

Torres Strait Island
REGIONAL COUNCIL

AGENDA

STRATEGIC ADVISORY REFERENCE GROUP

Date: Tuesday 1st November 2022

Time: 1:00pm to 4:00pm

Venue: Video Conference

Agenda

1. Welcome (Chair)
2. Opening Prayer
3. Apologies
4. Conflict of Interest (COI) / Declarable / Prescribed
5. Confirmation of Minutes – SARG Meeting – 4th October 2022
6. Strategic Action Items Review
7. Deputation with Democracy matters – Sandy Killick (30 minutes)
8. Deputation with Andrew Clarkson – Advocacy Policy (30 minutes)
9. **Mayor – Verbal**
 1. November Council Leadership Workshop Agenda - CEO Mr William November
 2. Fuel Business Proposal | CEO Mr James William and Economic Growth Standing Committee – Cr Stephen
 3. Elphinstone Close Business Proposal | CEO Mr James William and Economic Growth Standing Committee – Cr Stephen
 4. Clean Energy Maribou Business Proposal | CEO Mr James William and Climate Adaptation Standing Committee – Cr Hilda Mosby
 5. CDEP Proposal Submission | CEO Mr James William and Economic Growth Standing Committee Cr Stephen
 6. ROC | CEO Mr James William and Governance and Leadership Standing Committee – Deputy Mayor Cr Lui
 7. ATSIC Act Review | CEO Mr James William and Governance and Leadership Standing Committee – Deputy Mayor Cr Lui

8. Masig Statement Campaign Strategy | Mayor Mosby

Policies and Plan

9. Advocacy Policy and Action Plan | Deputy Mayor Cr Lui

10. Economic Development Policy | Cr Stephen

11. DOGIT Policy | Cr Noah

12. Climate Adaptation Action Plan | Cr Hilda Mosby

10. **EXECUTIVE DIRECTOR FINANCIAL SERVICES**

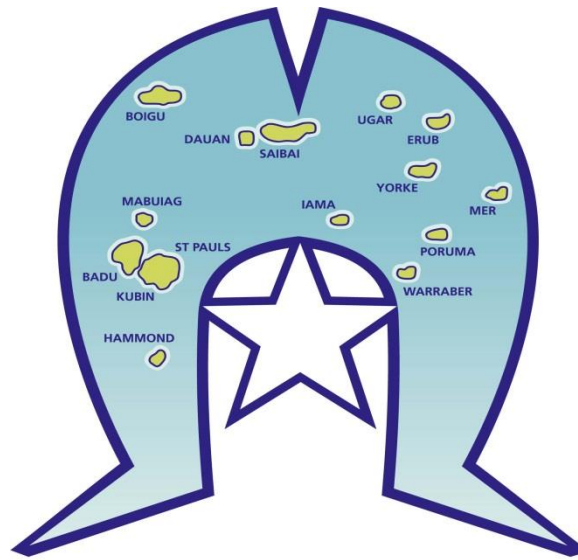
10.1 Policy Matter - Procurement and Ethical Sourcing Policy for review

10.2 Policy Matter – Corporate Credit Card Policy for review

11. General/ Other Business (on notice)

12. Next meeting date – Tuesday, 29th November 2022 | 1pm – 4pm

13. Closing Remarks and Prayer



Torres Strait Island
REGIONAL COUNCIL

Draft Minutes

STRATEGIC ADVISORY REFERENCE GROUP

Date: Tuesday 4th October 2022

Time: 1:05pm to 3:08pm

Venue: Video Conference

PRESENT:

Cr Phillemon Mosby, Mayor, Poruma (Coconut)
Cr Getano Lui, Deputy Mayor, Division 9, Iama (Yam)
Cr Hilda Mosby, Division 12, Masig (Yorke)
Cr Rocky Stephen, Division 13, Ugar (Stephen)
Cr Keith Fell, Division 4, Mabuiag

STAFF:

Mr James William, Chief Executive Officer
Ms Hollie Faithfull, Executive Director Financial Services
Mr David Baldwin, Executive Director Engineering Services
Mr Wayne Green, Executive Director Building Services
Mr Dawson Sailor, Head of Community Services
Ms Julie Marino, Executive Assistant to the CEO
Ms May Mosby – Secretariat Officer

APOLOGIES:

Mr Peter Krebs, Acting Executive Director Corporate Services

1. **Welcome (Chair)**

Mayor Phillemon Mosby welcomed SARG Members, Chief Executive Officer and Executive Staff to the October SARG meeting at 1:05pm and acknowledged the following:

- Our Heavenly father for his awesome wisdom, knowledge and understanding upon our lives;
- Traditional owners from the land we are dialling from across the length and breadth of Zenadth Kes and Cairns.
- Pay respects to families in sorry business for the loss of their loved ones throughout the region and on the mainland.

Mayor Mosby expressed his appreciation to the SARG leadership on the recent incident on Mua Island and the respective Councillors on the ground for both St Pauls and Kubin. Mayor also expressed his appreciation to Chief Executive Officer, Executive Director Engineering Services and TSIRC Staff for ensuring Council's presence in community in the last 24 hours.

2. **Opening Prayer**

Mayor Mosby invited Cr Rocky Stephen to open the meeting in a word of prayer.

A minute's silence was observed as a mark of respect to families in sorry business throughout the region and on the mainland.

