



Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 29 August 2011*

Time: *6.00pm*

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Recommendation only to the Full Council (“R” Items)

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
 - Statutory Reporting;
 - Adoption of Council's Community Strategic Plan, Delivery Program and Operational Plan;
 - Delegations; and
 - Policies.
- Tenders as per Regulation requirements.
- Leases.
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes.

Delegated Authority (“D” Items)

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Statutory reviews of Council's Delivery Program and Operational Plan;
- Finance Regulations, including:-
 - Authorisation of expenditures within budgetary provisions where not delegated;
 - Quarterly review of Budget Review Statements;
 - Quarterly and other reports on Works and Services provision; and
 - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Traffic Management - Works Implementation.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of the Minutes of its Meetings.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed above.

Committee Membership:

7 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

25 August 2011

To: Her Worship The Mayor, Councillor Isabelle Shapiro ex-officio
Councillors Andrew Petrie (Chair)
Ian Plater (Deputy)
Anthony Boskovitz
Sean Carmichael
Susan Jarnason
Greg Medcraft
David Shoebridge

Dear Councillors

Corporate & Works Committee Meeting – 29 August 2011

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 29 August 2011 at 6.00pm.**

Gary James
General Manager

Additional Information Relating to Committee Matters

Site Inspection

Other Matters

Meeting Agenda

Item	Subject	Pages
1	Leave of Absence and Apologies	
2	Late Correspondence Note Council resolution of 27 June 2011 to read late correspondence in conjunction with the relevant Agenda Item	
3	Declarations of Interest	

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 15 August 2011	1
D2	25 Wentworth Road, Vacluse – proposed Road Closure & Sale – 489.25	2

Items to be Submitted to the Council for Decision with Recommendations from this Committee

R1	Gilliver Avenue Vacluse – Acquisition of Roadway for Public Use – 178 Part 3	7
R2	Village Lower Road Vacluse - Road & Stormwater Reconstruction - 474	15
R3	Contract for Tree Pruning Services – 811.G	45
R4	Audit & Assurance Committee Composition & Charter – 1225.G (2)	50

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 15 August 2011**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 15 August 2011 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

That the Minutes of the Corporate and Works Committee Meeting of 15 August 2011 be taken as read and confirmed.

Les Windle
Manager – Governance

Item No: D2 Delegated to Committee
Subject: **25 Wentworth Road, Vacluse - Proposed Road Closure and Sale**
Author: Anthony Sheedy, Property Officer
File No: 489.25
Reason for Report: To give consideration to the closure and subsequent sale of road reserve portion adjoining the property.

Recommendation:

That the site be inspected prior to the Corporate and Works Committee meeting of 12 September 2011.

Background:

Council has received a request from the owner of 25 Wentworth Road, Vacluse to purchase a rectangular shaped section of Wentworth Road reserve which adjoins their property (Annexure 1 & 2).

The subject land is also shown on the attached Architectural plan drawing DA03 (Annexure 3). This unmade road reserve area is an estimated 220 square metres in size, and is made up of that area bound by the proposed extension of the side boundary alignment through to the footpath. The road reserve contains an existing encroaching structure of No 25, being an elevated car parking area.

The owner wishes to purchase the subject road reserve to formalise the existing encroachment plus construct an additional elevated driveway for a new double garage, new elevated pedestrian access and garden landscaping pursuant to the Development Application DA 58/2010/1 for “demolition of existing dwelling house and construction of new house including pool”. DA 58/2010/1 was determined on 3 August 2010 and in accordance with consent condition C.5 “a legal agreement is to be entered into by the person with benefit of this consent for occupation of the road and erection and ongoing maintenance for the structures”.

The DA stated that the legal agreement is to be in accordance with Council’s “Policy for managing encroachments on Council road reserves, the existing and proposed encroachments must be formalised by purchase of the subject road reserve or entering into an easement permitting the encroaching structures to remain or removed from the road reserve.”

Engineering Services staff have inspected the subject land and advised that there is no objection to the proposal to close and purchase this portion of road, subject to the following conditions:

1. Care should be taken to avoid Council storm water pipe
2. A strip of at least 1.8m being left for public footpath along the entire frontage
3. Other utility services being relocated or given easements if found on site

Pursuant to DA 58/2010/1 consent conditions, the owner has been extensively redeveloping 25 Wentworth Rd (Annexure 3). The owner has been granted development consent in condition (C.5) to construct the associated works subject to purchase of the subject road reserve portion, or failing that entering into an easement permitting the proposed structures in the road.

The owner accepts the conditions of Council's Engineering Services department as stated above. The owner is also keen to obtain an early indication from Woollahra Councillors of what is their preferable option (Sale or Easement); as the primary redevelopment works for 25 Wentworth Rd are underway, and on-site building contractors are seeking to complete all works as soon as possible to minimise further cost to the owners. The owner has agreed to pay all Council's costs in connection with the options for purchase of the subject road reserve portion or entering into an easement with Council.

Conclusion:

In accordance with Council's Policy and Procedure for the Sale of Council Land, it is recommended that the Corporate and Works Committee inspect the site in the first instance.

Anthony Sheedy
Property Officer

Zubin Marolia
Manager Property & Projects

Tom O'Hanlon
Director, Technical Services

ANNEXURES:

1. Cadastral plan of Wentworth Road, Vacluse showing aerial view of proposed road reserve purchase and neighbouring properties.
2. Cadastral plan of Wentworth Road, Vacluse showing Council stormwater pipeline on adjoining drainage reserve.
3. Architectural plan drawing DAO3 showing existing encroachments and proposed constructions on Wentworth Road reserve.

Item No: R1 Recommendation to Council
Subject: Gilliver Avenue Vaocluse – Acquisition of Roadway for Public Use
Author: Anthony Sheedy Property Officer
File No: 178 Part 3.
Reason for Report: To formalise the status of Gilliver Avenue, Vaocluse as a public road.

