



**SHIRE OF GNOWANGERUP**

**MINUTES**

**ORDINARY MEETING OF COUNCIL**

**24 October 2018  
Commenced at 3:30pm**

**Council Chambers  
28 Yougenup Road, Gnowangerup WA 6335**

**COUNCIL'S VISION**

Gnowangerup Shire – A progressive, inclusive and prosperous community built on opportunity



Shire of Gnowangerup

**NOTICE OF AN ORDINARY MEETING OF COUNCIL**

Dear Council Member

The next Ordinary Meeting of the Shire of Gnowangerup will be held on Wednesday 24th October 2018, at the Council Chambers 28 Yougenup Road Gnowangerup, commencing at 3:30pm.

.....  
**S. Pike**  
**CHIEF EXECUTIVE OFFICER**

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**Meaning of and CAUTION concerning Council's "In Principle" support:**

*When Council uses this expression it means that:*

- (a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and*
- (b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.*

*Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.*

Disclaimer:

*"Warning - Verbal Information & Advice:*

*Given the inherent unreliability and uncertainty that surrounds verbal communication, the Shire strongly recommends that, if a matter is of importance to you, then you should NOT act upon or otherwise rely upon any VERBAL information or advice you receive from the Shire unless it is first confirmed in writing."*



**DECLARATION OF INTEREST FORM**

To: Chief Executive Officer  
Shire of Gnowangerup  
28 Yougenup Road  
GNOWANGERUP WA 6335

I,(1) \_\_\_\_\_ wish to declare an interest in the following item to be considered by Council at its meeting to be held on (2) \_\_\_\_\_

Agenda Item(3) \_\_\_\_\_

The type of Interest I wish to declare is (4).

- Financial pursuant to Section 5.60A of the Local Government Act 1995
- Proximity pursuant to Section 5.60B of the Local Government Act 1995
- Indirect Financial pursuant to Section 6.51 of the Local Government Act 1995
- Closely Associated Persons pursuant to Section 5.62 of the Local Government Act 1995
- Impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulations 2007.

The nature of my interest is (5) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The extent of my interest is (6) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that the above information will be recorded in the minutes of the meeting and placed in the Disclosure of Financial and Impartiality of Interest Register.

Yours sincerely

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

Notes:

1. Insert your name (print).
2. Insert the date of the Council Meeting at which the item is to be considered.
3. Insert the Agenda Item Number and Title.
4. Tick box to indicate type of interest.
5. Describe the nature of your interest.
6. Describe the extent of your interest (if seeking to participate in the matter under S. 5.68 of the Act).

**DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE)**

A Member, who has a Financial Interest in any matter to be discussed at a Council or Committee Meeting that will be attended by the Member, must disclose the nature of the interest:

- a) In a written notice given to the Chief Executive Officer before the Meeting or;
- b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- a) Preside at the part of the Meeting, relating to the matter or;
- b) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the Local Government Act 1995.

**NOTES ON FINANCIAL INTEREST (NOTES FOR YOUR GUIDANCE)**

The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interest** in a matter. These notes will be included in each agenda for the time being so that Councillors may refresh their memory.

- 1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measured in money terms. There are exceptions in the Local Government Act 1995 but they should not be relied on without advice, unless the situation is very clear.
- 2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc.), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
- 3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
- 4. If in doubt declare.**
- 5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
- 6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The only exceptions are:
  - 6.1 Where the Councillor discloses the extent of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
  - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the Local Government Act, with or without conditions.

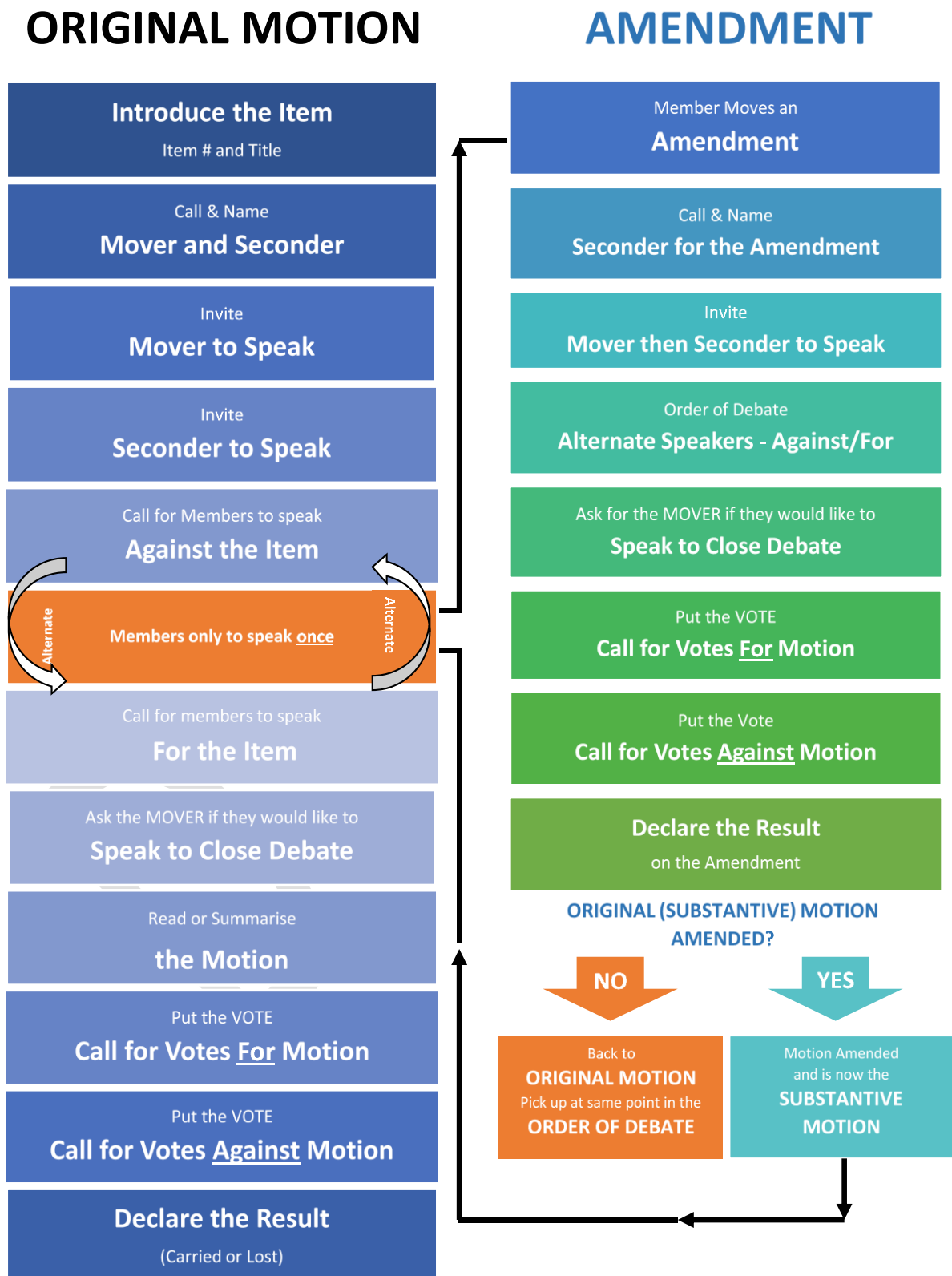
**INTERESTS AFFECTING IMPARTIALITY**

DEFINITION: An interest that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected, but does not include an interest as referred to in Section 5.60 of the 'Act'. A member who has an Interest Affecting Impartiality in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest; (a) in a written notice given to the Chief Executive Officer before the Meeting; or  
(b) at the Meeting, immediately before the matter is discussed.

