



POLICY COMMITTEE

25 March 2015

His Worship the Mayor & Councillors

Notice of Policy Committee Meeting of Bathurst Regional Council - Wednesday, 1 April 2015

I have to advise that a **Policy Committee Meeting** will be held in the Council Chambers on Wednesday, 1 April 2015 commencing at 6.00 pm.

A handwritten signature in blue ink, appearing to read 'D J Sherley', is positioned above the typed name.

D J Sherley
GENERAL MANAGER

BUSINESS AGENDA

POLICY COMMITTEE

TO BE HELD ON WEDNESDAY, 1 APRIL 2015

1. 6:00 PM - MEETING COMMENCES

2. APOLOGIES

3. REPORT OF PREVIOUS MEETING

* MINUTES - POLICY COMMITTEE MEETING - 4 MARCH 2015

4. DECLARATION OF INTEREST

To assist the Councillors and committee members in their correct consideration of business before them at the meeting, please give consideration to Section 451 of the Local Government Act, in relation to Declaration of Interest at meetings.

5. RECEIVE AND DEAL WITH DIRECTORS' REPORTS

* DIRECTOR ENVIRONMENTAL PLANNING & BUILDING SERVICES' REPORT

* DIRECTOR CORPORATE SERVICES & FINANCE'S REPORT

* DIRECTOR ENGINEERING SERVICES' REPORT

6. GENERAL BUSINESS

7. DISCUSSION FORUM - DEVELOPMENT APPLICATION SUBMISSIONS - Nil

8. DISCUSSION FORUM OTHER - Nil

9. MEETING CLOSE

MINUTE

1 MEETING COMMENCES

Present: Councillors Rush (Chair), Aubin, Bourke, Coote, Hanger, Morse, North, Westman.

MINUTE

2 Item 1 APOLOGIES

MOVED: Cr I North SECONDED: Cr B Bourke

RESOLVED: That the apology from Cr Jennings be accepted and leave of absence granted.

REPORT OF PREVIOUS MEETING AND MINUTES

POLICY COMMITTEE

1 MINUTES - POLICY COMMITTEE MEETING - 4 MARCH 2015 (07.00064)

Recommendation: That the Minutes of the Policy Committee Meeting held on 4 March 2015 be adopted.

Report: The Minutes of the Policy Committee Meeting held 4 March 2015, are attached.

Financial Implications: N/A

Bathurst 2036 Community Strategic Plan - Objectives and Strategies

- Objective 32: To ensure Council is supported by an adequate workforce and appropriate governance procedures. Strategy 32.2

MINUTE

- 3** Item 1 MINUTES - POLICY COMMITTEE MEETING - 4 MARCH 2015 (07.00064)
MOVED: Cr M Coote SECONDED: Cr G Westman

RESOLVED: That the Minutes of the Policy Committee Meeting held on 4 March 2015 be adopted.

MINUTES OF THE POLICY COMMITTEE
HELD ON 4 MARCH 2015

MEETING COMMENCES

1 MEETING COMMENCES 6:00 PM

Present: Councillors Rush (Chair), Aubin, Bourke, Coote, Hanger, Jennings, Morse, North, Westman.

APOLOGIES

2 APOLOGIES

Nil.

REPORT OF PREVIOUS MEETING

3 Item 1 MINUTES - POLICY COMMITTEE MEETING - 4 FEBRUARY 2015 (07.00064)

MOVED Cr M Coote

and **SECONDED** Cr W Aubin

RESOLVED: That the Minutes of the Policy Committee Meeting held on 4 February 2015 be adopted.

DECLARATION OF INTEREST

4 DECLARATION OF INTEREST 11.00002

MOVED Cr M Coote

and **SECONDED** Cr B Bourke

RESOLVED: That the Declaration of Interest be noted.

RECEIVE AND DEAL WITH DIRECTORS' REPORTS

Director Environmental Planning & Building Services' Report

5 Item 1 BATHURST REGIONAL DEVELOPMENT CONTROL PLAN 2014 AMENDMENT NO 2 - ADVERTISING AND NOTIFICATION OF DEVELOPMENT APPLICATIONS (20.00284)

MOVED Cr W Aubin

and **SECONDED** Cr I North

RESOLVED: That Council:

- (a) commence an amendment to the Bathurst Regional Development Control Plan 2014 with respect to the advertising and notification of development applications;
- (b) note the amendment will be reported back to Council following the public

This is page 1 of Minutes of the Policy Committee held on 4 March 2015.

exhibition period; and

(c) call a division.

On being **PUT** to the **VOTE** the **MOTION** was **CARRIED**

The result of the division was:

In favour of the motion - Cr W Aubin, Cr B Bourke, Cr M Coote, Cr G Hanger, Cr J Jennings, Cr M Morse, Cr I North, Cr G Rush, Cr G Westman,

Against the motion - Nil

Absent - Nil

Abstain - Nil

GENERAL BUSINESS

6 COMMUNITY GARDEN (22.02574)

Cr Bourke - advised currently 20 people are involved at the garden. There is room for about another 20 gardens and produce is coming along well.

7 Item 2 MT PANORAMA - KANGAROOS (14.00665)

Cr North - spoke to letter that has gone to residents on temporary fencing. What feedback has been received? Noted some products out in market place might be useful.

The Director Engineering Services will be meeting with residents next Tuesday.

The Mayor spoke to research by UTS which is currently occurring, this includes assessment of the use of various plantings to control movements.

8 Item 3 BATHURST AERODROME (21.00024)

Cr North - asked what is feedback on new surface. When will we be talking to operators out there?

The Mayor advised feedback is very positive.

The Director Engineering Services advised users have complemented the standard of the works. Noted grant applications being made by Council, and requests for additional works made by users.

The General Manager advised currently organising a meeting for operators in the 2-5T MTOW category.

9 Item 4 NEW BUSINESSES (20.00071)

Cr North - spoke to process of new businesses coming to town, when we get Development Application do we refer to Manager Economic Development?

The Director Environmental, Planning & Building Services advised that depending on business type, will refer to Manager Economic Development. Staff always work to provide as much information as possible.

10 **Item 5 SPORTS COUNCIL MATTERS (18.00021)**

Cr Coote - thanked Director Engineering Services and Director Corporate Services & Finance for responses received to his questions.

11 **Item 6 BATHURST AGRICULTURAL HORTICULTURAL & PASTORAL ASSOCIATION (18.00108)**

Cr Coote - advised the AH&P Association have conveyed their thanks for Council's support for this year's upcoming Royal Bathurst Show.

12 **Item 7 DEMOUNTABLE HOUSES (20.00123)**

Cr Coote - requested Council look at developing a Policy on no demountables in the heritage conservation area.

13 **Item 8 TOURISM CONFERENCE (18.00074)**

Cr Morse - congratulated the Mayor and staff on the extremely successful conference.

14 **Item 9 OBERON MERGER (11.00001)**

Cr Morse - spoke to newspaper article which said Oberon people would be \$90 million out of pocket. Could advice be provided to Councillors on this matter.

The Mayor noted amount referred to loans held and Schedule 7 asset backlog. Article made no mention of \$1 billion in assets Bathurst Regional Council has.