Recommendation:

- A. That Council proceed with the dedication of Gilliver Avenue, Vaocluse under Sections 16 and 17 of the Roads Act, 1993 as recommended by HWL Ebsworth Lawyers by undertaking the following actions:
- i) Affixing a notice on Gilliver Avenue, Vaocluse in a conspicuous place for 28 days.
 - ii) Placing an advertisement in a local newspaper advising of Councils intention to dedicate all of Gilliver Avenue, Vaocluse as a public road in accordance with Section 17 of the Roads Act 1993.
 - iii) Providing a notice of the road dedication in the NSW Government Gazette, subject to Section 17 of the Roads Act, 1993.
- B. That Council instruct HWL Ebsworth Lawyers to execute the necessary actions to effectively have Gilliver Avenue, Vaocluse dedicated as a public road.
- C. That Council authorise the Mayor and General Manager to execute and affix the Council Seal to the documents required for the acquisition of Gilliver Avenue, Vaocluse for the public use.
-

Background:

Encroachments upon the Gilliver Avenue road reserve have been identified at 7 and 9 Fisher Avenue, Vaocluse. These encroachments comprise the alienation of Gilliver Avenue road reserve by the rear boundary fence of 7 and 9 Fisher Avenue properties (Annexure 1).

Following application from the owners of 7 and 9 Fisher Avenue, Vaocluse to formalise the existing encroachments a title search was conducted to confirm whether Council is the registered owner of Gilliver Avenue Vaocluse.

Service First Registrations Pty Ltd were instructed to investigate and confirm whether Council is the owner of Gilliver Avenue, Vaocluse and whether the road has been dedicated as a public road sufficient to allow registration of an easement. The Title search report confirmed the following:

There is no evidence of formal dedication of Gilliver Avenue, Vaocluse.

The report from Service First Registrations Pty Ltd states;

“An investigation of the various records available for our inspection disclosed that the road subject of your enquiry was provided for in a subdivision of the Vaocluse Estate known as the 7th subdivision (DP 977727, circa 1908 and the 9th subdivision DP 977766, circa 1910). No evidence could be found as to the formal dedication, resumption or alignment of Gilliver Avenue”. (See Annexure 2, 3 and 4)

The documentary title was found to remain comprised in Certificate of Title Volume 1730 Folio 42 standing in the names of William Charles Wentworth and Francis William Hixson as surviving Trustees. The present title holders are deceased.

Acquisition Options:

HWL Ebsworth Lawyers were instructed to provide comments as to how Council could obtain title ownership to a road that had not been dedicated to Council.

After looking into the available alternatives to successfully acquire ownership of Gilliver Avenue, Vaucluse, the Council could adopt one of the following methods:

1. Application under Section 16 & 17 of the Roads Act, 1993.
2. Possessory Title.
3. Compulsory Acquisition.

HWL Lawyers advised Council that acquisition by Compulsory Acquisition would expose Council to a claim for compensation in accordance with the Land Acquisition (Just Terms Compensation) Act 1991.

Possessory Title was also considered less effective than an application under Section 16 & 17 of the Roads Act 1993 because Section 45D (5) of the Real Property Act may require evidence, for example, searches on the deceased estate of the registered owner resulting in notices being served on these owners who are long deceased and further delaying acquisition by Council.

Dedication pursuant to Section 16 & 17 of the Roads Act, 1993 was considered to be the most beneficial to Council. Section 16 applies to land that is set aside for the purposes of a road left in a subdivision of land effected before 1 January 1907, or in a plan of subdivision that was registered by the Registrar General before 1 January 1920.

Under Section 16, but subject to Section 17 of the Roads Act 1993:

- Council may by notice published in the NSW Gazette, dedicate the land as a public road.
- On such publication, the land is dedicated as a public road.
- No compensation is payable arising from the operation of Section 16; and
- Land may not be dedicated as a public road if the Land and Environment Court makes a declaration under Section 17.

Under Section 17:

- Before dedicating land as a public road under Section 16, the Council must cause at least 28 days notice of its intention to do so to be served on the owner of the land.
- During that period, the owner of the land may apply to the Land and Environment Court for a declaration that the land should not be dedicated as a public road; and
- The Court may make such decision as it sees fit with respect to the application.

Gilliver Avenue Acquisition

HWL Ebsworth advised the following:

“Given that the area is provided in Deposited Plan DP 977727 (which we understand was registered before 1920), it is open to Council to dedicate this area as public road in accordance with S16 & 17 of the Roads Act, 1993.”

The steps to achieve this are as follows:

1. Council must advertise Council's intention to dedicate the land as public road. The method of such advertisement should be as adopted by Council for other recent dedications including Wentworth Road, Vacluse.
2. If following this, no declaration is made by the Land and Environment Court in accordance with S17 of the Roads Act, Council must formally resolve to dedicate the land as public road.
3. Council must then provide notice of the dedication in the NSW Government Gazette.

Council can secure title by affixing a notice on Gilliver Avenue, Vacluse in a conspicuous place for 28 days and place an advertisement in a local newspaper advising of Council's intention to dedicate all of Gilliver Avenue, Vacluse as a public road in accordance with Section 17 of the Roads Act 1993. Following notice of the acquisition in the Gazette, Council must request the LPI to register the acquisition and road dedication, and issue to Council a new Folio for the land.

Conclusion:

Pursuant to the Title search report which identified that Council is not the documentary Title holder of Gilliver Avenue, Vacluse it is recommended that Council proceed with acquiring the Certificate of Title to Gilliver Avenue and dedicating that road for public use under Section 16 & 17 of the Roads Act 1993, as recommended by HWL Lawyers by undertaking the following actions:

- i) Affixing a notice on Gilliver Avenue, Vacluse in a conspicuous place for 28 days.
- ii) Placing an advertisement in a local newspaper advising of Councils intention to dedicate all of Gilliver Avenue Vacluse, as public roads in accordance with Section 17 of the Roads Act 1993.
- iii) Council providing a notice of the acquisition and road dedication in the NSW Government Gazette, Subject to S17 of the Roads Act, 1993.

Further, that Council instruct HWL Ebsworth Lawyers to execute the necessary actions to effectively have Gilliver Avenue, Vacluse dedicated as a public road, and authorise the Mayor and General Manager to execute and affix the Council Seal to the documents required for the acquisition of Gilliver Avenue, Vacluse for the public use.

