



Business Paper

Corporate Governance Committee Meeting

Monday, 3 July 2017

6:30pm

**Council Chambers,
Level 2, Administration Building
4-20 Eton Street, Sutherland**

ORDER OF BUSINESS

- 1. APOLOGIES**
- 2. DISCLOSURES OF INTEREST**
- 3. CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING**
- 4. PRESENTATIONS**
- 5. REPORTS FROM OFFICERS**
 - GOV001-18 Cash Payments & Investments Report - May 2017
 - GOV002-18 Appointment of Code of Conduct Review Panel
- 6. QUESTIONS**
- 7. CONSIDERATION OF BUSINESS IN CLOSED SESSION**
- 8. CONFIDENTIAL REPORTS FROM OFFICERS**

GOV001-18 CASH PAYMENTS & INVESTMENTS REPORT - MAY 2017

Attachments: Appendix A and Appendix B

EXECUTIVE SUMMARY

- This report provides details of Council's investment performance for the period ending 31 May 2017, along with presenting cash and investment balances and diversification.
- Council may invest funds that are not, at any particular time, required for any other purpose. Investment of these funds must be in accordance with relevant legislation and regulations and in accordance with Council's Policy for Investment of Cash Balances. Details of these investments must be reported to Council monthly.
- The return on Council's portfolio to 31 May 2017 was 2.99 % compared to the benchmark of 1.82%.
- All investments have been made in accordance with legislative requirements and within relevant Council policy.

REPORT RECOMMENDATION

That the information concerning Bank Balances and Investments held as at 31 May 2017, be received and noted.

PURPOSE

The purpose of this report is to advise Council of funds invested in accordance with Section 625 of the Local Government Act. Additionally, the report provides details and certification as required by Clause 212(1) of the Local Government (General) Regulation 2005.

BACKGROUND

The Cash Payments and Investments Report is required to be submitted for Council's consideration each month detailing investments and their performance.

DISCUSSION

Council invests funds which are not required in the short term for any other purpose. These investments are governed by strict legislative requirements and Council's Policy for Investment of Cash Balances. The Responsible Accounting Officer must report to Council monthly details of the funds invested and certify that they have been made in accordance with the legislation and policy.

The return on Council's total investment portfolio has averaged 2.99% for the period to 31 May 2017 against a benchmark of 1.82%. Total interest earned for the eleven months was \$2,779,227.71 against a budget of \$2.722 million, of which \$1,030,521.87 is applicable to the Section 94 Trust Fund. Details of the investments and performance are in the attached document (Appendix B).

Appendix A outlines the Summary of Bank Balances as at 31 May 2017, and identifies cash movements throughout the month along with a summary bank reconciliation statement.

As previously advised ("Cash Payments & Investments Report – April 2017"), Council held three investments, totalling \$9.0 million that no longer comply with the Investment Policy, due to the downgrading of the financial institution with which the funds are invested. Council's independent investment advisor has not indicated any concern in relation to these investments and it is still proposed to hold these investments to maturity to avoid the significant early redemption penalties. Of the three investments, one has matured subsequent to this report date, with the remaining investments to mature as follows:

- \$3,000,000 11 July 2017
- \$3,000,000 4 October 2017

CONSULTATION

Appropriate consultation has occurred with Council's financial investment advisor and fund managers.

BUDGET

Actual interest income has exceeded budget for the full year, although a proportion of this amount will be applicable to other funds and the full amount of the interest gain will not benefit general revenue. As there are no further opportunities to reflect this gain in budget reviews, the additional revenue will be incorporated in the year end results.

CERTIFICATION BY RESPONSIBLE ACCOUNTING OFFICER

In accordance with clause 212 of the Local Government (General) Regulation 2005, I hereby certify that all investments have been made in accordance with the Act, the regulations and Council's investment policy.



Greg Hayes
Manager Finance and
Responsible Accounting Officer

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Finance, Greg Hayes, who can be contacted on 9710 0334.

File Number: 2016/250910

Appendix A – Summary of Bank Balances as at 31 May 2017**SUMMARY OF BANK BALANCES as at 31 MAY 2017**

FUND	BANK BALANCE	UNPRESENTED CHEQUES	DIRECT CREDIT	CASH ON HAND	OWED TO OTHER FUNDS	CASHBOOK BALANCE
General Fund 1	7,075,375.61	(155,947.87)	(3,071,997.53)	229,781.94	(1,795,002.23)	2,282,209.92
Trust Fund 1	0.00	0.00	0.00	0.00	0.00	1,615,063.95
Trust Fund 2	0.00	0.00	0.00	0.00	0.00	27,875.00
Bushfire Trust	0.00	0.00	0.00	0.00	0.00	84,639.98
SES Trust	0.00	0.00	0.00	0.00	0.00	242.80
Australand	0.00	0.00	0.00	0.00	0.00	67,180.50
Total	7,075,375.61	(155,947.87)	(3,071,997.53)	229,781.94	(1,795,002.23)	4,077,212.15

This appendix identifies cash movements throughout the month along with a summary bank reconciliation statement.