**IMPACT OF AN IMPARTIALITY DISCLOSURE**

There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote. With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.

# Process of Motions



Slight clarification of wording of motion: A minor amendment of the motion can be done at any time through the President with the approval of the Mover and the Seconder. The Minor amendment must be minuted.

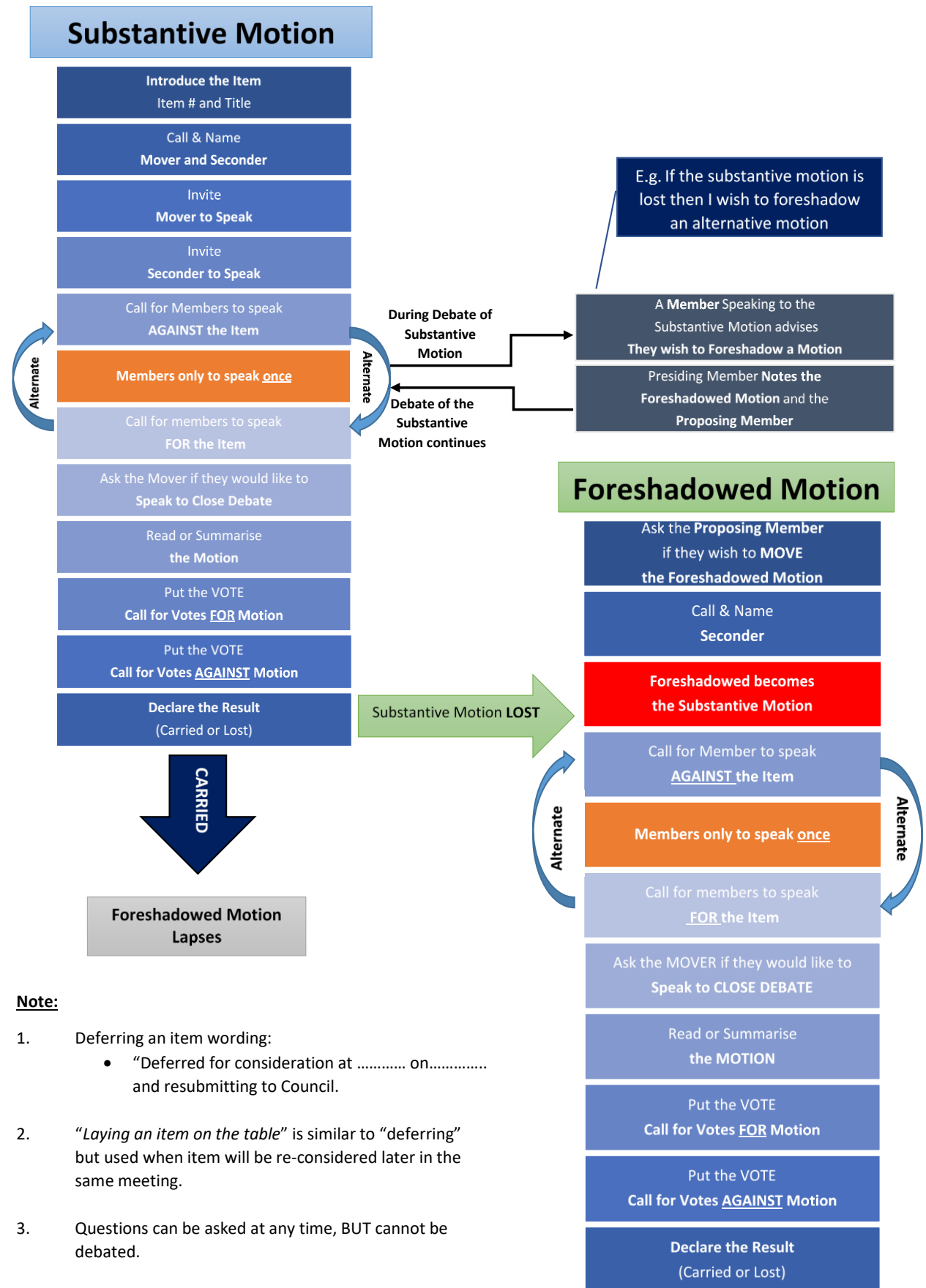


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**OPENING PROCEDURES**

**1. OPENING AND ANNOUNCEMENT OF VISITORS**

Shire President, Keith House welcomed Councillors, Staff and visitors and opened the meeting at 3.37 pm.

**2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**

**2.1 ATTENDANCE**

Cr Keith House	Shire President
Cr Fiona Gaze	Deputy Shire President
Cr Richard House	
Cr Chris Thomas	
Cr Lex Martin	
Cr Frank Hmeljak	
Cr Greg Stewart	
Cr Shelley Hmeljak	

Shelley Pike	Chief Executive Officer
Vin Fordham Lamont	Deputy Chief Executive Officer
Carol Shaddick	Senior Finance Officer
Anrie van Zyl	Corporate Support Officer
Phil Shephard	Planning Officer
Yvette Wheatcroft	Manager of Works

**2.2 APOLOGIES**

Cr Ben Moore

**2.3 APPROVED LEAVE OF ABSENCE**

Nil

**3. APPLICATION FOR LEAVE OF ABSENCE**

Nil

**4. RESPONSE TO QUESTIONS TAKEN ON NOTICE**

Nil

**5. PUBLIC QUESTION TIME**

Nil

**6. DECLARATION OF FINANCIAL INTERESTS AND INTERESTS AFFECTING IMPARTIALITY**

Nil

**7. PETITIONS / DEPUTATIONS / PRESENTATIONS**

**7.1 PETITIONS**

Nil

**7.2 DEPUTATIONS**

Nil

**7.3 PRESENTATIONS**

Nil

**8. CONFIRMATION OF PREVIOUS MEETING MINUTES**

**8.1 ORDINARY MEETING OF COUNCIL MINUTES 27 SEPTEMBER 2018**

**COUNCIL RESOLUTION**

**Moved: Cr F Gaze**

**Seconded: Cr F Hmeljak**

**1018.110 That the minutes of the Ordinary Council Meeting held on Thursday, 27 September 2018 be confirmed as a true record of proceedings.**

**UNANIMOUSLY CARRIED: 8/0**

## 9. USE OF THE COMMON SEAL

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<b>9.1</b>	<b>COMMON SEAL</b>
<b>Location:</b>	Shire of Gnowangerup
<b>Proponent:</b>	N/A
<b>Business Unit:</b>	Strategy and Governance
<b>Date of Report:</b>	17 October 2018
<b>Officer:</b>	S Pike - Chief Executive Officer
<b>Disclosure of Interest:</b>	Nil

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### ATTACHMENT

- Copy of Common Seal Register

### PURPOSE

This report is a standard report and for noting purposes only.