Anthony Sheedy
Property Officer

Zubin Marolia
Manager -Property & Projects

Tom O'Hanlon
Director, Technical Services

Annexure:

- 1) Plan of Gilliver Avenue, Vacluse showing 7 and 9 Fisher Avenue where encroachment has occurred upon the Gilliver Avenue road reserve.
- 2) Title Search Report of Service First Registrations Pty Ltd.
- 3) Copy of 7th Subdivision of Vacluse Estate.
- 4) Copy of 9th Subdivision of Vacluse Estate

Item No: R2 Recommendation to Council
Subject: Village Lower Road, Vacluse - Road and Stormwater Reconstruction
Author: Jake Matuzic, Manager Capital Projects
File No: 474
Reason for Report: To consider options for funding the reconstruction of Road and Stormwater Infrastructure in Village Lower Road, Vacluse

Recommendation:

- A. That Council proceed with tendering for construction of Road and Stormwater Infrastructure in Village Lower Road between Serpentine Avenue and Hopetoun Avenue.
- B. That the project is funded from savings held in the infrastructure reserve and by deferring the following three projects: Old South Head Road – Footpath Works; Vacluse Road – Road Infrastructure Works; and Hopetoun Avenue & The Crescent – Stormwater Improvement Works, from the 2011/12 Capital Works Program to 2012/13.

Background:

On 28 April 2011 Council's Civil Maintenance staff responded to a report from a member of the public that there appeared to be a void beneath the concrete road in Village Lower Road Vacluse. An inspection on site revealed that there was a void under the concrete road pavement between No. 7 to the South and No. 11 to the North.

As a precaution and to allow investigation of the matter the road was closed to through traffic between No. 7 and No. 11 Village Lower Road, and access restricted to light vehicles and local residents only.

This report details the outcome of this investigation and the proposed solutions for consideration by Council.

Investigation:

In May 2011, we commissioned Kamen Engineering, a consultant specialising in road pavement analysis and design to undertake a pavement analysis to determine the extent of the problem and identify options for remediation. This report is attached as Annexure A.

From inspection on site it is evident that the void extends approximately 30m from No.7 to No. 11 Village Lower Road as shown on the site plan and aerial photograph following. There is also evidence of further undermining at the base of the power pole located adjacent to No. 13.

It was observed that there was water seepage coming up through the road pavement uphill of the void, the worst two locations being directly uphill adjacent to No.3-5 Village Lower Road and No.3 Olphert Avenue. Note that water seepage is also present downhill of the void, adjacent to No.15 Village Lower Road and at the intersection of Village Lower Road and Hopetoun Avenue.



Site Plan and Aerial Photograph of Village Lower Road, Vacluse

The water was sampled and tested and further investigations undertaken by Sydney Water to determine if the water was emanating from a below ground water service. The testing revealed a low concentration of fluoride eliminating a water main as the source of the subsoil water seepage.

Thus the subsoil water is naturally occurring groundwater most likely sourced from the upper ridge to the south of the site. The observed seepage is transient in nature flowing over impermeable clay and rock layers and also through permeable subsurface channels. The subsoil water seepage observed coming up through the road pavement surface is caused by shallow impermeable clay and rock layers.

The report concluded that it is most likely that the cause of the void is associated with the considerable and sustained subsoil water seepage occurring over a period of years, which over time has migrated the subgrade sand through the permeable sub surface channels such as service trenches and naturally formed fissures or rock defects.

The report details several recommended remediation options for the various sections of Village Lower Road. In June 2011 we commissioned a survey and civil infrastructure designer to proceed with preparing a survey and detailed design of Village Lower Road on the basis of the pavement engineering report recommendations.

Options:

Due to the condition of the road, the entire length of Village Lower Road between Serpentine Avenue and Hopetoun Avenue is listed for renewal in 2014/15 of Council's adopted 5 Year Infrastructure Renewal Program.

In considering the options for remediation of Village Lower Road the following two options were considered; the remediation of the section of Village Lower Road affected by the void or the remediation of the entire length of Village Lower Road.

Option 1 – Remediation of the section of Village Lower Road affected by the void:

The section of Village Lower Road between Olphert Avenue and the corner adjacent to No. 11 Village Lower Road was affected by the void and would require full depth pavement reconstruction and the installation of an upgraded stormwater and subsoil water system to capture the subsoil water that has caused the void and prevent further deterioration of the road in the future.

A detailed design has been completed and the cost estimate to undertake this works is \$320,000.

The advantage of proceeding with this option is that it is less expensive than option 2 and could be completed in a shorter timeframe (estimated to be approximately 6-8 weeks).

The disadvantages are that we would need to return in 2014/15 to complete the remaining sections of the road which would ultimately cost us more (due to establishment costs) and cause further disruption.

Option 2 – Remediation of the entire length of Village Lower Road.

This option considers reconstruction of the entire length of Village Lower Road, from Serpentine Avenue to Hopetoun Avenue. It includes the works previously considered by Option 1.

In addition this option would reconstruct the lower section of Village Lower Road between the bend adjacent to No.11 Village Lower Road and Hopetoun Avenue and install sufficient subsoil water systems to alleviate the water seepage observed in this area, particularly at No.15 Village Lower Road and at the intersection of Village Lower Road and Hopetoun Avenue.

Also we would take the opportunity to resurface the road pavement between Olphert Avenue and Serpentine Avenue, at the same time realigning the kerb at the intersection of Village Lower Road and Serpentine Avenue to provide an improvement to traffic calming and pedestrian safety. This proposal was considered by Council's Traffic Committee on 2 August 2011 and approved by Council's Community and Environment Committee on the 8 August 2011. The traffic committee report is attached as Annexure 2.

A detailed design incorporating the above has been completed and the cost estimate to undertake these works is \$480,000.

The advantages of proceeding with this option is that there is better value for money achieved through economies of scale, the opportunity to improve the water seepage issues in the lower section of Village Lower Road and the opportunity to improve the traffic calming and pedestrian safety by realigning the intersection of Village Lower Road and Serpentine Avenue.