Investment Summary Report May 2017

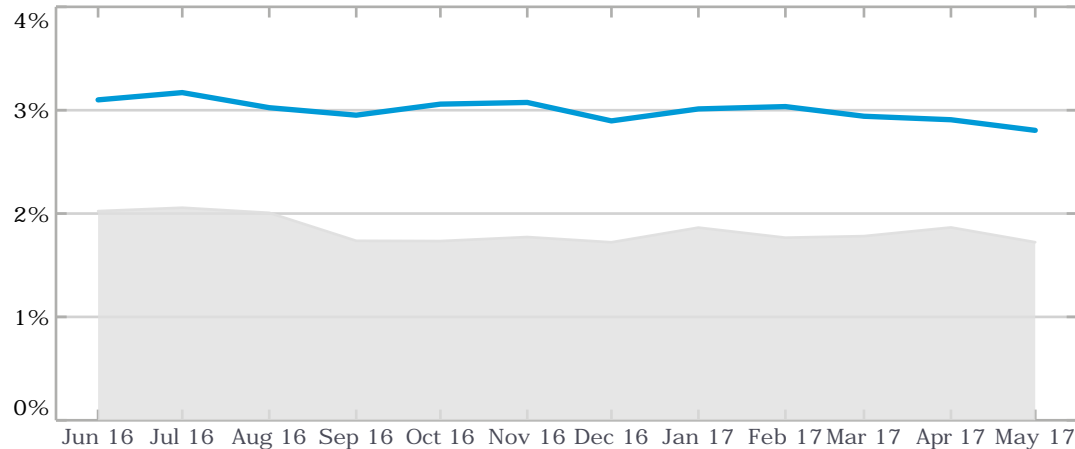
Cash and Investment Holdings

	Face Value (\$)	Current Value (\$)	Current Yield (%)
Cash	20,425,375.61	20,425,375.61	1.1853
Floating Rate Note	27,600,000.00	27,741,101.50	3.0116
Term Deposit	86,000,000.00	86,000,000.00	2.9098
	134,025,375.61	134,166,477.11	2.6679

Application of Funds

	Face Value (\$)
General Fund 1	88,402,062.14
Trust Fund - Section 94	43,323,313.47
Custodial Funds	2,300,000.00
Total	134,025,375.61

Investment Performance



■ Portfolio Annualised Return ■ AusBond BB Index Annualised Return

Investment Performance

	Performance	AusBond BB Index	Outperformance
May 2017	2.80%	1.72%	1.08%
Last 3 Months	2.88%	1.79%	1.10%
Last 6 Months	2.93%	1.79%	1.14%
Financial Year to Date	2.99%	1.82%	1.17%
Last 12 Months	3.00%	1.84%	1.16%

Cash Accounts

Face Value (\$)	Current Yield	Institution	Credit Rating	Current Value (\$)	Reference
6,350,000.00	1.1000%	Commonwealth Bank of Australia	A-1+	6,350,000.00	BOS
7,075,375.61	1.0000%	Commonwealth Bank of Australia	A-1+	7,075,375.61	Cash at Bank
7,000,000.00	1.4500%	Commonwealth Bank of Australia	A-1+	7,000,000.00	CDA
20,425,375.61	1.1853%			20,425,375.61	

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
6-Jun-17	3,000,000.00	2.7000%	Auswide Bank	A-3	3,000,000.00	8-Sep-16	3,000,000.00	AtMaturity	12642
13-Jun-17	4,000,000.00	2.6500%	Beyond Bank Australia	A-2	4,000,000.00	1-Mar-17	4,000,000.00	AtMaturity	12683
20-Jun-17	1,500,000.00	2.8000%	Suncorp Bank	A-1	1,500,000.00	16-Nov-16	1,500,000.00	AtMaturity	12654
28-Jun-17	2,000,000.00	2.5500%	ME Bank	A-2	2,000,000.00	2-Mar-17	2,000,000.00	AtMaturity	12686
6-Jul-17	2,000,000.00	3.1500%	Intech Bank	NR	2,000,000.00	6-Jul-16	2,000,000.00	AtMaturity	12602
11-Jul-17	3,000,000.00	2.8500%	Auswide Bank	A-3	3,000,000.00	1-Dec-16	3,000,000.00	AtMaturity	12659
25-Jul-17	2,000,000.00	2.8000%	ING Bank (Australia)	A-2	2,000,000.00	25-Jan-17	2,000,000.00	AtMaturity	12674
1-Aug-17	3,000,000.00	2.8000%	ING Bank (Australia)	A-2	3,000,000.00	31-Jan-17	3,000,000.00	AtMaturity	12675
8-Aug-17	4,000,000.00	3.0000%	Westpac Group	A-1+	4,000,000.00	8-Aug-16	4,000,000.00	AtMaturity	12626
9-Aug-17	2,000,000.00	7.0800%	Bank of Queensland	A-2	2,000,000.00	9-Aug-12	2,000,000.00	AtMaturity	11683
14-Aug-17	2,000,000.00	2.7900%	Police Credit Union (SA)	NR	2,000,000.00	15-Feb-17	2,000,000.00	AtMaturity	12678
23-Aug-17	1,000,000.00	2.7000%	Beyond Bank Australia	A-2	1,000,000.00	24-Feb-17	1,000,000.00	AtMaturity	12683
6-Sep-17	2,000,000.00	2.8000%	Hunter United Employees CU	NR	2,000,000.00	9-Mar-17	2,000,000.00	AtMaturity	12688
12-Sep-17	3,000,000.00	2.7200%	ME Bank	A-2	3,000,000.00	22-Feb-17	3,000,000.00	AtMaturity	12680
26-Sep-17	2,700,000.00	3.0000%	Westpac Group	A-1+	2,700,000.00	2-Sep-16	2,700,000.00	Annually	12638
4-Oct-17	3,000,000.00	2.7000%	Auswide Bank	A-3	3,000,000.00	5-Apr-17	3,000,000.00	AtMaturity	12696
4-Oct-17	2,000,000.00	2.8000%	Hunter United Employees CU	NR	2,000,000.00	5-Apr-17	2,000,000.00	AtMaturity	12699
10-Oct-17	3,000,000.00	3.0000%	Westpac Group	A-1+	3,000,000.00	1-Sep-16	3,000,000.00	Annually	12637
24-Oct-17	2,000,000.00	3.0000%	Westpac Group	A-1+	2,000,000.00	22-Sep-16	2,000,000.00	Annually	12646