### BACKGROUND

Section 2.5 of *the Local Government Act 1995* states that a Local Government is a Body Corporate with perpetual succession and a common seal. A document is validly executed by a Body Corporate when the common seal of the Local Government is affixed to it by the Chief Executive Officer, and the President/Chairman and the Chief Executive Officer attest the affixing of the seal.

The Chief Executive Officer is primarily responsible for the governance role of the Shire of Gnowangerup which includes ensuring all legislative requirements are complied with including: adopting plans and reports, accepting tenders, directing operations, setting and amending budgets. This use of the Common Seal is a Standard Report for noting by Council.

All documents validly executed will have the common seal affixed and the President and the Chief Executive Officer's attestations affixing the seal. Use of the common seal is to be recorded in the common seal register and must have the Council resolution number included and the date that the seal was applied.

### POLICY IMPLICATIONS

Nil

### LEGISLATIVE IMPLICATIONS

Section 2.5(2) of the Local Government Act 1995. The local government is a body corporate with perpetual succession and a common seal Section 9.49. Documents, how authenticated. A document, is, unless this Act requires otherwise, sufficiently authenticated by a local government without its common seal if signed by the CEO or an employee of the local government who purports to be authorised by the CEO to so sign.

### CONCLUSION

This is a standard report for Elected Members' information.



## COMMON SEAL REGISTER

Register Reference No	Party (company etc.)	Description e.g. Contract Agreement	Date Signed	Resolution No.	Signed
017	WA Contract Ranger Services Pty Ltd	<ul style="list-style-type: none"> <li>Ranger Services Goods and/or Service Conditions Contract</li> </ul>	27/09/2018	0818.92	Yes

## 10. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Shire President Keith House congratulated the Gnowangerup Works Crew on their win at the Hollow Log annual local government golf tournament with the first prize being a traffic counter valued at \$5,000.

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### 10.1 ELECTED MEMBERS ACTIVITY REPORT

**Date of Report:** N/A  
**Councillors:** Various

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#### Attended the following meetings/events

Cr F Gaze: Attended the Councillor and Executive Workshop on 10 October.

Cr C Thomas: Attended the Councillor and Executive Workshop on 10 October.

Cr R House: Attended the Councillor and Executive Workshop on 10 October, the session with Main Roads WA on 19 October and the WALGA Forum on the new Local Government Act on 19 October.

Cr B Moore: N/A

Cr L Martin: Attended the Councillor and Executive Workshop on 10 October, the AGM of the North Stirlings Pallinup Natural Resources Inc. on 16 October and the WALGA Forum on the new Local Government Act on 19 October.

Cr F Hmeljak: Attended the Councillor and Executive Workshop on 10 October.

Cr G Stewart: Attended the Councillor and Executive Workshop on 10 October, the Bushfire Advisory Committee Meeting in Ongerup on 11 October, the session with Main Roads WA on 19 October and the WALGA Forum on the new Local Government Act on 19 October.

Cr S Hmeljak: Attended Ongerup Wildflower Display on 29 September, the Councillor and Executive Workshop on 10 October and the Gnowangerup CRC Committee Meeting on 15 October.

Cr K House: Attended the Councillor and Executive Workshop on 10 October, the LIWA Pool Manger Training at the Gnowangerup Sporting Complex on 17 October, the VROC session with Anne Banks-McAllister from WALGA on 19 October, the session with Main Roads WA on 19 October, the WALGA Forum on the new Local Government Act on 19 October, the Bushfire Advisory Committee Meeting in Ongerup on 11 October and Graham Jones' farewell in Ongerup on 21 October.

REPORTS FOR DECISION

11. COMMITTEES OF COUNCIL

**11.1 ACCEPTANCE OF MINUTES OF AUDIT COMMITTEE MEETING  
27 SEPTEMBER 2018**

**Location:** N/A  
**Proponent:** N/A  
**File Ref:** ADM0524  
**Date of Report:** 11 October 2018  
**Business Unit:** Corporate and Community Services  
**Officer:** V Fordham Lamont – Deputy CEO  
**Disclosure of Interest:** Nil

ATTACHMENTS

- Minutes of the Audit Committee meeting held on 27 September 2018 (tabled at the meeting)

PURPOSE OF THE REPORT

To resolve to accept the recommendations of the Audit Committee from its meeting of 27 September 2018.

BACKGROUND

The Audit Committee met on 27 September 2018 and made the following recommendations to Council:

1. Adopt the Audit Committee Terms of Reference as presented.
2. Note the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the Shire's systems in regards to risk management, internal control and legislative compliance under Regulation 17 of the Local Government (Audit) Regulations 1996 and refer it to Council for adoption.

COMMENTS

Nil

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995  
Section 5.22(2) Minutes of council and committee meetings

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

STRATEGIC RISK MANAGEMENT CONSIDERATIONS:

Nil

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The Audit Committee supported the Officer's recommendations and it is recommended that Council support the Audit Committee's recommendations.

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION

Moved: Cr K House

Seconded: Cr F Gaze

**1018.111 That Council:**

1. Note the minutes of the Audit Committee meeting of 27 September 2018; and
2. Accept the recommendations of the Audit Committee and:
  - Adopt the Audit Committee Terms of Reference as presented.
  - Note and adopt the reports comprising the Chief Executive Officer's review of the appropriateness and effectiveness of the Shire's systems in regards to risk management, internal control and legislative compliance under Regulation 17 of the Local Government (Audit) Regulations 1996.

**UNANIMOUSLY CARRIED: 8/0**

COUNCIL'S VISION

Gnowangerup Shire – A thriving, inclusive and growing community built on opportunity



**SHIRE OF GNOWANGERUP**

# **MINUTES**

## **Audit Committee**

**Thursday 27<sup>th</sup> September 2018**  
**Commenced at 4:35pm**

**Council Chambers**  
**28 Yougenup Road**  
**GNOWANGERUP WA 6335**



COUNCIL'S VISION

Gnowangerup Shire – A thriving, inclusive and growing community built on opportunity

Shire of Gnowangerup

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**NOTICE OF COMMITTEE MEETING OF COUNCIL**

Dear Committee Member

A meeting of the Audit Committee of the Shire of Gnowangerup will be held on Thursday 27<sup>th</sup> September 2018, in the Council Chambers, 28 Yougenup Road, Gnowangerup, commencing at 5:00 pm.

.....

S Pike

**CHIEF EXECUTIVE OFFICER**

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**Meaning of and CAUTION concerning Council's "In Principle" support:**

*When Council uses this expression it means that:*

*(a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and*

*(b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.*

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## AGENDA

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### 1. OPENING OF MEETING

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Presiding Member Keith House, welcomed Committee Members and Staff and opened the meeting at 4:35pm.