3. **Apologies**

Nil

4. **Conflict of Interest (COI) / Declarable / Prescribed**

Mayor Mosby encouraged Councillors to make a declaration of a Conflict of Interest or any relevant legal proceedings at any time during the meeting.

5. **Noting of Ratified Minutes - SARG Meeting**

- 2nd August 2022 – VC – ratified at August 2022 OM

RESOLUTION:

Moved: Cr Aven Noah; Second: Cr Rocky Stephen

That the Minutes for the SARG meeting held on 2nd August 2022 be adopted as a true and correct account of the meeting.

MOTION CARRIED UNANIMOUS

Mr James William, Chief Executive Officer introduced his new Executive Assistant, Ms Julie Marino to SARG members.

6. **Strategic Action Items Review**

Mr James William, Chief Executive Officer provided an update on the strategic action items.

7. **Mayor – Verbal**

1. November Council Leadership Workshop | Draft to be confirmed with CEO.

- Dates locked in for 7th – 18th November 2022.
- Proposed changes to Council meeting dates to end of the week on the 17th and 18th November 2022.
- Focus would be to engage with Ministers and the sooner we confirm the sooner we can reach out to Ministerial Champion, Sharon Fentiman and Member for Cook and to seek their assistance to lobby with other Ministers to be in Cairns to talk with us.
- In light of the recent plane incident our priority will be for us to talk to the Minister for Transport.
- Fuel Proposal and a paper on Elphinstone Close.
- Clean Energy Mirabou
- CDEP Submission Framework
- ROC – 3 local governments – 2 meetings planned in October and November.
- ATSIC Act Review in particular, the regional assembly aspiration
- Advocacy Policy and Plan

Mayor spoke on the email circulated to all SARG members on the 28th of September of the proposed draft Agenda for the November workshop:

1st week in November – 7 – 11 November 2022

5th and 6th November 2022 - Propose to fly Councillors down

7th November will be the audit budget review; Fuel Proposal

8th November – Continuation of Budget review; Clean Energy Mirabou

9th November – Engage services of LGAQ and other matters for capacity building and inhouse training for Councillors in terms of advocating and engaging with Ministers and Departments,

The Advocacy Action Policy and Plan

10th November – ROC and Masig Statement campaign strategy

11th November - Proposed meeting with the three (3) local governments, TSRA and GBK.

1:20pm – Cr Keith Fell joined the meeting.

2nd week in November – 14 – 18 November 2022

Council to look at key strategic matters to engage with State Minister who will be available.

Proposed meeting with Commonwealth Ministers.

Proposed backup plan for the Monday given confirmation from Ministers, is to have the TAP and RAP on notice.

Chief Executive Officer outlines intent of RAP that format is driven by Reconciliation Australia. SARG members agreed to remove RAP and instead, develop processes that aligns with Masig Statement with linkage to policy and procedures, i.e., Economic Development and Sustainability.

Cr Aven Noah suggested that Trish Straud from Office of the Registrar of Indigenous Corporations (ORIC) is invited to the November Workshop so Councillors have the opportunity to discuss impacts to Council as Trustee of DOGIT with regards to the Lessons Learnt project.

ACTION: Mayor Mosby to consider further and possibly liaise with ORIC if they have capacity.

2. **November Feds Deputations | Refreshed/Revised Deputation Pack and Fed's itinerary for late November – Parliament sittings**

TICCA is planning to attend Canberra meeting and so will a delegation from TSIRC.

3. **LG ROC – TSIRC, TSC & NPA | DRAFT TOR and framework for SARG to have input into this prior to Council Workshop in November.**

Proposed session around the framework. Confirmation response received from Director General of DATSIP, Dr Chris Sarra to attend the workshop to speak on the Paths to Treaty and LTC process and how we can further achieve the regional assembly through the Masig statement moving forward.

4. **Economic Growth Policy & Action Plan | What is Council's position, aspiration and appetite for Economic Growth?**

Mr Peter Krebs, Manager Legal Services advised that there is a policy in place but needs to be reviewed. Mayor Mosby discussed that Council needs to have a policy position and framework on Economic Development in the region.

ACTION: Acting Executive Director Corporate Services to review existing policy with Economic Growth Committee and brought back to SARG.

Further discussions took place on this subject.

5. **Local Thriving community (LTC) and Paths to Treaty Qld Government – Masig Statement.**

ACTION: Extend an invitation to Jackie Huggins to attend the November Workshop to pursue further on the Masig Statement.

8. **EXECUTIVE DIRECTOR BUILDING SERVICES**

1. **EDBS – BSU Update**

Mr Wayne Green, Executive Director Building Services spoke to the report.

RESOLUTION:

Moved: Cr Keith Fell; Second: Cr Rocky Stephen

TSIRC SARG to note the Building Services Report as of 28 September 2022.

MOTION CARRIED UNANIMOUS

9. **General/ Other Business (on notice)**

Cr Keith Fell asked if there is a possibility to change the location of the December meeting on Badu to Boigu for the seawalls opening. Mayor Mosby advised to discuss with Cr Laurie Nona first and confirm in November meeting.

Mr David Baldwin, Executive Director Engineering Services raised concerns on the outstanding risks identified at various airstrips.

Deputy Mayor, Cr Getano Lui raised the proposed Summit on Thursday Island based on the high costs of living in the region, possibly led by DATSIP and explained the use of data such as census will be used in discussions.