Term Deposits									
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
7-Nov-17	1,500,000.00	2.8000%	Hunter United Employees CU	NR	1,500,000.00	12-May-17	1,500,000.00	AtMaturity	12388
15-Nov-17	1,000,000.00	2.7500%	Police Credit Union (SA)	NR	1,000,000.00	19-May-17	1,000,000.00	AtMaturity	12714
21-Nov-17	3,000,000.00	2.7000%	ING Bank (Australia)	A-2	3,000,000.00	17-May-17	3,000,000.00	AtMaturity	12712
22-Nov-17	3,000,000.00	2.7000%	ING Bank (Australia)	A-2	3,000,000.00	22-May-17	3,000,000.00	AtMaturity	12716
5-Dec-17	2,000,000.00	2.9500%	Defence Bank	A-2	2,000,000.00	8-Dec-16	2,000,000.00	AtMaturity	12664
12-Dec-17	3,000,000.00	2.7000%	ME Bank	A-2	3,000,000.00	30-May-17	3,000,000.00	AtMaturity	12723
19-Dec-17	3,000,000.00	2.7000%	ME Bank	A-2	3,000,000.00	23-May-17	3,000,000.00	AtMaturity	12718
3-Jan-18	3,000,000.00	2.8000%	Intech Bank	NR	3,000,000.00	5-Apr-17	3,000,000.00	AtMaturity	12697
29-Jan-18	3,000,000.00	2.7000%	ME Bank	A-2	3,000,000.00	5-May-17	3,000,000.00	AtMaturity	12708
27-Mar-18	2,000,000.00	2.9000%	Police Credit Union (SA)	NR	2,000,000.00	27-Mar-17	2,000,000.00	AtMaturity	12692
8-May-18	3,000,000.00	2.7500%	ME Bank	A-2	3,000,000.00	16-May-17	3,000,000.00	AtMaturity	12711
24-May-18	2,000,000.00	2.8500%	Credit Union Australia	A-2	2,000,000.00	25-May-17	2,000,000.00	AtMaturity	12719
19-Jun-18	5,000,000.00	2.8500%	Defence Bank	BBB	5,000,000.00	30-May-17	5,000,000.00	Annually	12722
22-Feb-19	2,000,000.00	3.1000%	Westpac Group	AA-	2,000,000.00	22-Sep-16	2,000,000.00	Annually	12645
83,700,000.00		2.9128%			83,700,000.00	83,700,000.00			

Term Deposits - Custodial									
Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Coupon Frequency	Reference
26-Feb-18	2,300,000.00	2.8000%	Credit Union Australia	A-2	2,300,000.00	24-Feb-17	2,300,000.00	AtMaturity	Bushfire
2,300,000.00		2.8000%			2,300,000.00	2,300,000.00			

Floating Rate Notes									
Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Next Coupon Date	Reference
7-Jun-19	1,500,000.00	3.3800%	GBS Snr FRN (Jun19) BBSW+ 1.60%	BBB	1,500,000.00	7-Jun-16	1,499,025.00	7-Jun-17	12593