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### 2. ATTENDANCE/APOLOGIES

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#### 2.1 ATTENDANCE

Cr Keith House

Shire President

Cr Fiona Gaze

Deputy Shire President

Cr Richard House

Cr Lex Martin

Cr Frank Hmeljak

Cr Greg Stewart

Cr Shelley Hmeljak

Shelley Pike

Chief Executive Officer

Vin Fordham Lamont

Deputy Chief Executive Officer

Anrie van Zyl

Corporate Support Officer

#### 2.2 APOLOGIES

Cr Ben Moore

Cr Chris Thomas

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### 3. CONFIRMATION OF PREVIOUS MEETING MINUTES

#### 3.1 AUDIT COMMITTEE MEETING MINUTES 28<sup>th</sup> MARCH 2018

#### COMMITTEE RESOLUTION

Moved: Cr S Hmeljak

Seconded: Cr F Gaze

**AC0918.04 That the minutes from Audit Committee meeting held on 28<sup>th</sup> March 2018 be confirmed as true and correct.**

**UNANIMOUSLY CARRIED: 7/0**

#### 4. OFFICER ITEMS

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##### 4.1 SHIRE OF GNOWANGERUP AUDIT COMMITTEE TERMS OF REFERENCE

<b>Location:</b>	Shire of Gnowangerup
<b>Proponent:</b>	N/A
<b>File Ref:</b>	
<b>Date of Report:</b>	17 <sup>th</sup> July 2018
<b>Business Unit:</b>	Strategy and Governance
<b>Officer:</b>	V Fordham Lamont
<b>Disclosure of Interest:</b>	Nil

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#### ATTACHMENTS

- Draft Terms of Reference
- Department of Local Government, Sport & Cultural Industries Circular No. 02-2018
- Department of Local Government, Sport & Cultural Industries Guide to Local Government Auditing Reforms – June 2018

#### PURPOSE OF THE REPORT

For the Audit Committee to note the recent Local Government Auditing Reforms and recommend that Council adopts an updated Audit Terms of Reference, which covers the changes to Local Government (Audit) and (Financial Management) Regulations.

#### BACKGROUND

Section 7.1A. (Audit committee) of the Local Government Act 1995 states:

(1) A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.

Although the requirement for a Terms of Reference is not mandated in law, it is good governance practice that ensures the Committee's role and scope of its activity is clearly stated by Council and understood by the Committee members.

Amendments to the Local Government (Audit) and (Financial Management) Regulations were gazetted on 26 June 2018 and the Department subsequently published a circular and guide (see attached) detailing the implications of the Regulatory amendments. WALGA also advised local governments to review Audit Committee Terms of Reference to ensure alignment with the amended regulations.

#### COMMENTS

Shire officers read the attached circular and guide and then reviewed the updated *Local Government (Audit) and (Financial Management) Regulations 1996*. They then proceeded to draft a new Terms of Reference document, which includes all the functions of an audit committee as per Local Government (Audit) Regulation 16.

#### CONSULTATION

Nil

#### LEGAL AND STATUTORY REQUIREMENTS

Nil

#### POLICY IMPLICATIONS

Nil

#### FINANCIAL IMPLICATIONS

Nil

#### STRATEGIC IMPLICATIONS

Shire of Gnowangerup Strategic Community Plan 2017 -2027.

Theme 4 A Sustainable and Capable Council.

Objective 2 To have a highly skilled and effective Council that represents the best interests of the community.

Strategic Initiative 3.1 Ensure elected body has a comprehensive understanding of its roles and responsibilities.

#### RISK MANAGEMENT CONSIDERATIONS:

Primary risk category: Corporate Governance

Secondary category: Ineffective Council/Committees

#### IMPACT ON CAPACITY

Nil

#### ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

#### CONCLUSION

The Deputy CEO and CEO have discussed the draft Terms of Reference and concluded that it aligns with the recently updated *Local Government (Audit) Regulations 1996 and Local Government (Financial Management) Regulations 1996*.

#### VOTING REQUIREMENTS

Simple majority

#### OFFICERS RECOMMENDATION:

**Moved: Cr S Hmeljak**

**Seconded: Cr F Gaze**

**AC0918.05 That the Audit Committee:**

**Recommends Council adopt the Audit Committee Terms of Reference as presented.**

**UNANIMOUSLY CARRIED: 7/0**

*Heart of the Stirlings*



**SHIRE OF GNOWANGERUP**

# **AUDIT COMMITTEE**

## **TERMS OF REFERENCE**

11 July 2018

## Objectives of the Audit Committee

The primary objective of the audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

The committee is to facilitate:

- the enhancement of the credibility and objectivity of external financial reporting;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- the provision of an effective means of communication between the external auditor, the CEO and the Council.

## Powers of the Audit Committee

The Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

## Membership

The committee will consist of all elected members of Council. All members shall have full voting rights.

The CEO and employees are not members of the committee.

The CEO and senior staff attend meetings to provide advice and guidance to the committee.

The Presiding Member and Deputy Presiding Member must be elected in accordance with section 5.12 and Schedule 2.3 of the Act.

## Meetings

The committee shall meet at least quarterly.

Additional meetings shall be convened at the discretion of the Presiding Member.

## Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council and must be moved by the Presiding Member, or in his/her absence the Deputy Presiding Member, or in both their absences, any other member of the committee.

## Functions of the Audit Committee

The functions of the committee, pursuant to Reg. 16 of the *Local Government (Audit) Regulations 1996* will be to:

- a) guide and assist the local government in carrying out its functions:
  - i. under Part 6 (Financial Management) of the Act; and
  - ii. relating to other audits and other matters related to financial management;
- b) guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 (Audit) of the Act;
- c) review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to:
  - i. report to the council the results of that review; and
  - ii. give a copy of the CEO's report to the council;
- d) monitor and advise the CEO when the CEO is carrying out functions in relation to a review under
  - i. regulation 17(1); and
  - ii. the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- e) support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- f) oversee the implementation of any action that the local government:
  - i. is required to take by section 7.12A(3) of the Act; and
  - ii. has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act; and
  - iii. has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
  - iv. has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- g) perform any other function conferred on the audit committee by these regulations or another written law.





Our Ref: E1817068

TO ALL LOCAL GOVERNMENTS

CIRCULAR N<sup>o</sup> 02-2018

### **GUIDE TO LOCAL GOVERNMENT AUDITING REFORMS – JUNE 2018**

Following engagement with the sector, the Department has revised the [Guide to Local Government Auditing Reforms](#) which includes a number of amendments that affect local governments.

The amendments result from the transition of responsibility for oversight of local government audits to the Office of the Auditor General.

In September 2017, the Department provided advice in [Circular 16-2017](#) regarding proposed changes to the conduct of local government audits and financial management.

Following consultation with local government in line with the State Local Government Partnership Agreement, the proposed amendments to the *Local Government (Financial Management) Regulations 1996* and *Local Government (Audit Regulations) 1996* were revised and gazetted on Tuesday, 26 June 2018.