15 **Item 10 NRL FOOTBALL MATCH (04.00008)**

Cr Morse - understands newspaper says only 850 tickets sold. Could an update report be supplied to Councillors.

The Mayor spoke to current status of ticket sales, over 1,000. Advice from Panthers indicates that this level is normal, with the majority of tickets being sold in

the week leading up to the match.

16 Item 11 MACQUARIE MEDAL (20.00123)

Cr Morse - asked could advice be provided on how this is progressing.

17 Item 12 CONFLICT OF INTEREST (11.00002)

Cr Morse - asked could Councillors get clarification on this matter, particularly, non-pecuniary interest. Could the General Manager provide clarification on what is a significant non-pecuniary interest.

18 Item 13 COLOURBOND FENCES - CONSERVATION AREA (20.00123)

Cr Morse - asked could a report be prepared on approval of cream colourbond fences in the conservation area.

MEETING CLOSE

19 MEETING CLOSE

The Meeting closed at 6.18 pm.

CHAIRMAN: _____

Date: _____ **(18 March 2015)**

MINUTE

- 4 **Item 1 DECLARATION OF INTEREST 11.00002**
MOVED: Cr I North SECONDED: Cr B Bourke

RESOLVED: That the Declaration of Interest be noted.

DIRECTOR ENVIRONMENTAL PLANNING & BUILDING SERVICES' REPORT AND MINUTES

POLICY COMMITTEE

1 APRIL 2015

1 REVIEW OF SWIMMING POOL INSPECTION POLICY (41.00089, 02.00009)

Recommendation: That Council adopt the amended Swimming Pool Inspection Policy.

Report: Council at its meeting held 9 October 2013 resolved to adopt its Swimming Pool Inspection policy.

The Policy was introduced in response to amendments to the Swimming Pools Act which required Council's to:

1. Develop and implement a swimming pool barrier inspection program in consultation with the community;
2. Report annually on the number of swimming pool inspections and the level of compliance;
3. Inspect pools associated with tourist and visitor accommodation and multi occupancy developments at 3 year intervals; and
4. Issue swimming pool compliance certificates.

The approach taken by Council in its policy was to:

1. Limit the inspections to those where there is a statutory obligation to do so, that is:
 - (a) Commencing 29 March 2014, Council will undertake inspections (where requested to do so) at the point of sale/point of lease.
 - (b) Commencing 29 March 2014, Council will undertake inspections (where requested to do so) of all tourist and visitor accommodation or more than 2 dwellings.
2. Continue to investigate swimming pools that do not comply with the applicable standards. Where swimming pools do not comply, rectification will be required and a swimming pool compliance certificate issued.
3. Review the inspection regime after 18 months to determine the number of inspections being undertaken on an annual basis.
4. Charge the full fee as allowed for under the Swimming Pools Regulation for the carrying out of inspections.

Under the Act the obligation to obtain a valid swimming pool compliance at point of sale/lease was scheduled to commence on 29 March 2014.

Due to implementation issues the Department of Local Government initially extended the date for obtaining pool compliance certificates at point of sale/lease for a further year until 29 March 2015.

More recently the Department of Local Government has announced that this deadline was to be further extended until 29 March 2016.

The repeated deferral of implementation has meant that aspects of the Policy have not been implemented.

That said the following has been undertaken to date.

1. Currently there are 943 pools and spas registered in the Bathurst Local Government Area.
2. To date Council has undertaken 51 swimming pools inspections.
3. The "failure" rate is in the order of 47%. This is significantly less than the figure of 95% failure being reported by the Department of Local Government.

4. Council is in the process of arranging inspections of the tourist/visitor accommodation providers in accordance with the Policy.

The Policy itself remains true however implementation has been affected by the deferral of the implementation dates through the Department of Local Government.

A number of consequential amendments have been made to the Policy to reflect this updated status. The Policy with proposed amendments is provided at **attachment 1**.

Financial Implications: Nil

Bathurst 2036 Community Strategic Plan - Objectives and Strategies

- Objective 22: To improve community safety. Strategy 22.11
- Objective 28: To plan for the growth of the region and the protection of the region's environmental, economic, social and cultural assets. Strategy 28.8

MINUTE

5 Item 1 REVIEW OF SWIMMING POOL INSPECTION POLICY (41.00089, 02.00009)

MOVED: Cr M Coote SECONDED: Cr W Aubin

RESOLVED: That Council adopt the amended Swimming Pool Inspection Policy.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D R Shaw', with a large, stylized flourish at the end.

D R Shaw
DIRECTOR
ENVIRONMENTAL, PLANNING & BUILDING SERVICES

DIRECTOR CORPORATE SERVICES & FINANCE'S REPORT AND MINUTES

POLICY COMMITTEE

1 APRIL 2015

1 REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE - 11 MARCH 2015 (07.00096)

Recommendation: That the recommendations of the Audit & Risk Management Committee Meeting held on 11 March 2015 be adopted.

Report: The minutes of the Bathurst Regional Council Audit and Risk Management Committee Meeting held on 11 March 2015 are shown at **attachment 1**,

Financial Implications: Nil.

Bathurst 2036 Community Strategic Plan - Objectives and Strategies

- Objective 28: To plan for the growth of the region and the protection of the region's environmental, economic, social and cultural assets. Strategy 28.8
- Objective 32: To ensure Council is supported by an adequate workforce and appropriate governance procedures. Strategy 32.2

MINUTE

6 Item 1 REPORT OF AUDIT AND RISK MANAGEMENT COMMITTEE - 11 MARCH 2015 (07.00096)

MOVED: Cr B Bourke SECONDED: Cr I North

RESOLVED: That the recommendations of the Audit & Risk Management Committee Meeting held on 11 March 2015 be adopted.

2 ICAC INVESTIGATION REPORT - OPERATION JAREK (46.00075, 46.00117)

Recommendation: That the information be noted.

Report: As Councillors are aware, the ICAC Investigation (Operation Jarek) was concluded in late 2010 with a number of recommendations resulting.

Council has reviewed the recommendations and shown at **attachment 1** is the final report submitted to NSW ICAC on Council's implementation of those recommendations. Council has now completed its statutory reporting obligations in relation to this matter.

Financial Implications: Nil.

Bathurst 2036 Community Strategic Plan - Objectives and Strategies

- Objective 28: To plan for the growth of the region and the protection of the region's environmental, economic, social and cultural assets. Strategy 28.6
- Objective 33: To be and develop good leaders. Strategy 33.5

MINUTE

7 Item 2 ICAC INVESTIGATION REPORT - OPERATION JAREK (46.00075, 46.00117)

MOVED: Cr G Westman SECONDED: Cr I North

RESOLVED: That the information be noted.

Yours faithfully



R Roach
**DIRECTOR
CORPORATE SERVICES & FINANCE**

DIRECTOR ENGINEERING SERVICES' REPORT AND MINUTES

POLICY COMMITTEE

1 APRIL 2015

1 POLICY ON VEGETATION AND SIGNAGE FOR ROUNDABOUTS (28.00004, 41.00089)

Recommendation: That Council adopt the Director Engineering Services' recommendations for the maintenance of vegetation and signage on roundabouts within the Bathurst area.