Floating Rate Notes

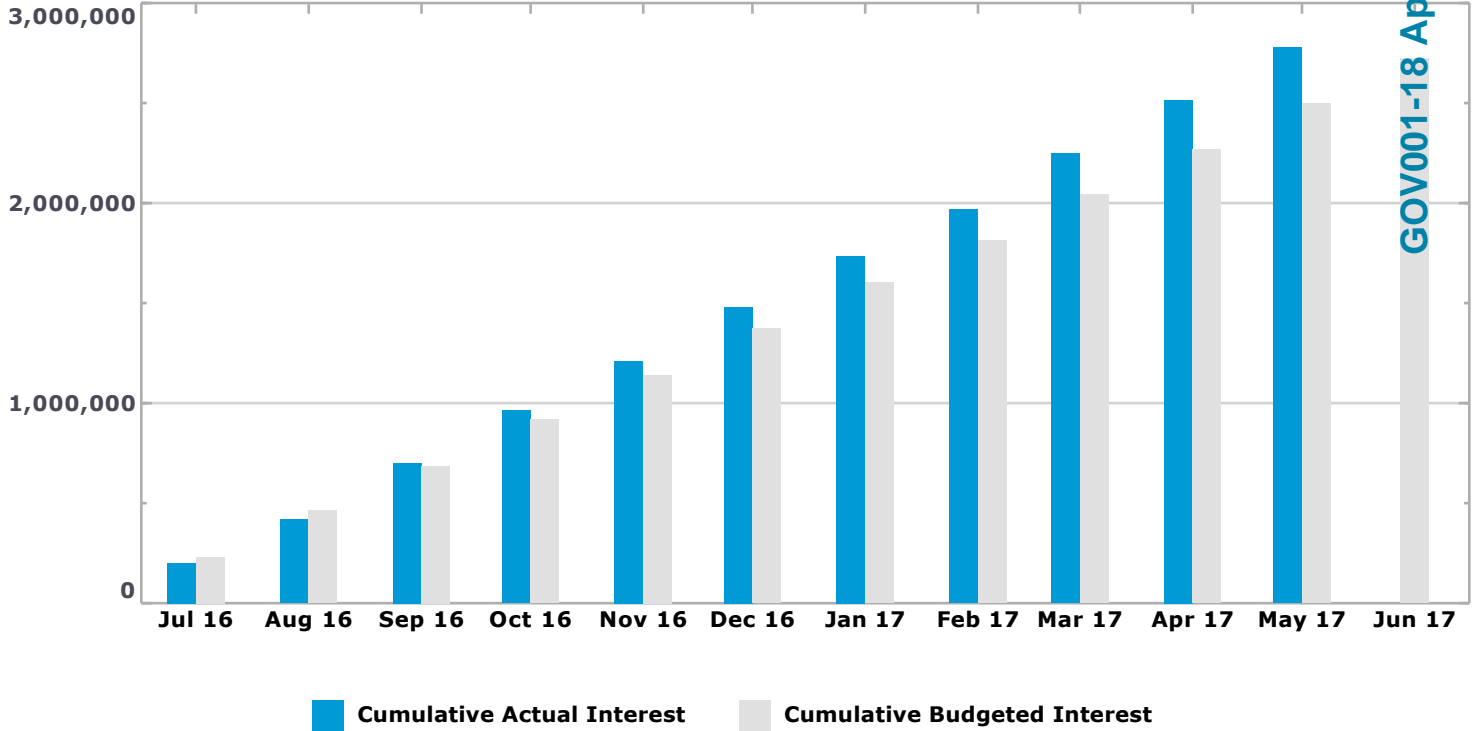
Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Next Coupon Date	Reference
11-Jun-19	1,500,000.00	2.8950%	AMP Snr FRN (Jun19) BBSW+ 1.10%	A	1,500,000.00	11-Dec-15	1,507,350.00	13-Jun-17	12537
18-Jul-19	2,000,000.00	3.2150%	ME Bank Snr FRN (Jul19) BBSW+ 1.45%	BBB	2,000,000.00	18-Jul-16	2,008,280.00	18-Jul-17	12612
30-Aug-19	1,000,000.00	3.2900%	GBS Snr FRN (Aug19) BBSW+ 1.55%	BBB	1,000,000.00	30-Aug-16	1,000,060.00	30-Aug-17	12631
28-Oct-19	1,500,000.00	3.1450%	TMB Snr FRN (Oct19) BBSW+ 1.40%	BBB	1,500,000.00	28-Oct-16	1,501,740.00	28-Jul-17	12649
3-Mar-20	2,000,000.00	2.8850%	MAC Snr FRN (Feb20) BBSW+ 1.10%	A	2,007,220.00	29-Jan-16	2,013,260.00	5-Jun-17	12547
20-Mar-20	1,250,000.00	3.0950%	CUA Snr FRN (Mar20) BBSW+ 1.30%	BBB	1,250,000.00	20-Mar-17	1,250,062.50	20-Jun-17	12689
7-Apr-20	2,000,000.00	3.1350%	NPBS Snr FRN (Apr20) BBSW+ 1.35%	BBB	1,987,480.00	25-Jul-16	2,000,620.00	7-Jul-17	12618
4-May-20	850,000.00	3.0350%	HBS Snr FRN (May20) BBSW+ 1.30%	A3	850,000.00	4-May-17	849,524.00	4-Aug-17	12706
18-Aug-20	3,000,000.00	2.8350%	BEN Snr FRN (Aug20) BBSW+ 1.10%	BBB+	3,000,000.00	18-Aug-15	3,004,560.00	18-Aug-17	12493
20-Oct-20	2,500,000.00	3.0000%	SUN Snr FRN (Oct20) BBSW+ 1.25%	A+	2,500,000.00	20-Oct-15	2,526,975.00	20-Jul-17	12518
18-Jan-21	2,000,000.00	2.9152%	CBA Snr FRN (Jan21) BBSW+ 1.15%	AA-	2,001,800.00	27-Jan-16	2,026,380.00	18-Jul-17	12546
3-Jun-21	1,500,000.00	2.9550%	WBC Snr FRN (Jun21) BBSW+ 1.17%	AA-	1,500,000.00	3-Jun-16	1,519,365.00	5-Jun-17	12588
12-Jul-21	2,000,000.00	2.9750%	CBA Snr FRN (Jul21) BBSW+ 1.21%	AA-	2,000,000.00	12-Jul-16	2,029,620.00	12-Jul-17	12611
17-Jan-22	1,000,000.00	2.8750%	CBA Snr FRN (Jan22) BBSW+ 1.11%	AA-	1,000,000.00	17-Jan-17	1,009,600.00	17-Jul-17	12668
30-Mar-22	2,000,000.00	2.8450%	AMP Snr FRN (Mar22) BBSW+ 1.05%	A	2,000,000.00	30-Mar-17	1,994,680.00	30-Jun-17	12694
27,600,000.00		3.0116%			27,596,500.00		27,741,101.50		