The key changes affecting local government are as follows:

- From 1 July 2018, an asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition is under \$5,000. CEOs must take all reasonable steps to prevent the theft or loss of non-consumable portable and attractive items valued under \$5,000.
- From 27 June 2018, local governments will be required to conduct a review of their audit systems and procedures, and their financial management systems no less than every three years. Previously local governments were required to conduct these reviews no less than every two years and four years respectively.

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- From 27 June 2018 local governments will be required to revalue an asset whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and in any event, within a period of at least 3 years but not more than 5 years after the day on which the asset was last valued or revalued.
- From 27 June 2018, the role of the audit committee has been strengthened to assist the CEO to carry out the reviews of audit systems. The Audit Committee's responsibilities have also been extended to 'monitor and advise' the CEO in reviews conducted into financial management systems and audit systems and procedures. The Audit Committee will also support the auditor as required and have functions to oversee the implementation of audit recommendations made by the auditor, which have been accepted by council; and accepted recommendations arising from reviews of local government systems and procedures.

The Guide to Local Government Auditing Reforms – June 2018 replaces the earlier guide released in September 2017 and is available on the department's website at [www.dlgsc.wa.gov.au](http://www.dlgsc.wa.gov.au).



Duncan Ord OAM  
DIRECTOR GENERAL

28 June 2018



Department of  
**Local Government, Sport  
and Cultural Industries**

# **A Guide to Local Government Auditing Reforms - June 2018**

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June 2018

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# A Guide to Local Government Auditing Reforms – June 2018

## Introduction

On 24 August 2017, amendments to the *Local Government Act 1995* were passed by State Parliament that will enable the Auditor General to audit council finances and performance.

The changes to the Act have been supported by amendments to the Local Government *Local Government (Financial Management) Regulations 1996* and *Local Government (Audit Regulations)* gazetted on Tuesday, 26 June 2018,

Unless otherwise specified, the changes to the regulations commence on 27 June 2018. Regulations 13 and 14 of the *Local Government (Financial Management) Regulations 1996* commence on 1 July 2018.

This guide has been prepared by the Department of Local Government, Sport and Cultural Industries (the Department) to inform local governments and auditors about the changes and replaces the guide published in September 2017.

## Changes to the *Local Government Act 1995* made in 2017

### **Auditor General will be responsible for financial and supplementary audits**

The reforms made in 2017 have expanded the Auditor General's scope of powers to undertake and report on local government financial audits and provide for the independent oversight of the local government sector.

The Auditor General will take over responsibility for financial audits on a transitional basis as existing audit contracts expire. From 2020-21, all local governments will be audited by the Auditor General, regardless of whether their auditing contracts have expired.

The Department has received advice that this termination requirement will not expose the State, the Director General, or local governments to any liability if audit contracts are cancelled as a result of the changes.

A local government may not appoint a person to be its auditor.

The Auditor General will be able to contract out some or all of the financial audits but all audits will be done under the supervision of the Auditor General.

As is currently the case, local governments will be responsible for meeting the costs of financial audits. The Auditor General will determine the fees for a financial audit.

The Department has published the status of each local government's audit arrangements. This will provide transparency so that members of the community are aware of whether or not the Auditor General has responsibility for a local government audit.

Amendments mean that regional subsidiaries and regional councils will be audited by the Auditor General in the same way as local governments. The Auditor General will have the power to dispense with a financial audit of a local government or regional subsidiary where the Auditor General believes this is appropriate.

The Auditor General must consult with the Minister for Local Government before exercising this power. This could be used, for example, if a regional council has ceased to operate but has not yet been wound up. If this power is exercised, the Auditor General must notify the Public Accounts Committee and the Estimates and Financial Operations Committee of Parliament.

The Auditor General must give the report on the financial audit to the Mayor / President of the local government, the CEO of the local government, and the Minister for Local Government.

### **New category of audits: performance audits**

The 2017 reforms introduced a new category of audits: performance audits. These audits examine the economy, efficiency, and effectiveness of programs and organisations, including compliance with legislative provisions and internal policies.

The new legislation gives the Auditor General the power to conduct such audits, which may focus on a particular issue or theme, such as procurement practices, and may include individual or multiple local governments and related bodies. This is in line with the approach adopted in other jurisdictions and with what applies to State Government agencies. Performance audits will be paid for by the State Government.

The Auditor General publishes its audit program on the Auditor General's website.

Performance audit reports are submitted to both Houses of Parliament for the Public Accounts Committee and the Estimates and Financial Operations Committee. The report is also provided to the relevant local governments.

### **Publication of financial reports**

Commencing with their 2017-18 annual report, local governments will be required to publish the annual report, including audit reports on the local government's official website within 14 days after the report has been accepted by the local government.

Local governments will be required to publish their annual report online regardless of who undertakes the audit.

## **Local government duties with respect to audits**

Legislation now requires local governments to examine an audit report it receives and implement appropriate action in respect to the significant matters raised.

Local governments must prepare a report addressing the significant matters identified in the report and state what action the local government has taken or intends to take. This report must be provided to the Minister within three months of receiving the audit report. Within 14 days after the local government gives the report to the Minister, the CEO must publish a copy of the report on its official website.

## **Amendments to the Local Government (Financial Management) Regulations 1996**

The following amendments to the *Local Government (Financial Management) Regulations 1996* have been made.

### **Timeframe for review of financial management systems**

Regulation 5 regarding the CEO's duties as to financial management has been amended to require the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures from no less than once in very four financial years to no less than three financial years. This change in combination with amendments to the provisions in the Audit Regulations related to reviewing auditing systems, will achieve greater consistency.

### **Timeframe for local governments to revalue assets**

Regulation 17A(4) has been amended to require a local government to revalue an asset:

- whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and
- in any event, within a period of at least 3 years but not more than 5 years after the day on which the asset was last valued or revalued.

These changes have been introduced to achieve greater consistency with the Australian Accounting Standards.

### **Assets values under \$5,000**

Amendments to Regulation 17A excludes assets valued under \$5,000. This regulation commences on 1 July 2018.



Regulation 17B requires the CEO to take steps to protect excluded portable and attractive assets. This regulation requires a CEO to take all reasonable steps to prevent the theft or loss of non-consumable assets that are susceptible to theft or loss due to their portable nature and attractiveness for personal use or resale.

The language of this requirement is consistent with State Government requirements contained in Treasurer's Instruction 410 Record of Assets and has been revised following consultation with the local government sector.

A property register for portable and attractive items may be an appropriate means to properly record portable and attractive assets. The steps necessary to protect portable and attractive assets are a decision for each local government CEO.

### **Terminology**

Amendments to the terminology used in the *Local Government (Financial Management) Regulation 1996* have been made to achieve consistency with the Australian Accounting Standards:

1. the statement from the CEO specified in Schedule 2 Form 1 has been modified replacing the part that states that annual financial report is in the opinion of the CEO properly drawn, with a statement that the annual financial report is 'based on proper accounts and records.'
2. clarification that the annual financial report complies with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

## **Amendments to the Local Government (Audit) Regulations 1996**

### **Role of the Audit Committee**

With the transfer of auditing to the Auditor General, local government Audit Committees will have a new and important role.