The disadvantage of proceeding with this option is that it is more expensive and will take longer to complete (estimated to be 12-14 weeks).

Identification of Income & Expenditure:

As mentioned previously the entire length of Village Lower Road between Serpentine Avenue and Hopetoun Avenue is listed for renewal in 2014/15 of Council's adopted 5 Year Infrastructure Renewal Program. This project is not funded in our current Capital Works Program.

In order to undertake these works it would be necessary to bring this project forward in the program and defer current projects in order to fund these works.

The projects that are a lower priority in our current Capital Works Program in Vaocluse and their allocated budget are summarised in the table below:

Project	Allocated Budget in 2011/12 CWP
00715 – Hopetoun Ave & The Crescent Stormwater Upgrade Project	\$65,000
00741 – Old South Head Road, from Towns Road to No.34 Old South Head Road, Footpath Reconstruction Project	\$76,200
00742 – Vaocluse Road, from Nielsen Park West entrance to No.45 Vaocluse Road, Road Infrastructure Reconstruction Project	\$243,000
TOTAL	\$384,200

If the Council agrees to proceed with Option 2, the total required funds are estimated to be \$480,000. The remaining shortfall of \$95,800 can be funded from savings held in the Infrastructure Levy Reserve Funds.

Conclusion:

In considering both options presented it is recommended that Option 2, that is, remediation of the entire length of Village Lower Road provides the best outcome to the community in terms of benefit and value.

In order to fund this project Council will need to defer three projects currently allocated in the 2011/12 Capital Works Program to 2012/13.

Jake Matuzic
Manager Capital Projects

Tom O'Hanlon
Director Technical Services

ANNEXURES:

Annexure 1 – Pavement and Investigation and Design for Village Lower Road Vaocluse prepared by Kamen Engineering

Annexure 2 – Traffic Committee Report from 2 August 2011 - Village Lower Road, Vaocluse – Reconfiguration Of Intersection With Serpentine Parade

Item No: R3 Recommendation to Council
Subject: **Contract for Tree Pruning Services**
Author: Paul Goyoaga – Technical Officer - Arboriculture
File No: 811.G
Reason for Report: To recommend to Council the acceptance of a Tender for the provision of contract tree pruning services.

Recommendation:

- A. That Council enters into a panel agreement for the provision of tree pruning services for a three year period with the option to extend for a further two years with:
- Active Tree Services Pty Ltd
 - Advanced Arbor Service Pty Ltd
 - BJ's Tipper Hire Pty Ltd trading as BJ's Tree Services
 - Citywide Service Solutions Pty Ltd
 - Plateau Tree Service Pty Ltd
 - Sydney Arbor Trees Pty Ltd
 - Sydney Metro Tree Services Pty Ltd
-

Background:

Woollahra Council undertakes its regular tree maintenance programs with a mix of in-house teams and specialist contractors. The contract component of our budget is \$70,000 per annum and Woollahra Council has generally selected a panel of “preferred contractors” which we utilise for a three year period.

The current period is about to expire and staff were advised of an opportunity to work with other South Sydney Region of Councils (SSROC) councils to select a new panel of appropriately experienced and qualified contractors for the next contract period.

At the SSROC Group Management meeting of 27 October 2010, it was agreed that Bankstown City Council would host a tender process (Bankstown Tender No T 12 – 11) seeking suitably qualified and experienced companies for the provision of tree pruning and associated arboriculture services. Subsequently, the following SSROC member Councils agreed to participate in this tender process:

- 1) Ashfield Council
- 2) Bankstown City Council
- 3) Hurstville City Council
- 4) Leichhardt Council
- 5) Woollahra Municipal Council

Bankstown Council acted as host Council and coordinated the tender process on behalf of these member Councils. Due to the size of the SSROC region and the volume of the work, it was envisaged that two (2) regional panels, based on geographical locations, be established as follows:

- 1) Southwest Panel – Bankstown and Hurstville Councils
- 2) East and Inner West Panel – Woollahra, Ashfield and Leichhardt Councils.

The term of the proposed supply agreement is three (3) years with the provision for an extension for two (2) further periods each of up to one (1) year in duration, subject to satisfactory performance and approval under the delegation of the General Manager.

Tender Process:

An open tender was called on the NSW e-tendering website closing on Tuesday 1 March 2011. Ten (10) tenders were received from the following companies listed in alphabetical order:

No.	Tenderer
1	Active Tree Services Pty Ltd
2	Advanced Arbor Service Pty Ltd
3	Axact Services Pty Ltd
4	BJ's Tipper Hire Pty Ltd t/a BJ's Tree Services
5	Citywide Service Solutions Pty Ltd
6	MTS Tree Services Pty Ltd
7	Plateau Tree Service Pty Ltd
8	Sydney Arbor Trees Pty Ltd
9	Sydney Metro Tree Services Pty Ltd
10	Utility Services Corporation Ltd t/a Utility Asset Management

Council staff conducted this tender process on behalf of member councils of SSROC in accordance with section 55 of the Local Government Act 1993, the Local Government (General) Regulation 2005 and Council's Procurement Policy.

Evaluation process:

The tender evaluation panel consisted of staff from Bankstown Council, Woollahra Council and an SSROC staff representative.

Weightings were determined against the selection criteria as follows:

Criteria	Weighting
Schedule of Rates	40%
Experience and Past Performance	30%
Skills and Resources	20%
Programme and Methodology	10%
Procurement Practices	Pass / Fail
Environmental Management	Pass / Fail
Quality Management	Pass / Fail
Occupational Health and Safety	Pass / Fail
Tender Conformity and Compliance	Pass / Fail
Financials and Insurances	Pass / Fail
Total weighted score	100%

All tenderers were required to provide a schedule of rates detailing prices for frequently used tree services including:

- Hourly rates for technical and professional tree management and maintenance personnel
- Emergency call out and weekend rates
- Costs associated with commonly used plant and equipment
- Prices for tree inspections, assessments and reports

All tenderers supplied schedules of rates which were considered complying. Prices for staff and equipment varied from company to company, but all were considered within acceptable industry price ranges.