Total Investments

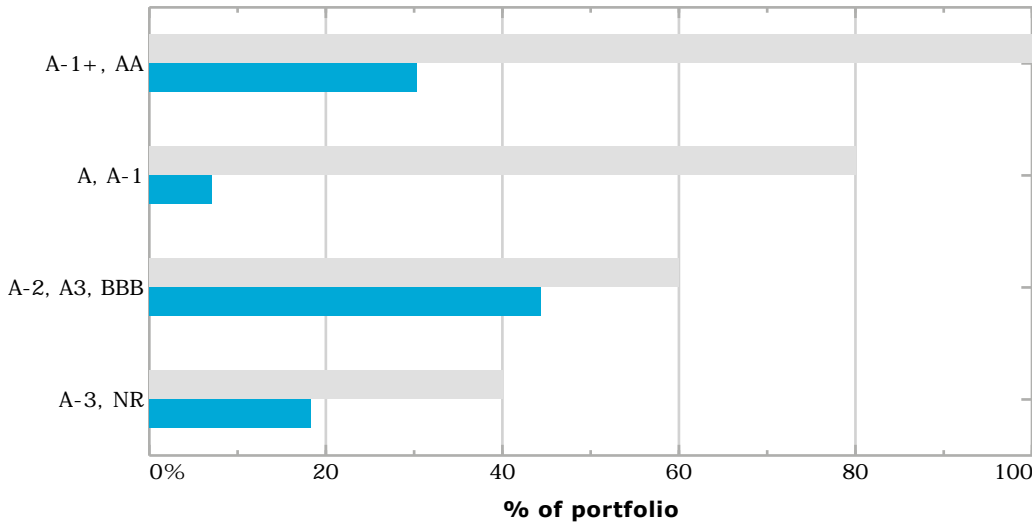
Face Value (\$)	Current Value (\$)
134,025,375.61	134,166,477.11

Budgeted vs Actual Returns

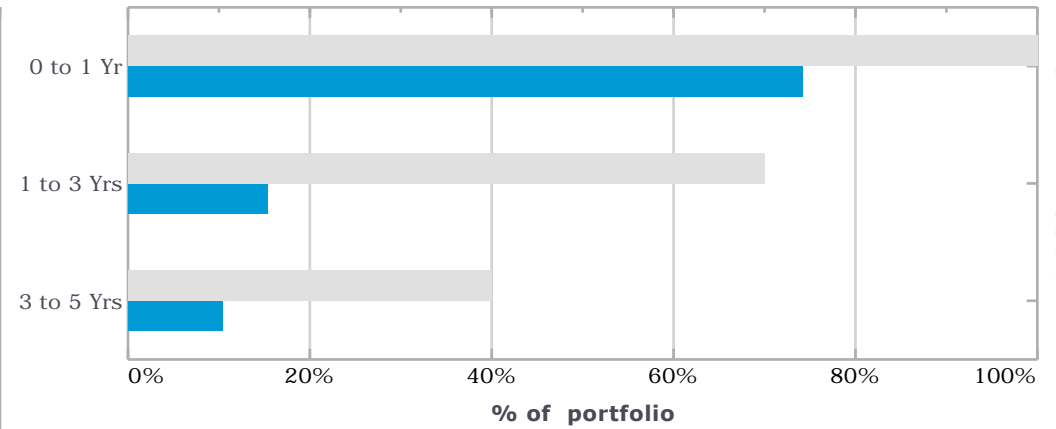
	YTD Income from Investments (\$)	Interest Earned (Progressive % of Annual Budget)
July 2016	201,428	7.40%
August 2016	419,463	15.41%
September 2016	700,544	25.74%
October 2016	963,999	35.42%
November 2016	1,210,522	44.47%
December 2016	1,480,830	54.40%
January 2017	1,736,136	63.78%
February 2017	1,967,188	72.27%
March 2017	2,249,210	82.63%
April 2017	2,515,315	92.41%
May 2017	2,779,228	102.10%
Budget Target	2,722,000	



Total Credit Exposure



Term to Maturities



■ Portfolio Exposure ■ Guideline Maximum

	Credit Rating	Face Value (\$)		Guideline Max	
Short Term	A-1+	32,125,376			
Long Term	AA	8,500,000			
		40,625,376	30%	100%	✓
Short Term	A-1	1,500,000			
Long Term	A	8,000,000			
		9,500,000	7%	80%	✓
Short Term	A-2	41,300,000			
Long Term	A3	850,000			
Long Term	BBB	17,250,000			
		59,400,000	44%	60%	✓
Short Term	A-3	9,000,000			
No Rating	NR	15,500,000			
		24,500,000	18%	40%	✓
		134,025,376	100%		