10. **Next meeting date – Tuesday, 1st November 2022 | 1pm – 4pm**

11. **Closing Remarks and Prayer**

Mayor Mosby thanked SARG members, Chief Executive Officer and Executive Staff for their attendance and invited Deputy Mayor, Cr Getano Lui to close the meeting in a word of prayer.

MEETING CLOSED – 3:08PM

.....
Mr James William
Chief Executive Officer
Torres Strait Island Regional Council
Date:

.....
Cr Phillemon Mosby
Mayor
Torres Strait Island Regional Council
Date:

Strategic Advisory Reference Group (SARG) Action Items Register

Date of Meeting	Month of Meeting	Year	Type of Meeting	Community	Agenda Item	Action	Lead Officer	Budget (Y/N)	Strategic / Operational	Linked to Council Plans eg. Op Plan, AMP (Y/N)	Status / Comments	Completion ETA
4	October	2022	SARG	VC	ORIC to attend November Workshop	Mayor Mosby to consider further and possibly liaise with ORIC if they have the capacity	Executive Officer					
4	October	2022	SARG	VC	Local Thriving Community (LTC) and Paths to Treaty QLD Govt - Masig Statement	Extend an invitation to Jackie Huggins to attend the November Workshop to pursue further on the Masig Statement	Executive Officer					



TORRES STRAIT ISLAND REGIONAL COUNCIL

SARG REPORT

ORDINARY MEETING: November 2022

DATE: 1 November 2022

ITEM: Agenda Item

SUBJECT: Policy Matter – Procurement & Ethical Sourcing Policy for review

AUTHOR: Hollie Faithfull, Executive Director Financial Services

Recommendation:

SARG Committee support the Procurement and Ethical Sourcing Policy and recommend for tabling at the November 2022 Ordinary Council Meeting.

Executive Summary:

Council's current Procurement and Ethical Sourcing Policy aims to provide a procurement framework which is open and transparent and provides value for money in compliance with section 198 of the Local Government Regulation 2012. However regular monitoring and review of policies is necessary to reflect legislative changes and to continuously improve Council governance.

Per Council's request, management has made some material changes to the policy to provide a fairer framework that promotes indigenous organisations or provides more social or environmental benefits to Torres Strait Communities.

Background:

Section 198 of the Local Government Regulation 2012 imposes upon Council the obligation of adopting a Procurement Policy and to review this policy annually.

This statutory policy was previously endorsed in July 2022 with a review date of October 2022. Management advised Council in July 2022 that policy was under review to incorporate material changes to the policy to provide a fairer framework that promotes indigenous organisations or provides more social or environmental benefits to Torres Strait Communities. Management is tabling the fairer framework with iteration of the policy.

Comment:

Policies to be endorsed are listed in the table below with a summary of changes.

Policy	Changes
Procurement and Ethical Sourcing Policy	Material changes to provide a fairer framework that promotes indigenous organisations or provides more social or environmental benefits to Torres Strait Communities.

Policy was presented to the Economic Growth Committee on 18th October 2022. Committee supported amendments to policy and recommended for tabling at the November SARG meeting.

Consultation:

Key personnel from internal functions:

- Financial Services
- Building Services Unit
- Engineering Services
- Peak Services
- Economic Growth Committee
- Executive Team

Links to Strategic Plans:

These policies strategically align to specific delivery objectives under all 3 pillars of Council's Corporate Plan, being *People*, *Sustainability* and *Prosperity*.

Risk:

The Procurement Policy ensures that all legislative requirements are fulfilled and that best practice procurement activities are implemented to mitigate risk to Council and to ensure best possible procurement outcomes to the organisation.

Statutory Requirements:

Local Government Act 2009

Local Government Regulation 2012

Conclusion:

SARG Committee support the Procurement and Ethical Sourcing Policy and recommend for tabling at the November 2022 Ordinary Council Meeting.

Endorsed:

Nicola Daniels
Head of Financial Services



Recommended:

Hollie Faithfull
Executive Director Financial Services



Approved:

James William
Chief Executive Officer



Attachments:

The following polices have been attached. All significant amendments to the policy has been highlighted in yellow.

- Procurement and Ethical Sourcing Policy

Procurement and Ethical Sourcing Policy

Responsible Manager:	Executive Director Financial Services
Head of power:	<i>Local Government Act 2009 Local Government Regulation 2012</i>
Authorised by:	Council
Authorised on:	XX November 2022
Implemented from:	November 2022
Last reviewed:	July 2022
Review history:	2012, 2013, 2014, 2017, 2018, 2019, 2020, 2021,2022
To be reviewed:	June 2023
Corporate Plan:	People, Sustainability and Prosperity

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1. Purpose

This Policy provides Torres Strait Island Regional Council (Council) with a procurement framework in compliance with Section 198 of the *Local Government Regulation 2012*, which is open and transparent, provides value for money and supports the advancement of Council priorities and strategic objectives.

Council is committed to achieving value for money through procurement, ensuring local Indigenous and Torres Strait Islander businesses have equitable access to procurement opportunities within Council, and delivering improved economic, environmental and social outcomes for Council's Local Government Area (LGA) and Torres Strait region.

This Policy will ensure integrity, probity and accountability - ensuring procurement is undertaken with integrity, that probity is appropriately managed and that accountability for outcomes is maintained through the procurement process.