Having detailed schedules of rates for selected contractors will allow council staff to choose the best contractor for a specific job depending on their skills, experience, equipment and pricing.

The schedules of rates have not been included in this report as they contain information considered commercial in confidence; however the schedules of rates can be made available to Councillors on request.

The results of the evaluation of all selection criteria are shown on the attached matrix table **annexure 1**.

On this matrix the score for schedule of rates prices has the highest weighting and the scoring system is based on an aggregated price/score for each tenderer. As no tenderer provided an absolutely complete list for all possible services the panel had to compare as many prices as possible. The panel then grouped the contractors into 5 categories, ie. exceptionally low price range getting a maximum score of 5 or 40%, through to the most expensive price group being given a score of 1 or 8%.

As can be seen in **annexure 1**, no tenderer scored the maximum of 5 or 40% for an exceptionally low price and two tenderers scored only 1 or 8% for the very highest price range. For most contractors the tender panel reached a consensus view on the scoring however two of the panel scored BJ's Tree Services at 4 and one panel member scored BJ's at 3; resulting in the unusual score of 3.67

The top seven companies short-listed in ranking order are:

- 1) Active Tree Services Pty Ltd
- 2) Advanced Arbor Service Pty Ltd
- 3) Citywide Service Solutions Pty Ltd
- 4) Plateau Tree Service Pty Ltd
- 5) Sydney Arbor Trees Pty Ltd
- 6) BJ's Tipper Hire Pty Ltd t/a BJ's Tree Services
- 7) Sydney Metro Tree Services Pty Ltd

Area Based Services

Due to the size of the SSROC region and the volume of the work it was agreed that two regional panels would be established.

Although having scored well in the evaluations, the evaluation panel agreed that both Citywide Service Solutions Pty Ltd and Plateau Tree Service Pty Ltd would not be suitable for the Southwest Panel. Citywide Service Solutions Pty Ltd already has a substantial contract with the City of Sydney and the evaluation panel considered that it will not have the capacity to handle the southwest region. Plateau Tree Service Pty Ltd is based in the north of Sydney, is only a small company and is already contracted to a number of Councils in the north and east of Sydney.

The two regional panels, based on both capacity and proximity are as follows:

Southwest Panel - Bankstown and Hurstville Councils

- Active Tree Services Pty Ltd
- Advanced Arbor Service Pty Ltd
- BJ's Tipper Hire Pty Ltd trading as BJ's Tree Services
- Sydney Arbor Trees Pty Ltd
- Sydney Metro Tree Services Pty Ltd

East/Inner West Panel - Woollahra, Ashfield and Leichhardt Councils

- Active Tree Services Pty Ltd
- Advanced Arbor Service Pty Ltd
- BJ's Tipper Hire Pty Ltd trading as BJ's Tree Services
- Sydney Arbor Trees Pty Ltd
- Sydney Metro Tree Services Pty Ltd
- Citywide Service Solutions Pty Ltd
- Plateau Tree Service Pty Ltd

Conclusions:

The SSROC tender panel judged that the recommended contractors could be included on a panel for the provision of tree pruning services at the schedule of rates specified in their tender response for a period of three (3) years with provision for an extension for two (2) further periods each of up to one (1) year in duration, subject to satisfactory performance.

The tender panel advises that the proposed joint venture will give the participating councils a standard set of terms and conditions for contracted tree maintenance work and enhanced service negotiation options during the term of the agreement.

Bruce Rann
Manager, Open Space and Trees

Paul Goyoaga
Trees Technical Officer

ANNEXURES:

1. SSROC Tender Selection Matrix

Item No: R4 Recommendation to Council
Subject: **Audit & Assurance Committee Composition and Charter**
Author: Cheryle Burns - Manager Risk Control & Safety Services
File No: 1225.G (2)
Reason for Report: To provide further information following consideration of an earlier report on the Council's Internal Audit Function & Audit Committee.

Recommendation:

THAT Council:

- A Note the further report submitted regarding the Audit and Assurance Committee Composition and Charter in response to Council's resolution from 25 July 2011.
- B Make a final determination in respect of the composition of Council's Audit and Assurance Committee having considered the survey information presented as **Annexure 1** in respect of the composition of Audit Committees at other Councils.
- C Adopt the revised Draft Audit & Assurance Committee Charter provided as **Annexure 3** as the Audit and Assurance Committee's Charter, subject to any amendments required having regard to Council's decision in respect of Recommendation B above.
- D Receive a further report at the next Corporate & Works Committee meeting advising of the outcome of negotiations with IAB Services for the appointment of an IAB Services representative as the independent member of Council's Audit and Assurance Committee.

Background:

Having considered a Recommendation from the Corporate & Works Committee in respect of Council's Internal Audit Function and the establishment of an Audit Committee, the Council at its meeting of 25 July 2011 resolved as follows:

"That Council:

- A. Note the development of Council's Internal Audit function as a key operational component of Council's overall Business Assurance Framework.*
- B. Having considered the Division of Local Government Internal Audit Guidelines and the ICAC recommendations in relation to Audit Committees, formally establish the Woollahra Council Audit and Assurance Committee as an Advisory Committee of Council, to report to Council through the Corporate & Works Committee.*
- C. Determine the composition of the Audit and Assurance Committee, as a five (5) member Committee comprising three (3) independent members to be appointed by Council, and two (2) Councillors to be appointed by the Mayor.*

- D. Establish a panel comprising the Mayor, Deputy Mayor, Chair of the Corporate & Works Committee, one (1) other Councillor to be appointed by the Mayor, the General Manager and the Director Corporate Services, to prepare draft expressions of interest documents relating to the appointment of the independent members for review by the Corporate Works Committee.*
- E. Review the Draft Audit & Assurance Committee Charter provided as Annexure 2 as the Audit and Assurance Committee's Charter, in light of the matters raised at the Corporate & Works Committee meeting of the 18 July 2011.*
- F. Note Council's participation in a resource sharing arrangement with the Southern Sydney Regional Organisation of Councils (SSROC) for the provision of Internal Audit Services.*
- G. Notwithstanding the Recommendation in part C, the next report to the Corporate & Works Committee include the composition of the Audit Committee of other comparable Councils."*

Introduction:

The Corporate & Works Committee at its meeting of 18 July 2011 considered a report on the Council's Internal Audit Function & the establishment and composition of an Audit Committee. The Recommendation from the Corporate & Works Committee was subsequently considered by Council on 25 July 2011 resulting in the above resolution. In addition, the Corporate & Works Committee sought further information in relation to a number of matters which are addressed in this report.