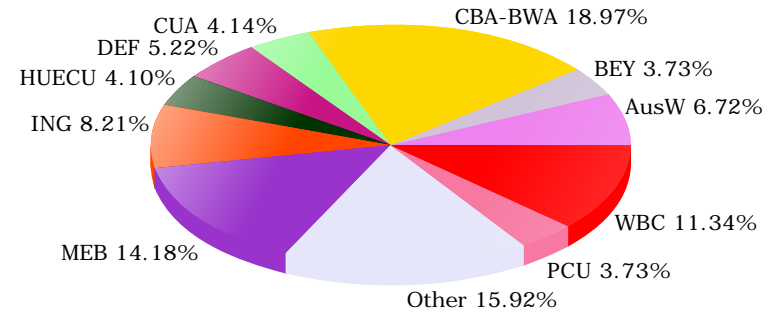
	Face Value (\$)		Guideline Max	
Between 0 and 1 Year	99,425,376	74%	100%	✓
Between 1 and 3 Years	20,600,000	15%	70%	✓
Between 3 and 5 Years	14,000,000	10%	40%	✓
	134,025,376			

Detailed Maturity Profile	Face Value (\$)	
00. Cash + Managed Funds	20,425,376	15%
01. Less Than 30 Days	10,500,000	8%
02. Between 30 Days and 60 Days	7,000,000	5%
03. Between 60 Days and 90 Days	12,000,000	9%
04. Between 90 Days and 180 Days	26,200,000	20%
05. Between 180 Days and 365 Days	23,300,000	17%
06. Between 365 Days and 3 Years	20,600,000	15%
07. Between 3 Years and 5 Years	14,000,000	10%
	134,025,376	

Individual Institutional Exposures

Individual Institutional Exposure Charts

Parent Group	Credit Rating	Portfolio Exposure (\$)	Investment Policy Limit (\$)
AMP Bank	A-1, A	3,500,000	53,610,150
Auswide Bank	A-3, BBB-	9,000,000	0
Bank of Queensland	A-2, BBB+	2,000,000	26,805,075
Bendigo and Adelaide Bank	A-2, BBB+	3,000,000	26,805,075
Beyond Bank	A-2, BBB+	5,000,000	26,805,075
Commonwealth Bank of Australia	A-1+, AA-	25,425,376	60,311,419
Credit Union Australia	A-2, BBB	5,550,000	26,805,075
Defence Bank	A-2, BBB	7,000,000	26,805,075
Greater Building Society	A-2, BBB	2,500,000	26,805,075
Heritage Bank	A3, P-2	850,000	26,805,075
Hunter United Employees CU	NR	5,500,000	53,610,150
ING Group	A-2, A-	11,000,000	26,805,075
Intech Bank	NR	5,000,000	53,610,150
Macquarie Group	A-1, A	2,000,000	53,610,150
Members Equity Bank	A-2, BBB	19,000,000	26,805,075
Newcastle Permanent Building Society	A-2, BBB	2,000,000	26,805,075
Police Credit Union (SA)	NR	5,000,000	53,610,150
Suncorp Bank	A-1, A+	4,000,000	53,610,150
Teachers Mutual Bank	A-2, BBB	1,500,000	26,805,075
Westpac Group	A-1+, AA-	15,200,000	60,311,419
		134,025,376	



GOV002-18 APPOINTMENT OF CODE OF CONDUCT REVIEW PANEL

Attachments: Appendix A

EXECUTIVE SUMMARY

- In 2013 Council resolved to appoint a panel of service providers to the position of conduct reviewers for Council's Code of Conduct Review Panel for a period of four years expiring on 30 June, 2017.
- Previously Council created its own Conduct Review Panel, however Council has agreed to participate in an Expression of Interest process coordinated by the Southern Sydney Regional Organisation of Councils to select a combined regional Conduct Review Panel for the next four years.
- Council staff participated in the development of the selection criteria and Expression of Interest document for the EOI process and the respondents have been appropriately assessed against these criteria and only suitably qualified respondents have been recommended for appointment to the Conduct Review Panel.
- The matter is now referred to Council to consider the awarding of the Expression of Interest to the respondents recommended by the SSROC Assessment Panel.

REPORT RECOMMENDATION

That the Expressions of Interest of the preferred suppliers listed below be accepted as the successful Preferred Suppliers for the Code of Conduct Reviewers for Sutherland Shire Council, for a period of four years running from 1 July, 2017 to 30 June, 2021:

Centium Group (Phil O'Toole)
Nemesis Consulting (Peter Moroney)
O'Connor Marsden (Andrew Marsden)
PKF Forensic & Risk (Wayne Gilbert)
Prevention Partners (Monica Kelly)
SINC Solutions (Kath Roach)
Strategic Risk Solutions (Rob Ryan)
Train Reaction (Kathleen Thane)

PURPOSE

This report informs Council of the Southern Sydney Regional Organisation of Council's Expression of Interest (EOI) process to form a regional Code of Conduct Review Panel. The report also recommends appointment of preferred respondents to the Sutherland Shire Council Code of Conduct Review Panel.