1.1 Objectives

Council's procurement activities aim to achieve beneficial outcomes for Council's LGA and Torres Strait region by:

- Providing opportunities for local Indigenous and Torres Strait Islander businesses to supply to Council;
- Buying local wherever possible;
- Promoting non-local businesses to foster and build local capacity or develop new local businesses to provide goods and services, to create employment and reduce supply chain costs;
- Encouraging non-local businesses to buy locally wherever possible;
- Promoting value for money whilst ensuring probity and accountability;
- Advancing Council's economic, social and environmental policies;
- Promoting compliance with relevant legislation; and
- Promoting continuous improvement and best practice.

1.2 Key Requisite

Council's key requisite for procurement is to provide opportunities and encourage engagement with indigenous and local suppliers that further strengthens the region and aligns with Council's three corporate pillars.

In defining value for money, Council recognises that value for money should not be limited to price alone. As a result, all procurement, where an evaluation is required to be used, will take into consideration a Local Benefits Test, where an evaluation weighting of 15% must be applied. The purpose of the Local Benefits Test is to evaluate the benefits that any supplier would bring to the local area. Other elements such as capability, quality and price remain important – however, factors such as stimulating local employment, increasing socioeconomic development in the region (including employment and training) and supporting social objectives will be considered amongst the evaluation criteria.

2. Application

This Policy applies to all Council procurement activities.

2.1 Procurement

Procurement means to purchase, hire, lease, rent, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods, equipment, services, carrying out of works or construction.

3. Legislation

All Council procurement must be carried out in compliance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

4. Sound Contracting Principles

Council officers must have regard to the sound contracting principles set out in Section 104(3) of the *Local Government Act 2009*:

- a) value for money;
- b) open and effective competition;
- c) the development of competitive local business and industry;
- d) environmental protection; and
- e) ethical behaviour and fair dealing.

4.1 Value for money

The objective of the value for money principle is to ensure that all procurement represents the best return and performance for money spent from a whole-of-life cost perspective to assist Council to use public money effectively and efficiently.

Value for money should not be limited to price alone. In assessing value for money, officers must consider:

- The contribution to the advancement of Council priorities and vision, including the Local Benefits Test defined in this Policy, buying from local, Indigenous and Torres Strait Island businesses and organisations as first preference, community and social benefits, and suitability considerations consistent with and supporting the strategic direction of the Corporate Plan and within allocated Council budget;
- Factors such as fit for purpose, innovation, maintenance and support, relevant experience and performance, availability and suitability of staff, plant and equipment, application of relevant and sound systems of operational management, risk, legal and reputation exposure and business continuity; and
- Cost related factors including whole-of-life costs, transactional costs and risk exposure associated with the acquisition, use, administration, holding, maintenance and disposal of the goods and/or services.

As the application of the value for money principle may not necessarily favour the lowest price, procurement decisions must substantiate how application of the principles ensures Council is receiving the most advantageous outcome for Council's LGA and Torres Strait region.

4.2 Open and effective competition

Procurement processes must be open and transparent to suppliers and the public and result in effective competition in the provision of all goods and services. Council must give fair and equitable opportunity and consideration to all prospective suppliers.

4.3 Development of competitive local business and industry

Council will proactively support local, Indigenous and Torres Strait Islander owned businesses, organisations and industry to provide jobs within Council's LGA and the greater

Torres Strait region, in recognition of the economic and social benefits that this brings.

When applying these principles Council will:

- Buy from local Indigenous and Torres Strait Islander businesses and organisations as preference; subject to allocated Council budget;
- Reserve the right to invite only local, Indigenous and Torres Strait Islander owned businesses, organisations and industry to quote for appropriate contracts;
- Apply the Local Benefits Test to all procurement activities where evaluation criteria will be used, in accordance with section 5.1; and
- Engage with suppliers to foster opportunities to develop local, Indigenous/Torres Strait Islander economic opportunities, talents and skills via training, internships, work experience, apprenticeships and jobs.

4.4 Environmental protection

The objective of the principle of environmental protection is to maintain commitment to long-term ecological sustainability through procurement activities that conserve resources, save energy, minimise waste, protect human health and maintain environmental quality and safety.

In undertaking procurement activities, Council will:

- Promote the procurement and use of environmentally friendly goods and services; to set an example to other businesses and the community at large;
- Encourage the development of products and processes of low environmental impact;
- Ensure suppliers clean up construction sites and remove all plant and equipment from islands; and
- Encourage environmentally responsible activities.

4.4.1 Waste removal from Island

It is mandatory for contractors to remove all waste and debris from island.

4.5 Ethical behaviour and fair dealing

Council officers must behave with impartiality, fairness, independence, openness, integrity and professionalism in their discussions and negotiations with suppliers and their representatives.

It is the responsibility of Council officers to report any actual, potential or perceived conflict of interest to their manager, prior to and during any business dealings.

5. Procurement Requisites

5.1 Local Benefits Test

The Local Benefits Test is an integral component and mechanism to promote, enhance and achieve Council's objectives and in particular the delivery of improved economic, environmental and social outcomes for Council's LGA and the Torres Strait region.

For all procurement activities where evaluation criteria apply, 15% of the evaluation criteria (out of the 100%) must be allocated to the Local Benefits Test criteria.

Figure 1 following provides the Local Benefits Test scoring model and scoring for each criterion, which must be used when scoring the 15% for the Local Benefits Test.