The role of the Audit Committee has been amended so that the Audit Committee has greater involvement in assisting the CEO to carry out the review under Regulation 17 of the Audit Regulations of systems and procedures concerning risk management, internal control, and legislative compliance. The Audit Committee is empowered to 'monitor and advise' the CEO in reviews of certain systems prescribed by the audit and financial management regulations. The terms 'monitor and advise' have been selected following consultation with the sector.

The reforms are intended to help CEOs formulate recommendations to council to address issues identified in the reviews.

The Audit Committee will also support the auditor as required and have functions to oversee:

- the implementation of audit recommendations made by the auditor, which have been accepted by council; and
- accepted recommendations arising from reviews of local government systems and procedures.

These roles reflect the importance of the Audit Committee as a section of council charged with specific responsibilities to scrutinise performance and financial management. The regulations continue to allow for external membership of Audit Committees. Councils are encouraged to consider inviting appropriate people with expertise in financial management and audit to be members of their Audit Committee.

### **Role of the council assisting the auditor**

Local governments are required to provide the auditor with a copy of their Strategic Community Plan, Corporate Business Plan or another plan or informing strategy. The powers to request documentation are consistent with the Auditor General's powers to request information of State Government agencies when conducting audits.

### **Timeframe for reviewing audit systems and procedures**

An amendment to Regulation 17(2) requires the CEO to undertake a review of audit systems and procedures no less than once in every three financial years. This change will introduce consistency in CEO responsibilities to review financial management and audit systems and procedures in a timely manner.

### **Compliance Audit Return**

Questions regarding the adoption of Integrated Planning and Reporting documents have been included as fields in the Compliance Audit Return.

### **Terminology**

The following amendments for the terminology used in the Audit Regulations have been made:

- references to Executive Director have been replaced by Departmental CEO to reflect Machinery of Government changes; and
- references to the conduct of audits in regulation 9 have been updated to reflect language used in the Australian Accounting Standards.

## For more information, please contact:

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## **4.2 LOCAL GOVERNMENT (AUDIT) REGULATION 17 REVIEW**

<b>Location:</b>	Shire of Gnowangerup
<b>Proponent:</b>	N/A
<b>File Ref:</b>	
<b>Date of Report:</b>	25 <sup>th</sup> June 2018
<b>Business Unit:</b>	Strategy and Governance
<b>Officer:</b>	V Fordham Lamont
<b>Disclosure of Interest:</b>	Nil

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### ATTACHMENTS

- LGIS Review of Risk Management - Appropriateness & Effectiveness
- Darren Long Consulting Review of Legislative Compliance and Internal Controls

### PURPOSE OF THE REPORT

For the Audit Committee to note the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the Shire's systems in regard to risk management, internal control and legislative compliance pursuant to Regulation 17 of the Local Government (Audit) Regulations 1996 and refer it to Council for adoption.

### BACKGROUND

Regulation 17(1) requires the Chief Executive Officer (CEO) of a local government to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- (a) Risk management;
- (b) Internal control; and
- (c) Legislative compliance.

Regulation 17(2) states that the review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.

The previous review was conducted internally in 2016 and Officers decided that it was appropriate to have the review undertaken externally in 2018. Darren Long Consulting was asked to carry out the review in relation to internal control and legislative compliance while LGIS agreed to review risk management.

### COMMENTS

Darren Long's report summary was that:

"The review of the Legislative Compliance and Internal Control mechanisms developed by the Shire of Gnowangerup indicates that, except for those matters identified in the findings and recommendations section of this report, they are appropriate and effective for the particular operations and size of the local government."

The report summary from LGIS stated:

"Notwithstanding the recommendations in this report, the Shire's risk management systems and procedures are considered appropriate and effective for the size, scale and resourcing constraints of the Shire."

A large number of recommendations were made in the two reports and it is management's philosophy to action as many of those recommendations as resources allow with the following conditions:

- only those recommendations that will result in compliance breaches if not actioned; and
- only those recommendations that will result in appropriate and effective systems for the Shire.

Refer to the attached reports to view all the individual recommendations.

#### CONSULTATION

N/A

#### LEGAL AND STATUTORY REQUIREMENTS

Local Government (Audit) Regulations 1996

- Reg 16(c);
- Reg 17

#### POLICY IMPLICATIONS

2.11 Risk Management Policy

2.14 Business Continuity Management Policy

#### FINANCIAL IMPLICATIONS

Nil. All recommendations will be actioned in-house except for those which will be included in the 2018/19 budget.

#### STRATEGIC IMPLICATIONS

Shire of Gnowangerup Strategic Community Plan 2017 -2027

Theme 4 A Sustainable and Capable Council

Objective 3 Improve the capability and capacity of the Shire

Strategic Initiative 3.1 Improve organisational systems with a focus on innovative solutions

#### RISK MANAGEMENT CONSIDERATIONS:

The high-level recommendations from this review cover:

- Governance – Review and consolidation of the Risk Management Framework to remove duplication and allow a more flexible approach to incorporate all risk context areas. Provide the Audit Committee with regular 'risk reports' to support their oversight responsibilities in regards to risk management.
- Risk Profiling – Consolidate the existing operational risks with the view to reducing profile numbers whilst maintaining the spectrum. Ensure the capture of identified strategic and project risks into the existing reporting format to enhance a holistic approach to risk management.

#### IMPACT ON CAPACITY

There are a large number of recommendations in the two reports. Some degree of Officer's time will be required to action these recommendations. Having said that, many of the recommendations relate to the development of policies and these will be done as part of the Review of Policies/Procedures in 2018/2019.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

N/A

CONCLUSION

The CEO has discussed the two reports with the Executive Management Team, and Officers have been advised to work through the recommendations to improve the Shire's systems in regards to risk management, internal control and legislative compliance.

VOTING REQUIREMENTS

Simple majority

OFFICERS RECOMMENDATION:

**Moved: Cr R House**

**Seconded: Cr F Hmeljak**

**AC0918.06 That the Audit Committee:**

**Note the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the Shire's systems in regards to risk management, internal control and legislative compliance under Regulation 17 of the Local Government (Audit) Regulations 1996 and refer it to Council for adoption.**

**UNANIMOUSLY CARRIED: 7/0**



# Review of Legislative Compliance and Internal Controls 2018

*Heart of the Stirlings*



SHIRE OF GNOWANGERUP

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## EXECUTIVE SUMMARY

### Introduction

Pursuant to Regulation 17(1) of the *Local Government (Audit) Regulations 1996*, the Chief Executive Officer (CEO) of a local government is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- (a) Risk management;
- (b) Internal control; and
- (c) Legislative compliance.

Regulation 17(2) states that the review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.

In addition, Regulation 17(3) requires the CEO to report to the audit committee the results of that review.