BACKGROUND

At its meeting held on 15 July, 2013 Council resolved to appoint 11 service providers for a term of four years expiring on 30 June 2017 to the position of conduct reviewers for Council's Code of Conduct Review Panel. The term of that Panel has now expired.

Previously Council created its own Conduct Review Panel, however Council has agreed to participate in an Expression of Interest process coordinated by the Southern Sydney Regional Organisation of Councils (SSROC) to select a combined regional Conduct Review Panel for the next four years.

Council decided to participate in the SSROC panel as it is anticipated that the prospect of a larger pool of available work would attract a larger field of quality respondents to the Review Panel EOI as opposed to a Council run process. In the four year term of the recently expired Council Code of Conduct review Panel only seven matters were referred for external review.

The following Councils have agreed to participate in the SSROC Code of Conduct Review Panel:

- Bayside City Council
- Burwood Council
- Canterbury Bankstown Council
- City of Canada Bay
- Georges River Council
- Inner West Council
- City of Sydney Council
- Sutherland Shire Council
- Randwick Council
- Waverley Council
- Woollahra Council

DISCUSSION

Expressions of Interest for the "Code of Conduct Reviewer" were advertised in the Sydney Morning Herald, Daily Telegraph, SSROC website and the tendersonline.com.au/SSROC website on Tuesday, 11 April 2017. EOIs closed at 4pm AEST on Tuesday, 2 May 2017.

Evaluation Panel

The evaluation panel comprised of the following panel members:

Jennifer Revell – SSROC Procurement & Contracts Manager – Chair

Ben Thompson – Workplace Coordinations Manager – Bayside Council

David Kelly – Manager Administrative Services – Randwick Council

Jane Worthy – Manager, Internal Ombudsman’s Office – Waverley Council

Evaluations were conducted following the signing of the Conflict of Interest and Confidentiality Deed by all participants in the evaluation. No pecuniary interests were declared.

Evaluation Criteria

The evaluation panel determined that submissions would be assessed on the basis of the experience of the Respondents and their respective organisations and the pricing attached to the submission. If all Respondents were evaluated to have the same experience and knowledge of local government the evaluation could come down to the pricing requested.

Tender Submissions

There were 18 submissions received from the following organisations (in alphabetical order):

- Black Mouse Consulting (Michael Callan)
- Centium Group (Phil O’Toole)
- Checks Balances Integrity (Stephen Horne)
- Chris Gallagher (independent)
- Dentons (Justin Koprivnjak, Jodie Wauchope)
- Mediate Today (Lopich Lawyers)
- MSM Loss Management (Greg Waters)
- Nemesis Consultancy (Peter Moroney)
- O’Connell Workplace (Graham Evans)
- O’Connor Marsden (Andrew Marsden)
- PKF Forensic & Risk (Wayne Gilbert)
- Prevention Partners (Monica Kelly)
- Quadrant Management (Chris Stratten)
- Rechelle Leahy (independent)
- SINC Solutions (Kath Roach)
- Strategic Risk Solutions (Robert Ryan)
- Train Reaction (Kathleen Thane)
- Tress Cox Lawyers (Peta Tumpey, Keely Horan)

EOI Evaluation

Appendix A contains a short Supplier Information Summary for each of the Respondents who provided a conforming tender response, outlining highlights and details about their experience and location.

The EOI documented that a panel of suppliers would be selected for this contract. In discussion the Evaluation Panel determined that for the purposes of adequate and equitable coverage, satisfaction with the proposed supplier capabilities, and a relatively low number of expected Investigations/reviews per council per year, that a smaller panel may be beneficial for the region. From the review of submissions, it was determined by the Panel that eight suppliers were satisfactory in meeting the region's requirements.

Preferred Suppliers (ranked in alphabetical order only)

1. Centium Group (Phil O'Toole)
2. Nemesis Consulting (Peter Moroney)
3. O'Connor Marsden (Andrew Marsden)
4. PKF Forensic & Risk (Wayne Gilbert)
5. Prevention Partners (Monica Kelly)
6. SINC Solutions (Kath Roach)
7. Strategic Risk Solutions (Rob Byan)
8. Train Reaction (Kathleen Thane)

The eight preferred suppliers have provided a fixed schedule of rates that they will charge for the duration of the review panel term (four years) subject to CPI indexation. The rates quoted range from \$192.50 per hour to \$297.50 per hour, this compares favourably with the rates for Council's previously adopted review panel which ranged from \$175 per hour to \$450 per hour. The more competitive rates have been achieved as the regional approach to the panel will ensure a greater number of matters would be referred to each member of the review panel.

The rates quoted by each of the recommended suppliers have been provided to Councillors in a separate confidential attachment.

BUDGET AND RESOURCES

The Manager Governance and Customer Service is Council's Code of Conduct Complaints Coordinator and is responsible for the administration of the panel and the review process. There are no budget implications directly related to the appointment of the Review Panel.

The SSROC contract constitutes a standing offer for the supply of only such services as stipulated in the EOI without guarantee of quantity, and during the currency of the contract. Council if it chooses to participate shall not be bound expressly or by implication to order from the Preferred Suppliers any quantity of services during the period of the contract.