Report: Over the last several years, Council has received a number of requests to review the safety of some roundabouts within the City centre. These roundabouts have plantings and signage, some of which is of a height or width that may potentially obstruct driver vision to the opposite leg of the roundabout.

Council always endeavours to achieve an adequate balance between enrichment of the heritage qualities of the Bathurst CBD and the design and maintenance of Council's infrastructure to a standard that will provide a safer road network for local residents and visitors. Council's engineering staff have reviewed the matter of vegetation and signage, and have developed a policy that will more effectively foster the aesthetic qualities of the Bathurst area, while maintaining local infrastructure to a safe standard.

The Austroads Guide to Road Design (2009), Part 4B – Roundabouts supports the landscaping of the central island of roundabouts on local streets:

"There is a need for roundabouts in local streets to be landscaped to complement the surrounding streetscape or to improve the appearance of a location. Local streets often appear as relatively open, wide and straight roads which do not reflect the desired speed environment (often 50 km/h or less). The provision of roundabouts and judicious planting not only improves the amenity of local streets but interrupts the visual continuity of the street and provides a perception of a lower speed environment." (Section 8.3 – Local Roundabouts)

The current landscaping on many of the roundabouts in the Bathurst CBD is consistent with this philosophy.

However, the Austroads document also suggests some landscaping limitations which would improve sight distance to opposing legs, which are as follows:

- a medium-sized tree (e.g. 150mm to 200mm diameter) located centrally on the island with a minimum of 2.5m clearance from the mature tree to the line of kerb
- associated low ground cover to a maximum height of approximately 200mm
- a minimal number of low mounted signs.

While this is desirable, such a limitation on the landscaping for central islands would restrict much of the vegetation currently in place on the majority of roundabouts in the Bathurst CBD, and be detrimental to the heritage nature of the area to which these plantings contribute. Furthermore, the increased sight distance past these roundabouts would also reduce the effectiveness of these roundabouts as traffic calming devices, thereby encouraging higher speeds on the adjacent streets.

Vegetation on various landscaped roundabouts within Bathurst was measured, and it was found that some vegetation grew to as high as 0.9m. A crash history analysis of those roundabouts having high vegetation, in comparison with those that did not, found that there was no increase in crashes. The associated crash definition (vehicle turning right crashing into vehicle entering from opposing leg) is one of the rarest types of crashes to occur in the

entire Bathurst area, where it is significantly more likely that a driver will be involved in a rear-end accident, or have a vehicle pull in front of them from the leg to the immediate left.

Given that there is no crash history associated with the current landscaping and signage of roundabouts within the Bathurst CBD, and the current landscaping and signage contributes significant benefits to the public through aesthetically enhancing the area and improving the safe operations of these roundabouts, the following management guidelines are recommended for the maintenance of vegetation and signage on roundabouts within the Bathurst Regional Council Local Government Area:

- All vegetation is to be permitted within the envelopes as noted on the Plan EN10775, refer **attachment 1**, or as otherwise approved by the Director Engineering Services
- Vegetation that grows above this envelope is to be trimmed back to the designated envelope, or as approved by the Director Engineering Services
- All signage installed on the roundabout with vegetation is to be a maximum of 1.1m in height
- All signage is to be in accordance with AS1742.1, or sympathetic to the heritage characteristics of the area within which they are installed

These guidelines are regarded as adequate to achieve a balance between the amenity of the site, the safety of Bathurst roundabouts and the aesthetic enhancement of the area.

It is recommended that these form a policy for the maintenance of vegetation, and that Council adopt this policy for immediate use.

Financial Implications: Nil

Bathurst 2036 Community Strategic Plan - Objectives and Strategies

- Objective 10: To protect and enhance the region's biodiversity. Strategy 10.7

MINUTE

8 Item 1 POLICY ON VEGETATION AND SIGNAGE FOR ROUNDABOUTS
(28.00004, 41.00089)

MOVED: Cr W Aubin SECONDED: Cr M Morse

RESOLVED: That Council adopt the Director Engineering Services' recommendations for the maintenance of vegetation and signage on roundabouts within the Bathurst area.

Yours faithfully



Doug Patterson
DIRECTOR
ENGINEERING SERVICES

GENERAL BUSINESS

POLICY COMMITTEE

MINUTE

9 Item 1 TAFE BUILDING (22.01387)

Cr Bourke - noted building is still sitting there, no further action appears to have occurred. Would like process sped up. Has spoken to the Minister about time being taken. Asks Council to take further action.

The Mayor spoke to actions currently occurring.

MINUTE

10 Item 2 CARENNE SCHOOL CROSSING (25.00062)

Cr Bourke - has received a petition for a crossing to be placed at the school. Spoke to correspondence received from concerned citizens. The petition has 1300 signatures and there have been many more comments on facebook. Asks Councillors to take up this fight, there are over 200 persons at the school. It is an RMS matter, but Council needs to agitate for this. Noted refuge outside school does not allow for wheelchairs to fit through. Need to cut red-tape and get message to RMS.

Cr Bourke tabled the petition.

Cr Aubin noted suggestion to school had been made about car parking out the back of the school, with access from Research Station Drive.

The Mayor will speak to RMS and encourage their review, which will come to Council through the Traffic Committee.

MINUTE

11 Item 3 CARENNE SCHOOL CROSSING (25.00062)

Cr North - asked could a report come to Council on the requirements for a crossing, so matter could be considered by Council as soon as possible.

MINUTE

12 Item 4 PIPER STREET RESIDENTS (28.00012)

Cr North - raised concerns that a lot of B-Double trucks go through the lights at Stewart/Lambert intersection and do not stop when lights are red. Could this be followed up please.

MINUTE

13 Item 5 NEIGHBOUR DAY CELEBRATIONS (23.00026)

Cr North - attended this function on behalf of Council. This was a very good event, and great to see how neighbours have been recognised.

MINUTE

14 Item 6 LOCAL MEMBER RE-ELECTION (18.00040)

Cr North - could a letter of congratulations be sent to the Local State Member on his re-election.

The Mayor noted correspondence has been sent.

MINUTE

15 Item 7 AQUATIC CENTRE (04.00105)

Cr North - thanked staff for action taken on access issues that had recently been raised by the community.

MINUTE

16 Item 8 UPPER MACQUARIE COUNTY COUNCIL (18.00172)

Cr North - spoke to strategic report requested from the County Council, not forthcoming at this time.

MINUTE

17 Item 9 CARENNE SCHOOL CROSSING (25.00062)

Cr Aubin - advised report going to next Traffic Committee which notes "numerical warrant" has not been reached. Noted other factors to be considered, e.g. pedestrian refuge access width is currently being addressed.

MINUTE

18 Item 10 McHUGH COURT CASE (20.00027)

Cr Westman - asked while case is going on, could Council look at policy creation for this type of development into the future. Requests a Working Party be held to discuss a framework.

MINUTE

19 Item 11 PARKS DEPARTMENT (04.00045)

Cr Hanger - congratulated staff on efforts over last couple of days for the NSW Combined High School cricket tournament. The effort after the heavy rain was spectacular.

MINUTE

20 Item 1 MEETING CLOSE

The Meeting closed at 6.28 pm.