Figure 1 - Local Benefits Test scoring model and scores

Locality of supplier (2.5% Weighting)	TSIRC LGA (2.5% Score)	Torres Shire (2.5% Score)	Far North Qld (1.5% Score)	Qld (1% Score)	Interstate (0.5% Score)	Overseas (0 Score)
Indigenous/Torres Strait Islander ownership (2.5% Weighting)	Indigenous/Torres Strait Islander Owned Business (2.5% Score)			Non-Indigenous/Torres Strait Islander (0 score)		
Local employment (2.5% Weighting)	75% to 100% (2.5% Score)	50% to 74% (2% Score)	25% to 49% (1.5% Score)	1% to 24% (0.5% Score)	Nil (0 Score)	
Indigenous/Torres Strait Islander employment (2.5% Weighting)	75% to 100% (2.5% Score)	50% to 74% (2% Score)	25% to 49% (1.5% Score)	1% to 24% (0.5% Score)	Nil (0 Score)	
Local, Indigenous/Torres Strait Islander Apprentices & Trainees (2.5% Weighting)	High (2.5% Score)	Moderate (1.5% Score)	Low (1% Score)	Nil (0 Score)		
Use of local supply chain (2.5% Weighting)	High (2.5% Score)	Moderate (1.5% Score)	Low (1% Score)	Nil (0 Score)		
Criteria (specifically related to the Procurement activity)	<div><div>←</div><div>High Preference</div><div>Low Preference</div></div>					

Refer to the Procurement Procedure for details on how to apply the Local Benefits Test.

Federal and State Government Requirements

In some cases, projects that are funded by the Federal or State Government may have specific Indigenous Economic Opportunities Plan (IEOP) requirements that as a minimum need to be considered and adhered to. These requirements do not supersede Council's Local Benefits Test and will need to be dealt with in conjunction with Council's Local Benefits Test.

5.2 Social Procurement

Council is committed to social procurement, a strategic approach to meeting social objectives through procurement, and facilitating employment opportunities to communities within Council's LGA and the Torres Strait region.

Social procurement delivers benefits to Council and community including:

- Developing and attracting Indigenous/Torres Strait Islander businesses and social enterprises;
- Encouraging all businesses to include Indigenous/Torres Strait Islander, social or community objectives into daily business practices;
- Promoting employment opportunities and inclusive and accessible work environments for young people or older persons who are unemployed and people with disabilities; and
- Building the skills, knowledge and ability of not-for-profit community groups to enable them to access funds and expand services.

5.3 Sustainable Procurement

Council is committed to protecting the environment and doing business with ethical and socially responsible suppliers and procuring goods and services that achieve sustainability outcomes such as those that have a reduced negative impact on the environment and/or an improved social outcome. When procuring goods and services, Council will consider:

- Strategies to avoid unnecessary consumption and manage demand;
- Minimising environmental impacts over the whole-of-life of the goods and /or services;
 - Products that are durable and long lasting e.g. avoiding or reducing disposable products and single use plastics;
 - Products that consume less energy, fuel or water in their operation;
- Supplier's socially responsible practices; and
- Value for money over the whole-of-life of the goods and/or services, rather than just initial cost.

Indigenous/Torres Strait Islander, social and sustainable procurement must be conducted in line with consideration to the sound contracting principles and other legislative requirements.

6. Procurement Procedure

Council's Procurement Procedure is a supporting document to the Procurement and Ethical Sourcing Policy. The Procurement Procedure must be read in conjunction with this Policy. The Procurement Procedure provides further guidance on how this policy is to be applied in the acquisition of all goods and services.

7. Budgetary Provisions

Procurement must be in accordance with the adopted Annual Budget, or a Council resolution and sufficient funds must be available to meet the full cost of the proposed procurement.

8. Procurement Thresholds

Value threshold (GST excl.)	Required Documentation
Under \$2,000	1 written quote
\$2,000 to under \$15,000	2 written quotes
\$15,000 to under \$200,000	3 written quotes
≥ \$200,000	Public tender

When seeking quotations, officers should consider the likelihood of exceeding the value thresholds listed above in a financial year. If there is a risk that these limits will be exceeded, then the appropriate number of quotes or a public tender should be sought. All thresholds are cumulative thresholds. If the value of goods or services of a similar nature procured from

the same supplier is anticipated to exceed \$200,000 in a financial year or over the proposed term of the contractual arrangement, then a public tender is required.

It is recommended that if initial estimates are above \$150,000 (but below \$200,000) then a public tender process should be utilised in the first instance rather than seeking three written quotes. As estimates are often found to be significantly lower than quotes which are returned, this would mitigate the requirement to re-advertise the procurement as a tender, delaying the process and requiring re-work (unless the RFQ is via an exception).

Purchase of goods and services must not be broken down into smaller components or reduced order quantities to avoid the necessity to comply with the dollar limit requirements under this Policy.

9. Exceptions to Procurement Thresholds

The policy requirements must be followed unless one of the exceptions outlined in Sections 229-235 of the *Local Government Regulation 2012* are utilised:

- A quote or tender consideration plan;
- A contractor on an approved contractor list;
- A supplier on a register of pre-qualified suppliers;
- A supplier on a preferred supplier arrangement; or
- A supplier on another LGA (Local Government Association) arrangement (e.g. LGAQ (LocalBuy)).