Response to Council's Resolution

a. Recommendations C & G, viz:

- C. Determine the composition of the Audit and Assurance Committee, as a five (5) member Committee comprising three (3) independent members to be appointed by Council, and two (2) Councillors to be appointed by the Mayor.*
- G. Notwithstanding the Recommendation in part C, the next report to the Corporate & Works Committee include the composition of the Audit Committee of other comparable Councils.*

In response to Recommendation G, we have undertaken a comprehensive survey of 82 Councils in NSW, including all the SSROC Councils, the results of which are attached as **Annexure 1** to the report. The survey reveals that of the 82 Councils, 57 have in place an audit committee and there are significant differences in the way Councils choose to operate their audit committees. This is not inconsistent with the Division of Local Government's Internal Audit Guidelines which state at Section 4.1 that:

"No two audit committees will function in exactly the same way, nor should they. A dynamic audit committee process is required for each council to cater for the particular internal and external influences impacting on them. The size and conduct of council audit committees will also vary depending on a council's size and other circumstances."

It is also evident from the survey that audit committee membership varies greatly across Councils, with the composition of many audit committees not in keeping with the Division of Local Government's Internal Audit Guidelines. Of those surveyed 21 had a majority of Independent External Members. Additionally, of those surveyed not all responded to the question regarding Independent Chairperson, of those that did 29 out of 31, had an independent Chairperson. Notwithstanding, the recommendations of the Division's Guidelines 15 Councils included the Mayor on their Committee. Details of the Division's Guidelines were outlined in the report to the Corporate & Works Committee on 18 July 2011, resulting in Recommendation C above in respect of the proposed membership composition of Council's Audit and Assurance Committee.

The key to a successful audit committee is to ensure the members have a thorough understanding of the committee's position in the legal and governance framework. Their roles and responsibilities are clearly defined and the members have the relevant skills and qualifications to perform their role. To ensure independence and objectivity it is important that there be at least 1 independent member who is external to council and its operations. The DLG guidelines recommend a majority of independent members, viz:

“Ideally, the audit committee should consist of at least 3 and preferably no more than 5 members comprised of independent external members, who should be in the majority, and councillors other than the Mayor (or an Administrator). Staff should not be members of the audit committee.”

It was highlighted in the report however that at this stage there is no legislative requirement for Council to proceed with the establishment of an audit committee, or if Council does determine to establish a committee, that the committee be established or operate strictly in accordance with the Division's Guidelines. Evidence from the survey supports this view. Consequently, notwithstanding the terms of part C of the Council resolution from 25 July 2011, it is open to the Council to determine the composition of the Audit and Assurance Committee as it sees fit, and in doing so, revise the proposed committee membership referred to in Recommendation C above.

Having regard to the extremely robust Risk Management practices implemented into the operational functions of the Council over the past 10 years (see Line of Defences 1, 2 & 3 of the Business Assurance Framework attached as **Annexure 2**) it is our opinion that this council could operate efficiently and effectively with a 3 member Audit and Assurance Committee, comprising one independent member as the Chair and 2 Councillor members.

b. Recommendation E, viz:

E. Review the Draft Audit & Assurance Committee Charter provided as Annexure 2 as the Audit and Assurance Committee's Charter, in light of the matters raised at the Corporate & Works Committee meeting of the 18 July 2011.

The revised Draft Charter has been attached as **Annexure 3** and it also includes changes recommended at the Corporate & Works Committee on 18 July 2011. These changes have been highlighted in part (g) which follows.

Matters raised by the Corporate & Works Committee 18 July

Additionally, the Corporate & Works Committee requested information in relation to the following items:

a. Draft Selection Criteria for Independent Members of Audit Committee

The DLG recommends that an external member should have the appropriate qualifications and experience to fulfil their role with the following desirable qualities:

- Knowledge of local government
- Strong communication skills
- High levels of personal integrity and ethics
- Sufficient time available to devote to their responsibilities as a committee member
- High level of financial literacy and, if possible accounting, financial, legal compliance and/or risk management experience or qualifications

Additionally, the DLG recommends that an:

“audit committee as a whole should have at least one member with financial qualifications and experience and the skills and experience relevant to discharging its responsibilities, including experience in business, financial and legal compliance, risk management.”

With respect to the Committee Chair, the DLG recommends this person to be independent and possess the:

- Knowledge of the duties and responsibilities of the position as outlined in the Committee Charter; especially about local government, financial reporting and auditing requirements
- Requisite local government, financial and leadership skills
- Ability to build good relationships and strong communication skills.

Equally important is that the members demonstrate an understanding of risk management and systems particular as discussed in our initial report, that Woollahra approach to Internal Audit and Business Assurance is risk based.

A Draft Selection Criteria, **see Annexure 4**, has been prepared taking into account the DLG recommendations and the need for the independent members to have an understanding of risk management.

b. Draft Advertisement & Selection Process

A number of Councils have been surveyed and reference material sourced from DLG, Deloitte, KPMG, Australian Government Audit Committees ‘A Guide to Good Practice’ to consider approaches to the appoint independent external members. It is evident that councils have adopted a variety of approaches. The one common theme was that councils sought ‘Expressions of Interest’ for the engagement of independent external members, as did a number of private organisations.

There was a mixed view in the Councils contacted in relation to appointing an external member who resides within the local government area. Approximately 50% of Councils encouraged local community participation and the other 50% preferred to appoint a person who lives outside of their local government area. Councils who preferred appointment of a person outside the local government area chose this option to avoid any conflicts of interest, perceptions of bias, or at times concerns about influences from Councillors, staff or other stakeholders who were familiar with the appointed Committee member.