CHAIRMAN: _____

Date: _____ **(15 April 2015)**

**DIRECTOR ENVIRONMENTAL PLANNING & BUILDING SERVICES' REPORT -
ATTACHMENTS**

POLICY COMMITTEE

1 APRIL 2015

POLICY:	SWIMMING POOL INSPECTIONS
DATE ADOPTED:	Director Environmental, Planning & Building Services Report #2 Policy 9 October 2013 Council 20 November 2013 Minute Book No. 11660
ORIGINAL ADOPTION:	
FILE REFERENCE:	02.00009
OBJECTIVE:	To take such steps as are appropriate to ensure that Council is notified of the existence of all swimming pools to which the Act applies that are within its area. To promote awareness within its area of the requirements of the Act in relation to swimming pools, and To investigate complaints about breaches of the Act.

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1. COUNCIL'S OBLIGATIONS UNDER THE SWIMMING POOLS ACT

The Swimming Pools Act provides an obligation upon all Councils to ensure that all swimming pools comply with minimum safety standards for pool safety.

5 General duties of local authorities regarding swimming pools

Each local authority is required:

- (a) *to take such steps as are appropriate to ensure that it is notified of the existence of all swimming pools to which this Act applies that are within its area, and*
- (b) *to promote awareness within its area of the requirements of this Act in relation to swimming pools, and*
- (c) *to investigate complaints about breaches of this Act in accordance with section 29A.*

Council is generally notified of the existence of swimming pools through the approval processes provided for under the Environmental Planning and Assessment Act.

For the most part compliance is initially achieved through the approval process (either as a Development Application or Complying Development Certificate). As part of the process Council and private certifiers have an obligation to assess the swimming pool against the applicable standards during the approval process, during construction and at the completion of the project.

Beyond the completion of the swimming pool there is an ongoing obligation on owners and occupiers to:

- 1. maintain the swimming pool barrier in existence and in a good state of repair (section 15).

2. ensure that all doors and gates providing access to the swimming pool are kept securely closed at all times when they are not in actual use (section 16).
3. ensure that a warning notice is all times maintained, in a prominent position in the immediate vicinity of the swimming pool (section 17).

2. PORTABLE SWIMMING POOLS AND SPAS AND CHILD RESISTANT BARRIERS

It is worth noting that many portable swimming pools are still covered by the Swimming Pools Act and are still bound by the underlying obligations provided in the Act.

swimming pool means an excavation, structure or vessel:

- (a) that is capable of being filled with water to a depth greater than 300 millimetres, and
- (b) that is solely or principally used, or that is designed, manufactured or adapted to be solely or principally used, for the purpose of swimming, wading, paddling or any other human aquatic activity,

and includes a spa pool, but does not include a spa bath, anything that is situated within a bathroom or anything declared by the regulations not to be a swimming pool for the purposes of this Act.

It is noted that State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 currently provides an exemption from the need to obtain formal consent where it complies with pre set criteria.

These criteria are as follows:

Subdivision 30 Portable swimming pools and spas and child-resistant barriers

2.59 Specified development

The construction or installation of a portable swimming pool or spa or a child-resistant barrier that is required under the Swimming Pools Act 1992 is development specified for this code if it is not constructed or installed on or in a heritage item or a draft heritage item or on land in a foreshore area.

2.60 Development standards

- (1) The standards specified for that development, if it is the construction or installation of a portable swimming pool or spa, are that the development must:
 - (a) be for ~~domestic-residential~~ purposes only, and
 - (a) be located in the rear yard, and
 - (b) be located at least 1m from each lot boundary, and
 - (c) not exceed 2,000 L in capacity, and
 - (d) not require structural work for installation, and
 - (e) not impact on the structural stability of any building.
- (2) A child-resistant barrier must be constructed or installed in accordance with the requirements of the Swimming Pools Act 1992.

NOTE THAT THE EXEMPTION IS FROM THE NEED TO OBTAIN CONSENT NOT FROM THE NEED TO PROVIDE A CHILD RESISTANT BARRIER IN ACCORDANCE WITH THE STANDARDS.

3. INVESTIGATION OF COMPLAINTS

Council has an obligation to investigate complaints received under the Swimming Pools Act.

29A Investigation of complaint

- (1) *This section applies to a complaint made to a local authority in writing that alleges a contravention of this Act.*
- (2) *The local authority must, as far as is practicable, commence investigation of the complaint within 72 hours (or such other period as may be prescribed by the regulations) after it is received.*
- (3) *The local authority may investigate the complaint as it thinks fit.*
- (4) *An authorised officer may, in accordance with this Part, enter and examine premises for the purposes of investigating the complaint.*
- (5) *Before premises are entered under subsection (4), the local authority is to take such steps as are reasonable:*
 - (a) *to notify the owner or occupier of the premises about the complaint, and*
 - (b) *to arrange to carry out the examination at a time that is convenient to the owner or occupier.*
- (6) *The local authority may decline to investigate a complaint that it considers to be vexatious, misconceived, frivolous or lacking in substance.*
- (7) *The local authority is to notify the complainant in writing if it declines to investigate the complaint.*

Where Council receives a complaint it will investigate it in accordance with its obligations under the Swimming Pools Act.

4. REVIEW OF SWIMMING POOLS ACT

In 2012 the NSW Government embarked on a major review of the Swimming Pools Act 1992 resulting in the introduction of the Swimming Pools Amendment Act 2012.

The Amendments introduced obligations upon both pool owners and Councils to improve swimming pool safety.

The obligations upon pool owners are to:

1. Register their swimming pools on an online register provided by the NSW State Government (www.swimmingpoolregister.nsw.gov.au);
2. Self assess their pools against the applicable standards when registering their pools; and
3. Provide a valid swimming pool compliance certificate before selling or leasing a property.

All existing swimming pools ~~are-were~~ to be registered by 29 October 2013. New swimming pools are registered upon construction.

The obligation to provide a valid swimming pool compliance certificate at the point of sale/lease was initially scheduled for commencement on 29 March 2014. Subsequent amendments to the Act extended the commencement period until commences on 29 March 2014 ~~2016~~.

The obligations upon Council are to:

1. Develop and implement a swimming pool barrier inspection program in consultation with the community;
2. Report annually on the number of swimming pool inspections and the level of compliance;
3. Inspect pools associated with tourist and visitor accommodation and multi occupancy developments at 3 year intervals; and
4. Issue swimming pool compliance certificates

The swimming pool barrier inspection program has to be adopted by Council by 29 October 2013.

5. WHAT IS A SWIMMING POOL CERTIFICATE OF COMPLIANCE?

The amendments to the Swimming Pools Act introduced a system relating to the issue of certificates of compliance.