Further exceptions exist if:

- Council resolves (Council resolution obtained) it is satisfied that there is only one supplier who is reasonably available (sole supplier); or
- Council resolves that, because of the specialised or confidential nature of the services that are sought, it would be impractical or disadvantageous for the local government to invite quotes or tender; or
- A genuine emergency exists; or
- The contract is for the purchase of goods and is made by public auction; or
- The contract is for the purchase of second-hand goods; or
- The contract is made with, or under an arrangement with, a government agency e.g. Queensland State Government arrangements.

9.1 Register of Prequalified Suppliers (ROPS)

Council may establish a ROPS by inviting public tenders. Suppliers must submit a tender response and if successful following the evaluation process, suppliers are appointed to the ROPS for a term of up to three years. Once the ROPS is established, the quoting process should be used periodically to test the market on a regular basis and ensure value for money.

9.2 Preferred Supplier Arrangement (PSA)

Council can establish a PSA where better value for money can be obtained by aggregating the demand for goods and services. Council must invite public tenders and evaluate submissions from tenderers, for suppliers to be successfully appointed to the PSA. Prices or

a schedule of rates are usually fixed for the duration of the arrangement.

9.3 Sole Suppliers

Where the required goods or services are available only from one original source or available from only one stockist, agent or supplier with relative ease of accessibility to Council, the supply of those goods and/or services can be applied for under a sole supplier arrangement via Council resolution.

Procurement provides a report on an annual basis listing all proposed sole supplier arrangements for the financial year, for adoption by Council. A report is also presented to Council biannually listing expenditure on sole suppliers.

9.4 Emergencies

In recognition that full compliance with Council's Procurement and Ethical Sourcing Policy and Procurement Procedure may not support Council's needs during a critical or emergency incident, an alternative procurement process may operate during the incident. This alternative process aims to accommodate urgent Council needs, while ensuring that the procurement process adopted is reasonable and conducted with appropriate consideration of standard procurement principles.

Any emergency procurement must be authorised by the Chief Executive Officer or relevant Executive Director, once a critical or emergency incident has been declared. Such incidents are:

- A state of disaster declared under the *Disaster Management Act 2003*, or any other emergency declaration made by the State's Premier under an enactment;
- Any incident declared by the Chief Executive Officer or relevant Executive Director where the safety or security of any person or property associated with the Council is threatened; and
- An external incident to which the Chief Executive Officer or relevant Executive Director has authorised the provision of urgent support.

Once the immediacy of the incident has passed, purchase orders must be raised to record the expenditure in the same way as they would have been in normal circumstances.

As soon as practical upon cessation of the emergency, a report must be presented to Council to authorise the unapproved expenditure, where this expenditure exceeds delegation, and the methodology by which it was incurred. The Council Resolution must define the genuine emergency (such as natural disaster), as well as delegate authority.

Refer to Sections 230-235 of the *Local Government Regulation 2012* for further details on the above exceptions.

10. Financial Delegation

The Chief Executive Officer has procurement authority of \$200,000. Any amount greater than this requires Council approval.

The Chief Executive Officer further has delegation to issue requests for quotes and tenders

for any project up to any amount.

Other officers may only incur expenditure on behalf of Council if:

- The officer has been granted the financial delegation by the Chief Executive Officer and this delegation has been recorded in the Register of Financial Delegations; and
- The expenditure is provided for in Council's budget; and
- The officer has received training in Council's procurement systems and Procurement Policies and Procedures; or
- There is a disaster/genuine emergency.

The Chief Executive Officer must approve all financial delegations by recording them in a register of financial delegations to enable procurement activities to occur.

Appendix 1 lists the financial delegations for all management positions.

11. Variations to Purchases

For the purposes of this Policy, variation refers solely to a financial deviation from the original contract value. The contract can be a Council purchase order or agreement signed by a delegated Council officer with an external service provider/organisation. Other variations such as non-financial scope changes, extension of time etc are to be managed by delegated Council officers.

Each variation can only be approved by an officer up to their authorised contractual and financial delegation. In order for a variation to be approved, the authorising officer must have a delegation level greater than the sum of the value of the variation and value of the original contract.

All variations are to be approved in writing.

Each variation requires an additional line item on the original purchase order stating the scope and cost.

Manager Responsible for Review:

Head of Financial Services

Adoption: [] 2022

Due for Revision: [] 2023

James William
Chief Executive Officer

Appendix 1 – Financial and Contractual Delegations

Officers may incur expenditure on behalf of Council if:

- the expenditure is provided for in Council's budget; and
- the officer's position has been delegated the power to enter into contracts up to an amount not less than the amount of the expenditure proposed to be incurred.

Each delegation to an officer of the power to enter into a contract must be delegated by the Chief Executive Officer.

The delegation is a positional delegation and remains in force unless revoked by the Chief Executive Officer.

Any officer incurring expenditure on behalf of Council must do so in accordance with any constraints imposed by Council or the Chief Executive Officer.

Council delegations are as follows.

Position	Delegation (ex GST)
Chief Executive Officer	\$200,000
Executive Director	\$50,000
Executive Director Building Services relating to QBuild contracts for upgrades and homeownership works only	\$350,000
Chief Engineer	\$50,000
Head of Department and Functional Manager	\$35,000
Regional Manager	\$25,000
Regional Building Supervisor	\$25,000
Senior Executive Assistant to CEO	\$25,000
Executive Assistant to Mayor	\$25,000
Divisional Manager	\$10,000
Other officers where financial delegation is considered an operational requirement (CEO discretion)	\$10,000

Council further delegates to the Chief Executive Officer the authority to negotiate, finalise and execute recurring operational expenditure, which is within the adopted budget. This expenditure includes rent on leased Council premises, Council rates, electricity, telephone, freight, fuel, vehicle registration and other costs, regardless of whether the value of the expenditure is greater than \$200,000.



