section 78. Offences

(1) A government organisation employee who does not keep a government record in accordance with the record keeping plan of the organisation, commits an offence.

(3) A government organisation employee who destroys a government record commits an offence unless the destruction is authorised by the record keeping plan of the organisation.

Penalty $10 000.

Local Government Act 1995 states:

Section 5.41. Functions of CEO

The CEO’s functions are to —

(h) ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law;

g. Risk

All Council decisions are subject to risk assessment according to the City’s Risk Framework.

Implications and comment will only be provided for the following assessed risks.

Customer Service / Project management / Environment : High and Extreme Risks
Finance / Personal Health and Safety : Medium, High and Extreme Risks

Nil

Comments

To ensure that the City continues to comply with the State Records Act 2000, the City’s Record Keeping Plan and the CEO’s legislative responsibilities this audit presents recommendations that will improve the current processes around records keeping and the transfer of information from Councillors to the City.

Voting Requirements

Simple Majority

Officer Recommendation

That Council SUPPORTS the following actions resulting from the findings from the Internal Audit Report State Records Act – Councillor Compliance:

1. The City of Rockingham – Council Policy – Records Management – Policy and Procedures for Councillors, needs to be updated to reflect the concepts presented in the City of Rockingham Code of Conduct, and the Service Request process that are currently in place.

   Items that should be clearly defined include:

   a. Encouraging constituent to use the City’s processes to manage complaints and queries.
b. Actively discourages Councillors in becoming intermediaries between the constituent and the City.
c. Enable transparency of the progress of complaints and queries to be communicated to Councillors if so desired on a case by case basis only.

2. Each Councillor to be provided a City email address to ensure that data is kept secure and recoverable in the event of Councillor’s private hardware failure. A Council policy is to specifically outline the expected use of a City provided email address to all Councillors and the expectation that all City related business is carried out using that assigned email.

3. Annual training in relation to records keeping being available for Councillors and that the Councillors are highly encouraged to attend with focus on providing information in accordance with the record keeping plan and the relevant Council policy.

Committee Recommendation

Moved Cr Elliott, seconded Cr Hamblin:

That Council SUPPORTS the following actions resulting from the findings from the Internal Audit Report State Records Act – Councillor Compliance:

1. The City of Rockingham – Council Policy – Records Management – Policy and Procedures for Councillors, needs to be updated to reflect the concepts presented in the City of Rockingham Code of Conduct, and the Service Request process that are currently in place. Items that should be clearly defined include:
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   b. Actively discourages Councillors in becoming intermediaries between the constituent and the City.
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3. Annual training in relation to records keeping being available for Councillors and that the Councillors are highly encouraged to attend with focus on providing information in accordance with the record keeping plan and the relevant Council policy.

Committee Voting – 3/0

The Committee’s Reason for Varying the Officer’s Recommendation

Not Applicable

Implications of the Changes to the Officer’s Recommendation

Not Applicable
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<thead>
<tr>
<th></th>
<th><strong>Other Business</strong></th>
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<tbody>
<tr>
<td></td>
<td>Nil</td>
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<tr>
<th>10.</th>
<th><strong>Date and Time of Next Meeting</strong></th>
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<tr>
<td></td>
<td>The next Audit Committee Meeting will be held on a <strong>date to be advised</strong>.</td>
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<tr>
<th>11.</th>
<th><strong>Closure</strong></th>
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<tbody>
<tr>
<td></td>
<td>There being no further business, the Chairperson thanked those persons present for attending the Audit Committee meeting, and declared the meeting closed at <strong>3:20pm</strong>.</td>
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