22D Certificates of compliance

- (1) The requirements for the issue of a certificate of compliance in respect of a swimming pool are that:
 - (a) the swimming pool is registered under Part 3A, and
 - (b) the swimming pool complies with the requirements of this Part.
- (2) A local authority or an accredited certifier must issue a certificate of compliance in respect of a swimming pool if the local authority or accredited certifier:
 - (a) has inspected the swimming pool under this Division, and
 - (b) is satisfied that the requirements for the issue of a certificate of compliance have been met.
- (3) A local authority or an accredited certifier must not issue a certificate of compliance except as provided by subsection (2).
- (4) A local authority or an accredited certifier may refuse to issue a certificate of compliance until any fee payable for the inspection has been paid.
- (5) A certificate of compliance in respect of a swimming pool is to be issued to the owner of the premises on which the pool is situated in a form approved by the Director-General.
- (6) A certificate of compliance remains valid for a period of 3 years from the date on which it is issued but ceases to be valid if a direction is issued under section 23 in respect of the swimming pool to which the certificate relates.
- (7) A local authority or accredited certifier that issues a certificate of compliance in respect of a swimming pool must ensure that details of the certificate are entered

on the Register, by providing the details to the Director-General in a form approved by the Director-General.

- (8) The regulations may make provision for or with respect to the time and manner in which any such information is to be entered on the Register.

A swimming pool compliance certificate is a certificate that certifies that a swimming pool is registered on the Statewide database and complies with the applicable standards.

A swimming pool compliance certificate may be issued by either Council or a private certifier accredited by the Building Professionals Board.

A swimming pool certificate is valid for a period of 3 years from issue unless there is a direction issued to undertake rectification works.

It is also worth noting that an Occupation Certificate issued at the completion of installation of the swimming pool also operates for a period of 3 years.

6. MANDATORY INSPECTION PROGRAM

The obligation upon Council to develop a swimming pool barrier inspection program stems from Section 22B of the Swimming Pools Act

22B Mandatory pool inspection program by local authority

- (1) *A local authority must, within 6 months after the commencement of this section, develop and adopt a program for the inspection of swimming pools in its area to ensure compliance with the requirements of this Part.*
- (2) *Within 12 months after the commencement of this section, the program must make provision for the inspection, at least once every 3 years, of any swimming pool situated on premises on which there is tourist and visitor accommodation or more than 2 dwellings.*
- (3) *The program is not to require the inspection of a swimming pool in respect of which there is a valid certificate of compliance or a relevant occupation certificate.*
- (4) *A local authority must inspect swimming pools in its area in accordance with its program.*
- (5) *The regulations may make provision for or with respect to the development and adoption of programs for the inspection of swimming pools including:*
 - (a) *the form and content of programs, and*
 - (b) *the manner in which the public is to be consulted during the development of any such program, and*
 - (c) *the carrying out of inspections under the program.*
- (6) *In this section:*
dwelling *has the same meaning as in the Standard Instrument.*

The Act is silent on the frequency of these inspections beyond those where it provides a statutory obligation ie point of sale/lease and triennial inspections of tourist/visitor accommodation and multi occupancy developments.

In order to formulate the program Council is required to undertake a community engagement strategy in accordance with Clause 16 of the Swimming Pools Regulation 2008.

16 Community engagement

- (1) *A local authority must establish and implement a strategy for engagement with the local community when developing a program for the inspection of swimming pools in its area.*
- (2) *The strategy must be based on social justice principles of equity, access, participation and rights.*
- (3) *The local community is to be consulted in accordance with the strategy in relation to the development of the inspection program (including in relation to any review of such a program).*

7. COMMUNITY ENGAGEMENT STRATEGY

Council has previously developed a Community Engagement Strategy to guide the community consultation process across the community.

The Strategy aims at ensuring that consultation occurs in an appropriate format and with the appropriate parties.

The approach adopted as part of the Strategy was to directly consult with known pool owners within the Bathurst Region.

A review of Council's existing development consent register identified some 732 swimming pools as having been approved since 1999.

It is noted that the list is unlikely to have been exhaustive and there is in all likelihood pool owners who have not been consulted.

It is also noted that pool owners are not required to register on the Swimming Pool Register until after the Council has adopted its inspection policy. It is therefore not possible to rely upon the register in the formulation of the inspection policy.

A web based survey was prepared and forwarded to all known pool owners with the objective to:

1. Determine community expectations in relation to the frequency of swimming pool inspections
2. Determine the community response to the inspection fees associated with implementation of the program.

Council ultimately received 250 responses to its survey.

8. OPTIONS FOR FREQUENCY OF INSPECTIONS

The survey offered a number of different inspection regimes from ranging from never to annually and limited to point of sale/lease.

In response to the question of “how often do you think that swimming pools should be inspected” the responses were as follows:

Option	Response Count	Response %
Never	9	3.6
Annually	24	9.6
Every 3 years	65	26.0
Every 5 years or more	68	27.2
Only when the property is sold or leased	92	36.8

It is clear that there is general support for an inspection regime of sorts with only 3.6% opting for the “never” option.

There was limited support for an annual inspection with 9.6% support.

Most support was provided for an inspection regime of 5 years or greater (27.2%) or at point of sale/lease (36.8%).

9. WHO SHOULD PAY?

Under the Swimming Pool Regulations Council is able to charge a fee for the carrying out an inspection of a swimming pool.

18A Fee for inspection

- (1) *For the purposes of section 22F (1) of the Act, the maximum fee that a local authority may charge for carrying out an inspection of a swimming pool is:

 - (a) *in the case of a first inspection of the swimming pool, \$150, or*
 - (b) *in the case of a second inspection of the swimming pool, \$100.**
- (2) *No fee may be charged by a local authority for carrying out a third or subsequent inspection for the purpose of the issue of the same certificate of compliance.*

Based on this fee structure there is a financial incentive in ensuring that the swimming pool complies with the applicable standards.

It is noted however that due to the highly technical nature of standards that there is an expectation that there will be high levels of non-compliance at the initial inspection.

Not surprisingly 73.6% of survey respondents were of the opinion that the owner should not bear the cost of any inspection regime. The vast majority of respondents (87.2%) considered the cost of between \$150 and \$250 to be too high.

The reality is that whilst there is limited support from pool owners to the charging of any fee it should not be up to the general ratepayer to fund the cost of implementation of the program. It is therefore appropriate that the fees for inspections should be borne by the pool owners as opposed to the general ratepayer.

In terms of the quantum of the fee it is noted that the maximum fee (\$250) is the equivalent to that of a Building Certificate issued under the Environmental Planning and Assessment Act. It is not therefore considered to be too high given the expected workloads in undertaking the inspections.

10. THE ADOPTED POLICY APPROACH

At this time it is not possible to determine the number of swimming pools in the LGA.

The Swimming Pool Register is not able to provide any data at this time on the number of pools that have been registered. Even if it were at this time only 54.2% of survey respondents had registered. Perhaps more disconcertingly 23.3% of respondents were unsure whether they had registered their swimming pools.

Based on current figures there have been at least 730 swimming pools approved in the Bathurst LGA.

This figure is growing by approximately 60 pools per annum based on current trends.

Council and the public needs to be mindful that the adoption of any policy has implications in terms of staffing and the capacity to undertake inspections and costs to both Council and pool owners.

There is currently no reliable data available that can accurately predict the number of inspections that may result of point of sale point or lease.

Likewise there is no accurate way to determine what impact on the number of inspections the use of private certifiers may have.