TORRES STRAIT ISLAND REGIONAL COUNCIL SARG REPORT

ORDINARY MEETING:	November 2022
DATE:	1 November 2022
ITEM:	Agenda Item
SUBJECT:	Policy Matter – Procurement & Ethical Sourcing Policy for review
AUTHOR:	Hollie Faithfull, Executive Director Financial Services

Recommendation:

SARG Committee support the Corporate Credit Card Policy and recommend for tabling at the November 2022 Ordinary Council Meeting.

Executive Summary:

This report provides the draft Corporate Credit Card Policy for the Committee's review.

Background:

During the 2021/22 Audit it was recommended that Council finalise their Corporate Credit Card Policy

i Other matter

22CR-5 Credit card policy not finalised and reconciliation of credit card not timely

Observation

Some Council Executives have access to a Council credit card to use for certain transactions. At present there is no adopted policy describing when it is acceptable to pay for goods or services with credit cards rather than through normal procurement channels.

We also identified that during the year, it was taking up to three months before credit card transactions were reconciled and recorded in the accounting records.

QAO recommendation

We recommend that a policy is completed, adopted and communicated to staff. The policy should cover as a minimum: who can have access to credit cards; where they should be stored; what type of transactions can be paid for with credit cards; any specific transactions that must not be paid for; what supporting documentation is required to be retained; that any accidental personal use must be reimbursed by the cardholder; transaction and balance limits (and when to review the appropriateness of these); how the credit card policy interacts with existing procurement policies; what level of review of transactions is required; who is responsible for reconciling and paying outstanding balances; and what to do if fraud is suspected.

We also recommend that reconciliation of credit card and recording of transactions occurs at least monthly.

Comment:

Policy to be endorsed is listed in the table below with a summary of changes.

Policy	Changes
Corporate Credit Card Policy	New policy

Policy was presented to the Audit Committee on 16th September 2022. Committee supported the new policy and recommended for tabling at the November SARG meeting subject to Mayor Mosby's request for the authorising officer of the Chief Executive Officer's corporate card to be the Mayor. This amendment has been reflected in the policy before SARG.

Consultation:

- Financial Services
- Audit Committee
- Corporate Services

Links to Strategic Plans:

These policies strategically align to specific delivery objectives under all 3 pillars of Council's Corporate Plan, being *People*, *Sustainability* and *Prosperity*.

Risk:

The Procurement Policy ensures that all legislative requirements are fulfilled and that best practice procurement activities are implemented to mitigate risk to Council and to ensure best possible procurement outcomes to the organisation.

Statutory Requirements:

Local Government Act 2009

Local Government Regulation 2012

Conclusion:

SARG Committee support the Corporate Credit Card Policy and recommend for tabling at the November 2022 Ordinary Council Meeting.

Endorsed:

Nicola Daniels
Head of Financial Services



Recommended:

Hollie Faithfull
Executive Director Financial Services



Approved:

James William
Chief Executive Officer



Attachments:

- Corporate Credit Card Policy

Corporate Credit Card Policy

Responsible Manager	Executive Director Financial Services
Head of power	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i>
Authorised by	Council
Authorised on	XX October 2022
Implemented from	XX October 2022
Last reviewed	2022
Review history	
To be reviewed on	June 2024
Corporate Plan	People, Sustainability and Prosperity

1. Purpose

To ensure the probity, accountability and transparency of the use and issue of Council Corporate Credit Cards in accordance with legislative, contractual and policy requirements.

2. Application

This policy applies to the use of Corporate Credit Cards by employees of Council.

3. Legislation/Policies

Local Government Act 2009

Local Government Regulation 2012

Code of Conduct

4. Principles

The use of corporate credit cards have regard to the following principles:

- Ensure the principles of good governance, financial accountability, transparency and sound procurement as outlined by Council procurement policy;
- Expenditure paid for using corporate cards shall be limited solely to purchases directly related to official Council business;
- The use of Corporate Credit Cards does not negate the requirement for quotations as outlined in the Procurement and Ethical Sourcing Policy; and
- Corporate Credit Cards should only be used in situations where purchase under an account arrangement via Council's purchase order system is not reasonably available.

5. Issuing of Corporate Credit Cards

Corporate credit cards may be issued to Council Officers when it can be demonstrated that the facility is necessary, and the most effective means of meeting commitments incurred during official Council business. All corporate credit cards shall be issued with the approval of the Chief Executive Officer.

Each Corporate Credit Card issued will be in accordance with financial delegation as authorised by the Chief Executive Officer. The maximum amount of any corporate credit card shall be \$20,000 per month.

6. Conditions of Use

Credit Cards may only be used for appropriate council expenditure and the Cardholder is responsible for all charges placed against their Credit Card.

A Cardholder has authority to incur expenditure up to the limit of the card. However, all purchases must comply with Council's Procurement and Ethical Sourcing Policy and quotations are still to be obtained as outlined in the policy.