It is also important to note that the primary consideration for the appointment of the independent member should be that they possess the requisite skills and experience to effectively fulfil the role, rather than any preference for them being from within or outside the local area.

Subject to Council's views in respect of an alternate proposal for the appointment of the independent member, which is discussed later in the report, a Draft Expressions of Interest document is attached as **Annexure 5**. The selection process is to be open and transparent and would follow normal recruiting processes. The composition of the selection committee would be in accordance with Recommendation E from the Council resolution of 25 July 2011, as shown above.

c. Expenses and Fees and Funding Provisions.

Council currently has an internal audit budget provision for 2011/2012 of \$30,000. This amount includes provision for the SSROC Internal Audit shared services arrangement and any Audit Committee expenses, which would include any payment to external independent members. It is difficult to accurately forecast the costs until such time as the Committee holds its first meeting and establishes the role and direction for internal audit through the adoption of Woollahra's Annual Audit Plan and 3 year Audit Program and the frequency of their meetings.

The survey of SSROC Council's has shown the remuneration paid to an independent external member to be between \$200 per meeting to a maximum of \$1,000 per meeting. For our Council, a remuneration of \$600 per meeting is considered acceptable having regard to the commitment required to effectively fulfil the role. This amount is also consistent with Council's determination in respect of the remuneration paid to Council's representatives on the Joint Regional Planning Panel.

A key role of the Committee once established will be to ensure internal audit is adequately resourced and to make enquiries of management to determine if there is scope or budgetary limitations that impede internal audit's ability to function properly.

In addition if the Council determines that the Committee will be made up of 3 members with 1 member to be the external independent Chair than any savings achieved would be redirected into the operational areas of the Internal Audit Function.

This provision will be monitored over the course of the year in Council's quarterly Budget Reviews.

d. Supervision of the Audit & Assurance Committee & 'Dismissal of Committee' and/or a member

The Council will determine the term of appointment for Committee members. In the Australian Government 'A Guide to Good Practice – Audit Committees' it recommends an annual performance review of the audit committee. It is recommended this is undertaken by the Corporate & Works Committee with a report to Council on its findings. In addition the Guide recommends an evaluation of individual audit committee members be conducted annually by the Chair of the audit committee as part of the Corporate & Works Committee's review process. The Guide suggests audit committees can use a self assessment questionnaire to assist with the evaluation of a member's performance and contribution to the audit committee. Results of the performance assessments should be reported to Council through the Corporate & Works Committee.

The terms of a member's appointment would sit outside the Audit & Assurance Committee Charter and would clearly be at the discretion of the Council to terminate on appropriate grounds such as poor performance.

e. Additional workload required to manage the Audit & Assurance Committee

There are no significant detrimental impacts in servicing this activity provided it meets as recommended at frequencies of 4 to 6 times a year. The majority of work required to provide information to the Committee is already in place as part of our operational functions in supporting other Council and Advisory Committees.

f. Managing the Internal Auditor

This was discussed in our previous report viz:

4.1.2 Reporting Relationships

Councils establishing an internal audit function must provide appropriate independence for the internal audit function by establishing some degree of separation of the function from management.

In private companies, the internal auditor is accountable to the Board of Directors through the Chairman of the Audit Committee. This approach cannot be directly reproduced under the provisions of the Local Government Act 1993. Internal audit is an operational matter that falls within the responsibility of the General Manager. Under section 335(1) of the Local Government Act, the General Manager is responsible for the efficient and effective operation of the council's organisation.

The separation of powers between the General Manager and the elected council is a key element of the Act and accordingly both need to ensure that they do not interfere with or control the exercise of each of these functions. It is therefore not appropriate for an internal auditor to report directly to the mayor and/or councillors.

Internal auditors should be mindful of their obligation under section 11 of the ICAC Act to report suspected areas of corrupt activity. Further, they may wish to report their findings under the provisions of the Protected Disclosures Act 1994. This may be necessary if concerns are raised in regard to the General Manager or other senior staff.

Councils have the power to appoint an external audit firm to be the internal auditor. Where possible this firm should not be the same one that provides council's external audit services. This does not change the fact that internal audit remains an operational role. It should be remembered that pursuant to section 335 of the Local Government Act the General Manager is responsible for the day-to-day management of council activities including the direction of staff and implicitly the internal audit function.

While management employs the internal auditor, the internal auditor is also expected to review the conduct of management. Therefore, the internal auditor should be able to report to a person or body with sufficient authority to implement internal audit recommendations.

It is important for the internal auditor to have direct access to the audit committee to monitor the scope of the work of internal audit and to review the reports issued. This is achieved by having the internal auditor attend meetings of the audit committee.

The appointment of an internal auditor does not give council the ability to direct the performance of the internal audit function. However, councils can use the General Manager's employment contract to ensure that relevant internal audit work is being undertaken as a requirement of the General Manager's performance obligations.

The Internal Auditor should maintain independent reporting relationships with the audit committee, General Manager and management. This requires:

- Reporting functionally to the audit committee and administratively to the General Manager*
- Reporting to an audit committee with external members*
- Internal audit charter to be approved by the audit committee and the audit committee charter to be approved by council*
- Audit committee to approve of internal audit plans, and provide a forum for discussion of areas worthy of internal audit attention*
- Audit-committee to ensure coordination and cooperation of internal and external auditors*
- Audit committee to make enquiries of management to determine if the scope or budgetary limitations impede the internal audit's ability to function properly, and ensure that the internal audit function is properly resourced.*
- Reporting to the General Manager for budgeting and accounting, human resource administration, internal communications, administration of policies and procedures.*

Reporting to an audit committee with a majority of members, who are external and independent to the council, ensures that internal audit operates independently from management and can effectively review risk, control, governance processes and management assertions.

The Internal Auditor will operate in accordance with the Council's Internal Audit Policy and Internal Audit Charter; see **Annexures 6 & 7** respectively. It will be these two documents that direct and govern the activities of the Internal Auditor.