The adopted approach of this Policy, therefore, is to:

1. Limit the inspections to those where there is a statutory obligation to do so, that is:
 - (a) Commencing 29 March ~~2014~~2016 (or such other time that may be specified by the Department of Local Government, Council will undertake inspections (where requested to do so) at the point of sale/point of lease.
 - (b) Commencing 29 March 2014, Council will undertake inspections (where requested to do so) of all tourist and visitor accommodation or more than 2 dwellings
2. Continue to investigate swimming pools that do not comply with the applicable standards. Where swimming pools do not comply, rectification will be required and a swimming pool compliance certificate issued.
3. ~~Periodically Rr~~review the inspection regime ~~after 18 months~~ to determine the number of inspections being undertaken on an annual basis.
4. Charge the full fee as allowed for under the Swimming Pools Regulation for the carrying out of inspections.

DIRECTOR CORPORATE SERVICES & FINANCE'S REPORT - ATTACHMENTS

POLICY COMMITTEE

1 APRIL 2015

MINUTES OF THE AUDIT & RISK MANAGEMENT COMMITTEE
HELD ON 11 MARCH 2015

MEETING COMMENCES

1 MEETING COMMENCES 12:00 PM

Present: Andrew Fletcher (Chair), Cr Ian North, Phillip Burgett

In Attendance: General Manager, Shephard Shambira, Leanne Smith (Intentus), Manager Corporate Governance, Manager Financial Services

APOLOGIES

2 APOLOGIES
MOVED Cr I North and **SECONDED** P Burgett

RESOLVED: That the apologies from Mayor Cr Rush, Cr Westman and Cr Hanger be accepted and leave of absence granted.

DECLARATION OF INTEREST

3 DECLARATION OF INTEREST 11.00002
MOVED P Burgett and **SECONDED** Cr I North

RESOLVED: That the Declaration of Interest be noted.

REPORT OF PREVIOUS MEETING

4 Item 1 MINUTES - AUDIT & RISK MANAGEMENT COMMITTEE - 26 NOVEMBER 2014 (07.00096)
MOVED P Burgett and **SECONDED** Cr I North

RESOLVED: That the Minutes of the Audit & Risk Management Committee Meeting held on 26 November 2014 be adopted.

EXTERNAL AUDIT REPORTS & FINANCIAL STATEMENTS

5 Item 1 BATHURST REGIONAL COUNCIL EXTERNAL AUDIT STRATEGY 2014/2015 (DIRECTOR CORPORATE SERVICES & FINANCE) (07.00096)
MOVED Cr I North and **SECONDED** P Burgett

RESOLVED: That the information be noted.

RISK MANAGEMENT

6 Item 1 RISK MANAGEMENT - STATECOVER AND STATEWIDE PROFILES (GENERAL MANAGER) (03.00010, 07.00096)

This is page 1 of Minutes of the Audit & Risk Management Committee Meeting held on 11 March 2015.

MOVED P Burgett and **SECONDED** Cr I North

RESOLVED: That the information be noted.

- 7** **Item 2 ENTERPRISE RISK MANAGEMENT PLAN - STRATEGIC RISK REGISTER (DIRECTOR CORPORATE SERVICES & FINANCE (07.00096))**
MOVED Cr I North and **SECONDED** P Burgett

RESOLVED:

- (a) that the information be noted.
- (b) to acknowledge the work of the Manager Corporate Governance and Directors in reviewing the Strategic Risk Register.

INTERNAL AUDIT REPORTS & COMPLIANCE

- 8** **Item 1 INTERNAL AUDIT PROGRAM - QUARTERLY REPORT (INTERNAL AUDITOR) (07.00096)**
MOVED Cr I North and **SECONDED** P Burgett

RESOLVED:

- (a) that the information be noted.
- (b) that future amendments or updates to the Internal Audit Program be based on Council's Strategic Risk Register or as requested by the General Manager.
- (c) that each audit/review identify, in the report, the strategic risk it is related to and the risk rating.

- 9** **Item 2 THREE YEAR INTERNAL AUDIT PROGRAM - STATUS REPORT (INTERNAL AUDITOR) (07.00096)**
MOVED P Burgett and **SECONDED** Cr I North

RESOLVED: That the information be noted.

- 10** **Item 3 INTERNAL AUDIT REVIEW PLAN - RATES PROCESS (INTERNAL AUDITOR) (07.00096)**
MOVED P Burgett and **SECONDED** Cr I North

RESOLVED: That the audit scope for the rates process review be amended and submitted to Committee members for approval out of session.

- 11** **Item 4 QUARTERLY BUDGET REVIEW - DECEMBER 2014 AND OPERATING PLAN ACTIONS REVIEW - 31 JANUARY 2015 (DIRECTOR CORPORATE SERVICES & FINANCE) (07.00096)**
MOVED Cr I North and **SECONDED** P Burgett

RESOLVED: That the information be noted.

12 Item 5 CREDITOR PAYMENTS GREATER THAN \$150,000 (DIRECTOR CORPORATE SERVICES & FINANCE) (07.00096)

MOVED P Burgett and **SECONDED** Cr I North

RESOLVED: That the information be noted.

13 Item 6 ORDER AND INVOICE DATES (DIRECTOR CORPORATE SERVICES & FINANCE) (07.00096)

MOVED Cr I North and **SECONDED** P Burgett

RESOLVED: That

- (a) the information be noted
- (b) management look at top three items and report back on options to deal with.
- (c) discuss with Orange City Council potential for full electronic procurement

14 Item 7 PAYMENTS IN EXCESS OF \$75,000 (DIRECTOR CORPORATE SERVICES & FINANCE) (07.00096)

MOVED Cr I North and **SECONDED** P Burgett

RESOLVED: That

- (a) the information be noted.
- (b) a further more detailed analysis (including unexplained items) of the report provided to this meeting be provided to the next Committee Meeting.

15 Item 8 PROMOTING BETTER PRACTICE SELF ASSESSMENT CHECKLIST (DIRECTOR CORPORATE SERVICES & FINANCE) (03.00140)

MOVED P Burgett and **SECONDED** Cr I North

RESOLVED: That the information be noted.

16 Item 9 UPDATE ON COUNCIL PROJECTS (DIRECTOR CORPORATE SERVICES & FINANCE) (07.00096)

MOVED Cr I North and **SECONDED** P Burgett

RESOLVED: That

- (a) the information be noted.
- (b) General Manager report quarterly on shared Best Practice opportunities between BOD Alliance Councils.
- (c) a report on CENTROC activities be provided to future meetings (when available).



Civic Centre
158 Russell Street
Private Mail Bag 17
Bathurst NSW 2795

Telephone 02 6333 6111
Facsimile 02 6331 7211
council@bathurst.nsw.gov.au
www.bathurstregion.com.au

10 March 2015

Dr Robert Waldersee
Executive Director
Corruption Prevention
ICAC
GPO Box 500
SYDNEY NSW 2001

Dear Dr Waldersee

Implementation of corruption prevention recommendations from investigations into Operation Jarek

I refer to your letter dated 19 February 2015 in relation to the submission of the final report in the abovementioned matter.

Please find **attached** Council's final Report. Council believes that it has fully implemented all the recommendations in the report and therefore, this will be the final report provided by Council in relation to Operation Jarek.

If you require any further information please contact Council's Manager Corporate Governance, Brian Dwyer, on the number below.