The Department of Local Government, Sport and Cultural Industries provides guidance for the areas that should be considered for this review in Operational Guideline No. 9 (Appendix 3).

The Shire of Gnowangerup appointed Darren Long Consulting to undertake a review of the local government's internal control and legislative compliance systems and procedures, as required by regulation 17(1) of the *Local Government (Audit) Regulations 1996* and report as to their appropriateness and effectiveness.

### Purpose Of Legislative Compliance And Internal Control Systems

The compliance programs of a local government are a strong indication of attitude towards meeting legislative compliance.

Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

### Review Context

Understanding risk appetite and tolerance is important, as they assist in determining the level of risk the local government is willing to accept and pursue in attaining its goals and objectives.

***Risk appetite*** is the amount of risk a local government is willing to accept or retain in order to achieve its objectives.

Risk appetite is usually expressed in a form of a statement and are aligned to categories of risk. Risk appetite statements will have a different look and feel based on a local government's internal and external context (influences).

**Risk tolerance** is the levels of risk taking acceptable to achieve a specific objective or manage a category of risk.

Risk tolerance “represents the practical application of risk appetite and is typically aligned to categories of risk such as strategy, financial, people or reputation”<sup>1</sup>.

**Risk culture** is the norms, traditions and behaviours of individuals and groups within the local government that determine the way in which they identify, understand, discuss and act on the risks the local government confronts and takes.

Being a public body, there is an expectation that the Shire’s risk appetite for legislative non-compliance will be very low, to protect the entity’s reputation and to guard against misappropriate or loss of public monies.

The Shire’s risk appetite when reviewing its service delivery, health, safety, environmental and financial management is considered to be ‘low to moderate’, requiring treatment with sound internal controls. Strategic and project based initiatives will require individual assessment, and where considered to be ‘high or extreme’, additional controls will be required to reduce the risk level. These additional controls will need continual monitoring and evaluation to confirm they are effective.

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## Findings

Key findings arising from the Legislative Compliance and Internal Control Review are as follows:

### Internal Monitoring of Compliance with Legislation and Regulations

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- (1) The implementation of a compliance checklist would reinforce that all statutory requirements have been met for compliance items identified on the Annual Compliance Calendar.
- (2) Regular reviews of *Government Gazettes* would provide an additional control mechanism for monitoring changes to legislation that may affect the local government operationally and strategically.
- (3) The incorporation of the compliance obligations under the Water Service Act, Regulations and Licence into the existing Annual Compliance Calendar would provide appropriate control mechanisms, ensuring obligations are reviewed on a regular basis and compliance timeframes are met.

### Annual Compliance Audit Return and Reporting to Council the Results of that Review

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- (4) The implementation of a compliance checklist to complement the Annual Compliance Calendar would provide a certain level of comfort that all statutory requirements are being met.

<sup>1</sup> Australian Government Department of Finance – Risk Management Policy, 2016.

## Staying Informed About How Management is Monitoring the Effectiveness of its Compliance and Making Recommendations for Change as Necessary

---

- (5) Clause 2.3(l) of the Terms of Reference of the Audit Committee requires the Committee to meet at least quarterly.
- (6) The local government should consider reviewing the Terms of Reference for the Audit Committee and remove references to functions not performed, such as internal audit.
- (7) The local government does not have an Internal Control Policy
- (8) The local government does not have a Legislative Compliance Policy
- (9) It would be helpful for all Council Policies to contain an objective, so there is clear understanding of the intent of the policy.
- (10) All policies should be reviewed to ensure they meet obligations under legislation and/or contain a policy framework that provide clear guidance to staff. For example, the local governments' Purchasing Policy should be reviewed to ensure the requirements under Regulation 11A of the *Local Government (Functions and General) Regulations 1996* are contained within the policy.
- (11) Some procedure manuals could be enhanced with additional screenshots to provide users with visual prompts on how to perform the procedure.
- (12) Process maps have not been prepared for any processes/procedures.

## Review Whether the Local Government has Procedures for it to Receive, Retain and Treat Complaints, Including Confidential and Anonymous Employee Complaints

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- (13) The local government does not have a formal complaints procedure.
- (14) The local government does not have a procedure that deals with confidential and anonymous employee complaints.
- (15) The local government does not have an internal procedure relating to Public Interest Disclosures, as required by the Public Interest Disclosures (PID) Act.
- (16) The local government does not have a procedure to handle complaints about elected member official conduct matters.

## Review Whether External Auditors have regard to Compliance and Ethics Risks in the Development of Their Audit Plan and in the Conduct of Audit Projects, and Report Compliance and Ethics issues to the Audit Committee

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- (17) An external audit plan is not prepared each year and provided to the local government.

## Assess the Local Governments' Compliance Framework Dealing with Relevant External Legislation and Regulatory Requirements

---

- (18) The local government does not have a Governance Manual.
- (19) The Annual Compliance Calendar does not address any of the compliance requirements relating to the Water Services Act, Water Services Regulations and the Water Services Operating Licence conditions for the Ongerup Effluent System.
- (20) The regular use of business plans for key activities and major projects will assist identify compliance requirements, development of risk profiles and financial modelling risks.

## Review Audit Committee's Processes and Procedures Regarding Compliance with Legislation and Regulatory Requirements Imposed on Members Including Not Misusing Their Position to Gain an Advantage for themselves or another, or Cause Detriment to the Local Government, and Disclosing Conflicts of Interest

---

- (21) The local government does not have a Governance Manual.

## Limit of Direct Physical Access to Assets and Records

---

- (22) The local government does not have an IT Security Policy and Procedure.
- (23) There is a weakness in IT security protocols that provides any user with direct access to electronic records via a network drive in a Remote Session, without the need to utilise the SynergySoft interface.
- (24) The control mechanism of recording the checking out of physical files on a whiteboard is considered a weakness as it is not a permanent record. It removes the accountability to trace the last officer who accessed and removed the physical file from the filing system.
- (25) To reduce risk of unencumbered access to IT hardware, it is suggested that the IT hardware cabinet be locked, with keys being held by the local governments' IT administrator.

## Control of Computer Applications and Information Systems Standards

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- (26) The local government does not have an IT Security Policy and Procedure.
- (27) There is a weakness in IT security protocols that provides any user with direct access to files and folders via a network drive in a Remote Session.
- (28) The local government does not have an IT Disaster Recovery Plan.
- (29) The local government does not undertake annual full system restores to test whether the back-up regime is working, and full system recovery can be achieved.

## Limit Access to Make Changes in Data Files and Systems

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- (30) There is a weakness in IT security protocols that provides any user with direct access to files and folders via a network drive in a Remote Session.

## Regular Maintenance and Review of Financial Control Accounts and Trail Balance

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- (31) An ageing profile report for Rates is not run at the end of each month.

## Report, Review and Approval of Financial Payments and Reconciliations

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- (32) It is suggested the Accounts Payable procedure also document the matching process of the purchase order with the supplier invoice; ensure the proper number of quotations have been received; and a check is performed on the approval threshold for purchase orders.
- (33) The inclusion of screenshots of data entry screens may assist a user that is not familiar with the Accounts Payable process.