The DLG Guidelines recommends that to avoid bias and conflict of interests, that:

- “1. An internal auditor does not undertake audit work regarding operations/services for which he/she has held responsibility within the last two (2) years.*
- 2. An internal auditor who provides consulting services regarding a particular operation/service is not the same auditor who provides assurance on that same operation/service.*
- 3. Internal Auditors are rotated periodically whenever it is practical to do so; alternatively, some other method is put in place to address the risks associated with having the same auditors responsible for auditing the same unit/functional area over a prolonged period.”*

The Internal Audit Charter will include provision for the first two DLG recommendations above, see **Annexure 7**, Section 10. In relation to the 3rd recommendation, Council currently participates in a joint resource sharing arrangement through SSROC for Internal Auditor services as required. Whilst this person is completely independent of Council's business operations and services, it is possible under the SSROC arrangements to rotate the appointed SSROC auditor as more than one auditor is engaged by SSROC to service the participating councils.

g. Revise Draft Audit & Assurance Committee Charter (Annexure 3), as follows:

The following specific changes to the Draft Audit & Assurance Committee Charter requested at the Corporate & Works Committee meeting on 18 July 2011 have been actioned.

- Delete 'oversight' replace with "review and recommend" (emphasis not a decision making Committee) – **Amended see Section 5 - 3rd Paragraph.**
- Include the ability of the Audit & Assurance Committee to enable senior staff to be excluded from a meeting – **Amended see Section 6.5 (iii).**
- More emphasis on reviewing External Auditor's role, specifically their work plans – **Amended see Section 5.3 & 6.5 (iii).**

h. Compliance with DLG Internal Audit Guidelines

The DLG Guidelines have been referenced along with documentation from other organisations in framing the Council's framework for audit & assurance. There are no significant departures from the Guidelines that require any specific attention.

A Summary Table of DLG Audit Committee Guidelines Compliance Checklist compared to the Committee's Charter is attached, **see Annexure 8.**

Independent Membership – Alternate Proposal

In preparing this further report to the Corporate & Works Committee, discussions have been held with IAB Services (Internal Audit Bureau) in relation to the 3 member Audit and Assurance Committee model and options for the recruitment of the external member. Councillors will recall from the previous report that IAB Services conducted Council's 2010 Promoting Better Practice Review on behalf of the Division of Local Government and have provided advice in respect of the various draft internal audit and audit committee documents presented to the Corporate & Works Committee on 18 July 2011.

A proposal discussed with IAB Services in respect of the appointment of the independent member of the Audit & Assurance Committee, was to appoint a representative from IAB Services as the independent member. Indeed, IAB Services advise that have successfully placed independent audit committee members for a number of Councils in NSW.

Whilst IAB Service point out that having only one independent member is not in keeping with the Division's Guidelines, they advise that the proposal to have an IAB Services representative as the independent member would provide a very effective interim solution whilst Council was in the process of fully establishing the Audit and Assurance Committee's role as the 4th Line of Defence in our Business Assurance Model. Indeed, the expert advice and guidance provided by IAB Services in supporting the role of Chair of Council's Audit and Assurance Committee would ensure the establishment of a very strong Committee to support our already well functioning 1st, 2nd, and 3rd Lines of Defence.

Further, having an IAB Services representative as the independent member may provide a very practical solution at this time given the recent ICAC investigations into Burwood Council and ICAC's recommendation that the NSW Minister for Local Government seeks legislative amendment to the Local Government Act 1993 to establish internal audit for local government as a statutory function. An IAB representative as the independent member would certainly possess the requisite skills and experience and would also avoid any concerns raised in respect of the independent member being from within or outside the local government area.

It is suggested therefore that a 12 to 18 month contractual arrangement be negotiated with IAB Services as a matter for priority for the provision of an independent Chair to Council's Audit and Assurance Committee and that a further report be presented to the Corporate & Works Committee advising of the outcome of those negotiations. This arrangement would provide sufficient time to fully embed the Audit and Assurance Committee operations into Council's operations and would enable the new Council to further consider the composition of the Audit and Assurance Committee following the 2012 local government elections

Conclusion:

The Corporate & Works Committee considered a comprehensive report in respect of Council's Internal Audit Function and the establishment of an Audit and Assurance Committee at its meeting held on 18 July 2011.

Council's subsequent resolution in respect of the report was that the draft Audit & Assurance Committee Charter be reviewed in light of the matters raised at the Corporate & Works Committee meeting on 18 July 2011, and that a further report be presented in respect of the composition of the Audit Committee of other comparable Councils.

A revised Draft Audit and Assurance Committee Charter as **Annexure 3** to this report responding to the matters raised at the Corporate & Works Committee meeting on 18 July 2011.

The report presents as **Annexure 1** the results of a comprehensive survey undertaken of 82 Council in NSW in relation to their approach to internal audit and the operation of an audit committee.

The report proposes that in light of the varying models for Audit Committees across NSW Councils detailed in the survey results, Council Review its decision from 25 July 2011 in respect of the composition of the Audit and Assurance Committee and agree to the establishment of a three (3) member Committee comprising one (1) independent member as the Chair and two (2) Councillor members.

The report also discusses a proposal for the appointment of an IAB Services representative as the independent member of Council's Audit and Assurance Committee and recommends that a further report be presented to the next Corporate & Works Committee advising of the outcome of negotiations with IAB Services in respect of that proposal.

Having considered the information presented in this report, it is recommended that Council:

1. Make a final determination in respect of the composition of the Audit and Assurance Committee.
2. Adopts the revised Draft Audit and Assurance Committee Charter provided as **Annexure 3**.
3. Agree to receive a further report in respect of the proposal to appoint a representative from IAB Services as the independent member of the Audit and Assurance Committee.

Cheryle Burns
Manager Risk Control & Safety Systems

Stephen Dunshea
Director – Corporate Services

Gary James
General Manager

Annexures:

1. Survey of NSW Councils
2. Lines of Defence
3. Revised Draft Audit & Assurance Committee Charter
4. Draft Selection Criteria
5. Draft Expressions of Interest
6. Internal Audit Policy
7. Draft Internal Audit Charter
8. Summary of DLG Audit Committee Guidelines Compliance Checklist

**POLITICAL DONATIONS DECISION MAKING FLOWCHART
FOR THE INFORMATION OF COUNCILLORS**