Yours faithfully

D J Sherley
GENERAL MANAGER

Reference: BD:SM:46.00117-03/002
Enquiries: Mr Brian Dwyer 6333 6209
_bd_icac_jarek.doc

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Bathurst Regional Council 24 Month Final Report

Operation Jarek

Please update this schedule with information about the current status of each item listed. Include details of the latest action/update in respect of each initiative, dates where relevant and attach copies of any documents referred to, where possible, in support of implementation of particular initiatives. Please provide the name of a contact person in your agency from whom we can seek more detail if needed. Please return this document to the ICAC in writing and electronically to swalker@icac.nsw.gov.au by no later than 28 February 2015.

Recommendation 1.

That councils communicate to suppliers a clear set of supplier behaviour expectations and the associated consequences for non-compliance.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has since 2009 twice written to all suppliers and provided them a copy of Council's Statement of Business Ethics and advised that no gifts should be provided to staff. Each year Council will send the current version of the Statement of Business Ethics (at that time) to all of Council's creditors.

Supporting material

1. BRC Statement of Business Ethics (Refer Document No. 1)
2. BRC Internal Audit Plan (Refer Document No. 2)
3. Letter provided to Creditors (Refer Document No. 3)
4. Copy of Council order (Refer Document No. 4)

Proposed evaluation methods

1. Number of breaches of Council's purchasing policies. Council's Purchasing Officer reviews all purchase orders and can identify trends/anomalies and bring them to management's attention. Internal Audit reviews will also monitor purchasing procedures.
2. Regular reviews of procurement processes will be undertaken by Internal Auditor as part of the three year Audit Plan

Bathurst Regional Council 24 Month Final Report

Operation Jarek

3. Feedback will be sourced from Council's Purchasing Officer, others involved in the procurement process and Council's Senior Managers on response by creditors to Council's adopted policies and procedures.

Responsible Section

- a) Corporate Governance Section and Internal Audit
- b) Internal Audit

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 2.

That councils develop a proactive and comprehensive supplier engagement framework.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has in place a Statement of Business Ethics, Code of Conduct, Purchasing Manual and a Gifts and Benefits Policy. Tenders are now conducted through the Tenderlink Facility, which ensures all communications are handled electronically through the Tenderlink System and this is available to all parties. Council's Purchasing Manual (which was updated in 2014) is available on Council's website.

Council's Purchasing Officer only meets supplier contacts at the front counter in the main foyer of the Council building. Council is also arranging training for staff on relational selling and corruption prevention in procurement. Staff involved in any decision making on procurement are excluded from accepting gifts of any size or type.

New creditors to Council must be approved by the employee's supervisor (or someone in authority) prior to being added to the system. Creditors section will verify ABN and other information is correct.

Council orders include the following statement

Council's policy does not allow the receipt of gifts by staff members. Breaches of this policy may jeopardise further business undertakings with Council.

Supporting material

1. BRC Statement of Business Ethics (Refer Document No. 1)
2. BRC Code of Conduct (Refer Document No. 2)
3. BRC Purchasing Manual (Refer Document No. 6)
4. BRC Gifts and Benefits Policy (Refer Document No. 7)
5. BRC Internal Audit Plan (Refer Document No. 2)

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Proposed evaluation methods

Internal Audit review as part of the rolling 3 year audit program.

Responsible Section/s

- a) Corporate Governance Section and
- b) Internal Audit

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 3.

That councils review their codes and policies on gifts and benefits to ensure they effectively communicated expected behaviour in a way that the intended audience can easily grasp.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has reviewed its Gifts and Benefits Policy, Code of Conduct and Statement of Business Ethics since the fraud occurred. Regular updates have been provided in the staff newsletter on Gifts and Benefits and Code of Conduct in simple English. All new staff undertake a session on the Code of Conduct and Gifts and Benefits Policy as part of their compulsory induction. Council is part of a group of four Central West Councils trialling a system of online training and one of the proposed courses covers the Code of Conduct. This will provide an avenue for Council to regularly provide refresher training to all staff.

All staff who have a role in procurement procedures have been advised they must not receive any gifts. Any proffered gifts are to be refused and management advised.

Supporting material

1. BRC Statement of Business Ethics (Refer Document No. 1)
2. BRC Code of Conduct (Refer Document No. 5)
3. BRC Gifts and Benefits Policy (Refer Document No. 7)
4. BRC Internal Audit Plan (Refer Document No. 2)

Proposed evaluation methods

- Refer to supporting material listed above
- Internal Audit Review as part of three year Internal Audit Plan
- Reports on the number of staff completing online training on Code of Conduct (once training program is finalised and implemented).

Responsible Section/s

- a) Corporate Governance Section

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 4.

That councils ensure their policy provides that all staff who hold financial delegations are prohibited from receiving gifts of any kind.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has placed an exclusion on the receipt of gifts onto all staff that have a role in the procurement of goods and services (refer to recommendation 3 response).

Council's induction sessions include advice that gifts are not to be accepted from suppliers by staff involved in the procurement process.

Supporting material

1. BRC Statement of Business Ethics (Refer Document No. 1)
2. BRC Code of Conduct (Refer Document No. 5)
3. BRC Gifts and Benefits Policy (Refer Document No. 7)
4. Staff induction session handouts (Refer Document No. 8)

Proposed evaluation methods

Internal audit review as part of the rolling internal 3 year audit plan

Responsible Section/s

- a) Corporate Governance Section

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 5.

That councils ensure that staff training on gifts has a focus on the disciplinary consequences of accepting gifts.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council's training on gifts includes advising staff of the potential for disciplinary action if Council's policy is ignored. Council is part of a group of four Central West Councils trialling a system of online training and one of the proposed courses covers the Code of Conduct. This will provide an avenue for Council to regularly provide refresher training to all staff.

Supporting material

1. Staff induction session handouts (Refer Document No. 8)

Proposed evaluation methods

Feedback from Human Resources Section concerning understanding by induction session participants.

Responsible Section/s

- a) Human Resources Section – ongoing review

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 6.

That councils assess which of their staff members operate in an environment where relational selling is commonplace, and equip these staff to recognise and respond to these sales tactics, including the offer of gifts.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has implemented a policy where all staff with a role in the procurement process cannot receive gifts of any value which emanate from their procurement role.

Bathurst Regional Council has encountered considerable difficulty in sourcing training that covers the area of relational selling. However, only recently following a question from Council ICAC advised that they could provide training sessions that covered the topic of relational selling and the issues emanating from the Operation Jarek investigations. As a result, Council is currently finalising an agreement for training sessions with NSW ICAC to cover relational selling and corruption prevention in procurement for Managers and Officers.

Supporting material

1. BRC Code of Conduct (Refer Document No. 5)
2. BRC Gifts and Benefits Policy (Refer Document No. 7)

Proposed evaluation methods

- a) Breaches of policy identified
- b) Identification of relevant training courses and attendance records at those courses

Responsible Section/s

- a) Corporate Governance Section
- b) Human Resources section

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Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 7.

That councils, if they have not already done so, analyse their procurement processes to identify points of corruption risk and take steps to improve the design of their procurement processes.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has undertaken a significant review of all its procurement processes and implemented significant changes in all areas. Some of the changes include electronic purchasing, removal of the ability of any person to create an order and then do a goods received docket for those goods. Refer Document No. 9 which details the procedures in place when the fraud occurred and current procedures.