By accepting a Corporate Credit Card, the Cardholder agrees to abide by:

- the conditions of use specified by the credit provider on issue of the card; and
- all relevant policies, procedures, and guidelines; and
- provide any relevant documentation, such as tax invoices; and
- corporate credit card details are not to be released to anyone. Credit card purchases are to be through the cardholder; and
- any reasonable instructions council issues in respect to the use of the card.

Cardholders will be required to sign Council's Corporate Credit Cardholder agreement prior to the corporate credit card being issued.

Where a Cardholder does not comply with the conditions of use of a Credit Card or otherwise misuses a card:

- the cardholder may be held liable for expenditure incurred;
- Council may withdraw the card from the Cardholder; and
- Council may initiate disciplinary action or legal proceedings against the cardholder.

Credit cards shall only be used as follows:

- For the carrying out of Council authorised business including but not limited to travel, accommodation, computer software fees, conference/seminar fees; and
- For the meeting of council liabilities where purchase under an account arrangement via Councils purchase order system is not reasonably available and/or efficient, for example where suppliers and service providers only accept payment via credit card; and
- Where the expenditure has an associated budgetary allocation; and
- Credit cards is specifically designed, but not restricted to, for payment transactions with lower value (below \$2000).

7. Circumstances in which Corporate Credit Cards may not be used

Corporate credit cards must only be used for the payment of goods and services associated with Council business. Activities that would not qualify for the use of corporate cards include the following:

- Any use that is of personal or private nature;
- Cash advances;
- Payment of fines, for example a parking fine or a speeding offence which was incurred whilst on Council business (including any associated fees);
- Purchasing of alcohol
- Payment of travel expenditure, where the travel has not been approved in advance by employee's relevant manager.

In instances where it has been confirmed that a personal or private one-off charge was a genuine mistake, it must be notified by the cardholder to the Chief Executive Officer and the Executive Director Financial Services and reimbursed as a matter of urgency.

8. Obligations of Cardholder

Upon receiving a new card, the Cardholder should:

- sign the reverse of the card immediately and activate the card by following the instructions provided with the card by the credit provider;
- ensure the safe custody of the credit card and the PIN at all times; and
- understand this policy and related reconciliation documents.

The Cardholder shall:

- obtain a tax invoice displaying the supplier's ABN for goods
- ensure suppliers record full and proper descriptions of items or services on invoices/receipts;
- confirm the supplier site is secure when placing an order via the internet;
- ensure goods and services are received in good order and condition;
- ensure a credit is received for any returns or refunds;
- immediately report lost, stolen or damaged cards to the credit provider and the Team Leader Creditors;
- perform a monthly reconciliation of the credit card.

9. Reconciliation procedures

Monthly reconciliations of the corporate credit card purchases are to be completed within 14 days of the date of the corporate credit card statement being issued to the cardholder. Transactions are required to be supported by:

- a tax invoice; and
- evidence of quotes as per Council's Procurement and Ethical Sourcing policy (if applicable); and
- a succinct explanation of why the expense was incurred; and
- OP or Task (or GL account) number for costing purposes.

If the credit card holder cannot produce a tax invoice for a Council expense then the credit card holder is to provide a statutory declaration to confirm that the expenditure was incurred in relation to Council business.

The cardholder shall submit a signed and dated credit card statement with supporting documentation to the Team Leader Creditors for review and approval by management.

10. Review of Corporate Credit Card Use

The below authorising officer shall review and approve the monthly expenditure undertaken by each cardholder.

Cardholder	Authorising Officer of Credit Card Statement
Chief Executive Officer	Mayor
Executive Director Financial Services	Chief Executive Officer
All other cardholders	Executive Director Financial Services or Head of Financial Services

All receipts and documentation will be reviewed and any expenses that do not appear to represent fair and reasonable business expenses or in breach of council policy shall be referred to the Executive Director Financial Services or the Chief Executive Officer. Any instances where expenses do not appear to represent fair and reasonable business expenses or in breach of council policy that relate to the Chief Executive Officer shall be referred to the Mayor.

On a monthly basis, the Team Leader Creditors or Financial Operations Accountant will review the individual corporate credit card limits, usage patterns and missing receipts, policy breaches, internal controls and risk management relating to the corporate credit card usage. A summary of the findings will be documented and referred to the Executive Director Financial Services.

Credit card holders who are consistently late in returning their reconciliations will be required to show cause as to why their credit card should not be withdrawn.

11. Review of Corporate Credit Card Limits

Credit limits are to be reviewed annually for all cardholders. If there is a request for a variation to the monthly limit, a business case will need to be provided to the Chief Executive Officer for consideration.

12. Lost or Stolen Cards

The authorised cardholder is to inform the:-

- NAB Business Line (13 10 12 - 24 hours a day, 7 days a week); and

- Team Leader Creditors as soon as they become aware the card issued is lost or stolen.

If the loss or theft is outside of business hours the credit organisation should be contacted immediately, with the Team Leader Creditors being notified the next business day.

13. Return of Cards

The authorised cardholder is to return any cards held with all tax receipts not yet submitted to the Team Leader Creditors on termination of employment or when asked to do so by the Chief Executive Officer.

Upon return of the credit card, the Team Leader Creditors will destroy the card and arrange with the credit facility provider for the cancellation of the corporate credit card

14. Audit of Corporate Cards

An audit of credit card transactions may be conducted at any time during the year.

Manager Responsible for Review:

Executive Director Financial Services

Adopted:

Due for revision:

Chief Executive Officer