POLICY

The Procedures for the Administration of the Code of Conduct, state the following in relation to the establishment of a panel of conduct reviewers:

- 3.1 *The council must by resolution establish a panel of conduct reviewers.*
- 3.2 *The council may by resolution enter into an arrangement with one or more other councils to share a panel of conduct reviewers.*
- 3.3 *The panel of conduct reviewers is to be established following a public expression of interest process.*
- 3.4 *An expression of interest for members of the council's panel of conduct reviewers must, at a minimum, be advertised locally and in the Sydney metropolitan area.*
- 3.5 *To be eligible to be a member of a panel of conduct reviewers, a person must, at a minimum, meet the following requirements:*
 - a) *an understanding of local government, and*
 - b) *knowledge of investigative processes including but not limited to procedural fairness requirements and the requirements of the Public Interest Disclosures Act 1994, and*
 - c) *knowledge and experience of one or more of the following:*
 - i. *investigations, or*
 - ii. *law, or*
 - iii. *public administration, or*
 - iv. *public sector ethics, or*
 - v. *alternative dispute resolution, and*
 - d) *meet the eligibility requirements for membership of a panel of conduct reviewers under clause 3.6.*
- 3.6 *A person is not be eligible to be a member of the panel of conduct reviewers if they are*
 - a) *a councillor, or*
 - b) *a nominee for election as a councillor, or*
 - c) *an administrator, or*
 - d) *an employee of a council, or*
 - e) *a member of the Commonwealth Parliament or any State Parliament or Territory Assembly, or*
 - f) *a nominee for election as a member of the Commonwealth Parliament or any State Parliament or Territory Assembly, or*
 - g) *a person who has a conviction for an indictable offence that is not an expired conviction.*

CONCLUSION

The eight preferred respondents to the SSROC Code of Conduct Review Panel EOI provide a broad range of applicable skills and capabilities that will give Council the ability to select an appropriate reviewer for each situation that requires review. The region wide approach has allowed Council to achieve very economical rates that the suppliers will be bound to for the four year duration of the review panel term.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Governance and Customer Service, Todd Hopwood, who can be contacted on 9710 0817.

File Number: 2017/267879

Attachment 1 – Supplier Information

Supplier Information Summary		
SUPPLIER	LOCATION	QUICK SUMMARY
Centium Group ABN 65 216 748 481	Level 8, 66 Goulburn Street, Sydney NSW 2000	Established from NSW IAB Professional Indemnity \$10M Previous Code of Conduct reviews Will cover all SSROC Councils Investigators with experience in Law, Investigations, Public Sector Ethics, Public Administration and Alternative Dispute Resolution
Nemesis Consultancy Group ABN 39 132 358 859	5,5-7 Lone Pine Place, Smeaton Grange NSW 2567	Established 2008 For the engagement of Peter Moroney ONLY. Professional Indemnity \$10M (occurrence \$20M aggregate) Previous investigations in Code of Conduct breaches, incident management & recovery, fraud, theft, workplace grievance and workers compensation matters. Numerous councils. Will cover all SSROC region
O'Connor Marsden ABN 94 135 783 792	Level 3, 1 York Street Sydney NSW 2000	Service all councils Extensive work with local councils and federal and state governments Has conducted code of conduct investigations Formally trained in investigation methodology Offer alternative dispute resolution frameworks
PKF Forensic & Risk ABN 44 610 622 001	Level 8, 1 O'Connell Street, Sydney NSW 2000	Professional Indemnity \$10M (aggregate \$20M) Suitable for financial forensic type investigations Bit more costly, but more niche towards forensics Working with 7 councils Investigations, fraud, security works For the engagement of Viv Mercer and Wayne Gilbert ONLY
Prevention Partners NSW ABN 59 038 820 166	19 Sutherland Road, North Parramatta, NSW 2051	Will cover all SSROC region Specific knowledge of local government Demonstrated experience working within the Local Government Act Code of Conduct Reviewer for 20 local councils Professional Indemnity \$8M Charges \$0.50 per sheet for photocopying

<p>SINC Solutions Pty Ltd ABN 54 485 603 535</p>	<p>131 View Street, Annandale NSW 2038</p>	<p>Will cover all SSROC region Extensive experience in local government governance & regulation Over 500 conduct review matters since 2006 Conducts Councillor training for NSW Metro and Rural councils on topics including Code of Conduct. Roles & Responsibilities, pecuniary interests etc.</p>
<p>Strategic Risk Solutions ABN 71 678 202 279</p>	<p>Level 9, 37 Bligh Street, Sydney NSW 2000</p>	<p>Will cover entire SSROC region Holds advanced vendor status with NSW Procurement across 12 capabilities including investigations Qualified under OLG Circular 16-08 Worked across more than 70 metropolitan and regional councils Professional Indemnity \$10M</p>
<p>Train Reaction Pty Ltd ABN 93 054 957 943</p>	<p>8 Pearson Street, Balmain East NSW 2041</p>	<p>Will cover all SSROC region Professional Indemnity \$10M Current Code of Conduct reviewer for SSROC panel 120 Code of Conduct reviews since 2009 Extensive experience working with numerous NSW councils</p>