Supporting material

- Summary document – procedural changes in procurement processes implemented since fraud discovered (Refer Document No. 9)
- Internal Audit three year rolling Audit Plan (Refer Document No. 2)

Proposed evaluation methods

- Ongoing Internal Audits

Responsible Section/s

- c) Corporate Governance Section and
- d) Internal Audit
- e) Audit and Risk Management Committee

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 8.

That councils if they have not already done so, consider introducing e-procurement as an efficient method of controlling possibly vulnerabilities in their system.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has implemented a system of E-procurement. The new system commenced in November 2010.

Supporting material

- Summary document – procedural changes in procurement processes implemented since fraud discovered (Refer Document No. 9)

Proposed evaluation methods

Review undertaken by Internal Auditor as part of the three year rolling audit plan

Responsible Section/s

- a) Corporate Governance Section
- b) Internal Audit
- c) Audit and Risk Management Committee

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 9.

That councils, if they have not already done so, review which reports are available to the managers of stores and ensure they (councils) can generate a report showing the orders placed by any individual across all cost centres.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

A report has been developed and is available to Managers which shows the orders placed by an individual across all cost centres. Also to assist Managers a report has been developed to show all suppliers who have had orders (in aggregate) of more than \$150,000 for the year. Other management reports are being developed through the internal Audit and Risk Management Committee.

Supporting material

- Example of report showing order placed by individuals (Refer Document No. 10)
- Example of report listing Creditors who have had orders in excess of \$150,000 (in aggregate) (Refer Document No. 11)

Proposed evaluation methods

- Report is produced on a regular basis for management
- Review undertaken by Internal Auditor as part of the three year rolling audit plan

Responsible Section/s

- a) Information Services Section
- b) Internal Audit
- c) Audit and Risk Management Committee

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 10.

That councils, if they have not already done so, analyse inventory management systems with a view to improving controls and reducing waste.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Systems have been reviewed by the Internal Auditor and updated. A further audit will be undertaken in 12 -18 months time to ensure that things are working as they have been designed.

Stores area has been re-laid, random counts are occurring. Non stores/returned items are now returned into stock and located within the stores area. All stock items are now located in fully locked and secure areas.

Supporting material

- Internal Audit Report on store processes (Refer Document No. 12)
- Stores Stocktake Procedures Manual (Refer Document No. 13)

Proposed evaluation methods

Internal Audit Review as part of three year rolling Internal Audit program

Responsible Section/s

- a) Corporate Governance Section
- b) Internal Audit
- c) Audit and Risk Management Committee

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 11.

That councils examine options for control of their pull-based inventory and implement an option that is suitable for their operations.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has altered purchasing procedures to ensure staff that have delegated authority to purchase cannot do goods received dockets (i.e. processes are segregated)
More items have been transferred to stock (push) from prior "pull" status e.g. safety gloves, barrier mesh and guide posts
Unused "pull" based inventory returned to supplier or stock when job is completed

Supporting material

- Stores printout of previous non-stock items that have been reclassified into stock items (Refer Document No. 14)

Proposed evaluation methods

Internal Audit Review as part of three year rolling Internal Audit program

Responsible Section/s

- a) Corporate Governance Section
- b) Internal Audit
- c) Audit and Risk Management Committee

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 12.

That councils, if they have not already done so, organise their stores so that all items are labelled clearly, stock is securely stored and movement of all goods in or out of the store is recorded on an integrated inventory management system.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has undertaken a review of its store and compound and systematically listed all items in order and stock lists are printed in that order when stock counts are done. The items are listed by the row of shelving and then also the particular bin. (Refer Document No. 15)

A store ayout has been drafted by Council's Engineering section (Refer Document No. 15)

Access to the store is restricted to store personnel only and two staff members who require after hours access. A new entry has been installed requiring the use of an electronic security fob and a new security gate has also been installed in the shed.

Staff names are printed on stores issue docketts and a signature is required for all issues.

Supporting material

- Copy of store layout (Refer Document No. 15)
- Copy of stores issue docket (Refer Document No. 16)
- Photos of store (Refer Document No. 17)

Proposed evaluation methods

1. Review of six monthly stocktake
2. Internal Audit Review as part of three year rolling Internal Audit program

Responsible Section/s

- a) Corporate Governance Section
- b) Internal Audit
- c) Audit and Risk Management Committee

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 13.

That councils ensure stocktakes are conducted independently of store officers and by staff knowledgeable about the principles of stocktaking.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council's Manager Corporate Governance undertakes the Stock take process and is an active participant in the count. A team of staff from the main office are utilised to provide the independence and the Store personnel are only used as advisors to assist with the location and identification of the store items. Stocktakes are undertaken on all items in the store every six months.

Supporting material

- Stores Stocktake Procedures Manual (Refer Document No. 13)

Proposed evaluation methods

1. Review of stocktake results
2. Internal Audit Review as part of three year rolling Internal Audit program

Responsible Section/s

- a) Corporate Governance Section
- b) Internal Audit

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 14.

That council management assesses the residual risk in its store and, if appropriate for the organisation, conducts random spot checks or cycle counts on select aspects of inventory management.

Summary of response

The recommendation will be:

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Process is in place where Manager Corporate Governance conducts spot checks of random items in the store. Store personnel are given notice that an inspection will be happening but are not advised of which items will be checked or what will be inspected. E.g. stores issue docketts, good receipt docketts, item physical balances, orders etc.,

Supporting material

1. File note prepared by Manager Corporate Governance re inspection of store in December 2011 (Refer Document No. 18)

Proposed evaluation methods

1. Inspection report prepared following inspection.

Responsible Section/s

- a) Corporate Governance Section
- b) Internal Audit

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Recommendation 15.

That councils, if they have not already done so, consider the risks highlighted by this report, namely,

- relational selling and gift giving
- procurement processes
- inventory management

and, where they consider the council is at risk, add these topics to their internal audit programs.

Summary of response

The recommendation will be:

<check one>

- Implemented as described in the report
- Implemented in an alternative way
- Partially implemented
- Not implemented

Action proposed

Council has reviewed risks that exist in its procurement/stores system. Currently procurement processes and inventory management are included as part of the three year rolling Internal Audit program.

Council is currently finalising training with NSW ICAC for Managers and Officers with respect to relational selling and corruption prevention in procurement. Council has adopted a position whereby any staff member with a role in the procurement process must not receive any gifts of any value.

Supporting material

1. Internal Audit Stores review (Refer Document No. 12)
2. Gifts and Benefits Policy (Refer Document No. 7)
3. Code of Conduct (Refer Document No. 5)
4. Summary document – procedural changes in procurement processes implemented since fraud discovered (Refer Document No. 9)

Proposed evaluation methods

1. Internal Audit Review as part of three year rolling Internal Audit program

Bathurst Regional Council 24 Month Final Report

Operation Jarek

Responsible Section/s

- a) Corporate Governance Section
- b) Internal Audit
- c) Audit and Risk Management Committee

DIRECTOR ENGINEERING SERVICES' REPORT - ATTACHMENTS

POLICY COMMITTEE

1 APRIL 2015

