

# CONFIDENTIAL DECISION REPORT

**Report Title:** Provision of Banking Services  
**Item No:** 8.2  
**Date of Meeting:** 19 January 2021  
**Author:** Craig Mudge, Manager Corporate Services  
**Attachments:** 1. Matrix for Banking Tender

## Confidentiality Clauses:

That:

1. Pursuant to Section 90(2) and 90(3)(b) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because it relates to information the disclosure of which would involve the unreasonable disclosure of information which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business.
2. In weighing up the factors related to disclosure:
  - disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations; and
  - non-disclosure of this item at this time will enable the Council to make an informed decision regarding its options for the provision of banking services.
3. Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public be excluded, with the exception of Sam Johnson, Chief Executive Officer, Craig Mudge, Manager Corporate Services, Jacqui Kelleher, Manager Administrative Services, Brenton Daw, Manager Infrastructure and Regulatory Services and Ebony Rodda, Manager Community and Economic Development.

## 1. EXECUTIVE SUMMARY

The purpose of this report is to provide Elected Members with an update of the tender process for the provision of banking services to the District Council of Mount Remarkable, and to authorise the execution of a contract for the provision of these services.

## **2. RECOMMENDATION**

That Council:

1. receives and notes the report;
2. authorises the Chief Executive Officer to enter into an agreement with the National Australia Bank for the provision of banking services to the Council;
3. authorises the Chief Executive Officer, Manager Corporate Services, Manager Administrative Services, Manager Infrastructure and Regulatory Services and the Manager Community and Economic Development as signatories with all accounts held with the National Australia Bank, with any two to of the authorised persons to sign; and
4. approves the closure of the operating account held with Bank SA once all relevant transfers have occurred.

That having considered Agenda Item 8.2 Provision of Banking Services in confidence under Section 90(2) and 90(3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Local Government Act 1999 orders that the report and minutes be retained in confidence until the expiration of the contract for provision of banking services.

## **3. RELEVANT CORE STRATEGIES/POLICIES**

2.4 – Manage Council's finances in a professional and long-term sustainable manner

## **4. BACKGROUND**

Council released a tender for the Provision of Banking Services through the SA Tenders & Contracts website.

There was some interest shown from financial institutions with tenders being received by Bank SA and Commonwealth Bank.

Following an initial review, and discussions with other Councils, NAB were contacted and they provided a proposal for Council consideration.

## **5. DISCUSSION**

Council released a tender for the Provision of Banking Services through the SA Tenders & Contracts website. This tender closed in November 2020.

During the tender process there were several enquiries received from financial institutions, not all choosing to submit a tender for varying reasons. Tenders were received by Bank SA and the Commonwealth Bank.

Following an initial review of the tenders, and discussions with other Councils on their arrangements and structures in place, the National Australia Bank (NAB) were contacted and asked to provide a proposal which was received in December 2020.

The reason for approaching NAB was being able to use the software they provide, which would have significant benefit to administration employees in their duties. It was also felt

that going forward NAB would be able to provide a better service (ie. having an EFTPOS facility at Willowie Landfill and removing cash) over the long-term.

The matrix at Attachment 1 to this report has rated all three financial institutions to a score of 5 based on the criteria of the tender and the response provided.

Whilst there are minor additional costs with changing financial institutions and there will be some additional training for staff with utilising new software and systems, the overall benefits outweigh any negatives.

The introduction of a new provider and new software will enable processes to be reviewed, and hopefully streamlined and improved with will have an overall benefit to the organisation.

## **6. ANALYSIS OF OPTIONS**

### **Option 1:**

That Council:

1. receives and notes the report;
2. authorises the Chief Executive Officer to enter into an agreement with the National Australia Bank for the provision of banking services to the Council;
3. authorises the Chief Executive Officer, Manager Corporate Services, Manager Administrative Services, Manager Infrastructure and Regulatory Services and the Manager Community and Economic Development as signatories with all accounts held with the National Australia Bank, with any two to of the authorised persons to sign; and
4. approves the closure of the operating account held with Bank SA once all relevant transfers have occurred.

This option will allow Council to enter into an agreement with NAB for the provision of banking services, and concurrently utilise new software to enable processes to be streamlined and improved.

### **Option 2:**

That Council receives and notes the report.

Council does not have to proceed with the tender for provision of banking services. However, this would be unwise from an internal controls perspective, which, from experience with our previous Auditors, has been a considerable focus towards automating as many processes as possible within the software we use.

## **7. RECOMMENDED OPTION**

Option 1 is the recommended option.

## **8. POLICY IMPLICATIONS**

### **8.1 Financial/Budget**

There is a minor financial impact, as the services provided under the agreement all come at a cost. This financial cost can be outweighed by future efficiency gains by staff, as several processes will be streamlined and reviewed.

## **8.2 Legislative/Risk Management**

Nil.

## **8.3 Staffing/Work Plans**

There will be some impact within the Corporate Services team as new software is introduced, however the overall benefits outweigh any negatives.

The introduction of a new provider and new software will enable processes to be reviewed, and hopefully streamlined and improved which will have overall benefit to the organisation.

## **8.4 Environmental/Social/Economic**

Nil.

## **8.5 Stakeholder Engagement**

Nil.

## **9. REPORT CONSULTATION**

Discussions were held with the Chief Executive Officer regarding this item.

## **10. REPORT AUTHORISERS**

Sam Johnson	Chief Executive Officer
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