## Comparison of the Result of Physical Cash and Inventory Counts with Accounting Records

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- (34) It may be helpful to include in the Customer Services Officer Procedure Manual, under cash receipting, the practice of another staff member verifying the cash float and cash takings for the day, including counter-signing the receipting reports.
- (35) The library should issue approved receipts for any cash collected so there is an audit trail of how much cash was received, from whom, on what date and for what purpose.
- (36) A daily takings reconciliation worksheet should be completed by the library so there is a clear audit trail of the cash takings received on any day.
- (37) The introduction of a daily takings reconciliation worksheet for the swimming pool, and reconciliation of cash float in the cash register, are appropriate internal control measures that should be implemented.
- (38) The local government should consider recording sales from the vending machine based on stock replenishment figures, either daily or weekly, and use this as the basis for performing a reconciliation of cash takings collected.
- (39) It is suggested the weekly fuel issues worksheet be amended so that meter readings can be recorded after each fuel issue. This will allow the tracking of the meter reading to the actual litres of fuel issued and allow comparison to the closing fuel dip. This will allow any erroneous readings to be identified.

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## Recommendations

As a result of the findings, the following improvement recommendations are made:

- (1) That the CEO consider the implementation of a compliance checklist detailing the statutory obligations to be met for the compliance items identified on the Annual Compliance Calendar.
- (2) That the CEO consider instituting regular reviews of *Government Gazettes* to monitor for changes to legislation that may affect the local government operationally and strategically.

- (3) That the CEO consider amending the Compliance Calendar to incorporate the compliance requirements relating to the Water Services Act, the Water Services Regulations and the Water Services Operating Licence Conditions for the Ongerup Effluent System.
- (4) That the CEO consider undertaking a review of the Audit Committee Terms of Reference and ensure that quarterly meetings are held in accordance with clause 2.3(l) of the Terms of Reference.
- (5) That the CEO consider implementing an Internal Control Policy.
- (6) That the CEO consider implementing a Legislative Compliance Policy.
- (7) That the CEO consider undertaking a review of the Policy Manual so that:
  - (a) Each Policy contains an objective so that the intent of the policy is clear; and
  - (b) Each policy meets the obligations under legislation or contains a policy framework that provides clear guidance to staff.
- (8) That the CEO consider updating internal procedure manuals with additional screenshots to provide users with visual prompts on how to perform the procedures.
- (9) That the CEO consider process mapping procedures to assist visual interpretation and to identify weaknesses in internal controls.
- (10) That the CEO consider implementing a formal complaints procedure, which also addresses confidential and anonymous employee complaints.
- (11) That the CEO implement an internal procedure that meets the requirements of the Public Interest Disclosures Act.
- (12) That the CEO consider implementing a procedure that details the process of handling complaints about elected members under the Official Conduct Rules.
- (13) That the CEO consider implementing a Governance Manual that provides sound guidance on the corporate governance framework that applies to the local government.
- (14) That the CEO consider implementing an IT Security Policy and an IT Security Procedure.
- (15) That the CEO hold discussions with the external IT provider to identify a resolution to the weakness in the IT security protocols relating to networked drives in a Remote Session.
- (16) That the CEO consider reviewing the procedure and protocols for checking out physical record files from the secure storage room.
- (17) That the CEO direct that the IT hardware cabinet be locked, and access keys remain with the local governments' IT administrator.
- (18) That the CEO consider implementing an IT Disaster Recovery Plan that contains annual disaster recovery tests of full system restores.
- (19) That the CEO consider implementing an internal procedure to ensure that an ageing profile report for Rates be run each month.



- (20) That the CEO consider updating the Accounts Payable internal procedure, so it addresses the full process from initiation to completion, including the insertion of relevant screenshots to provide users with visual prompts on how to perform the procedure.
- (21) That the CEO consider updating the cash receipting internal procedure so that it includes the practice of another staff member verifying the cash float and the cash takings for the day.
- (22) That the CEO implement the use of an approved tax receipt being issued at the library for any cash collected so there is an audit trail of the amount of cash received, from whom it was received, on what date it was received and for what purpose it was received.
- (23) That the CEO consider implementing a daily takings worksheet at the library to account for any cash collected on a daily basis.
- (24) That the CEO consider implementing a daily takings worksheet for the swimming pool to record daily attendances, and to reconcile the cash float in the cash register and the daily cash takings received from pool entry fees.
- (25) That the CEO consider implementing a vending machine sales reconciliation worksheet, based on stock replenishment figures, which can be used as the basis for performing a reconciliation of cash takings collected, and that two people be present when cash is removed from the vending machine.
- (26) That the CEO consider implementing amendments to the fuel issues worksheet so that bowser meter readings can be recorded along with each fuel issue undertaken.

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## Opinion

The review of the Legislative Compliance and Internal Control mechanisms developed by the Shire of Gnowangerup indicates that, except for those matters identified in the findings and recommendations section of this report, they are appropriate and effective for the particular operations and size of the local government.

## 1.0 INTRODUCTION

### 1.1 BACKGROUND

Pursuant to Regulation 17(1) of the *Local Government (Audit) Regulations 1996*, the Chief Executive Officer (CEO) of a local government is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- (d) Risk management;
- (e) Internal control; and
- (f) Legislative compliance.

Regulation 17(2) states that the review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.

In addition, Regulation 17(3) requires the CEO to report to the audit committee the results of that review.

The Department of Local Government, Sport and Cultural Industries provides guidance for the areas that should be considered for this review in Operational Guideline No. 9 (Appendix 3).

### 1.2 PURPOSE OF REPORT

The Shire of Gnowangerup appointed Darren Long Consulting to undertake a review of the local government's internal control and legislative compliance systems and procedures, as required by regulation 17(1) of the *Local Government (Audit) Regulations 1996* and report as to their appropriateness and effectiveness.

### 1.3 METHODOLOGY

The methodology adopted to undertake the Internal Controls and Legislative Compliance Review and prepare this report included:

- (1) Introduction
- (2) Purpose of Internal Controls and Legislative Compliance Systems
- (3) Review Context
- (4) Legislative Compliance
- (5) Internal Controls
- (6) Findings
- (7) Recommendations
- (8) Opinion

## 2.0 PURPOSE OF LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS SYSTEMS

### 2.1 LEGISLATIVE COMPLIANCE SYSTEMS

The compliance programs of a local government are a strong indication of attitude towards meeting legislative compliance. Practices in regard to monitoring compliance programs typically include:

- Assess internal monitoring of compliance with legislation and regulations;
- Assess completion of annual Compliance Audit Return and the reporting of the results of the review to the Audit Committee and Council;
- Assess how Audit Committee is kept informed about how management is monitoring the effectiveness of its compliance and making recommendations for change as necessary;
- Review whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;
- Review internal processes as to how management identifies adverse trends and how management plans to deal with these;
- Review management disclosures in financial reports of the effect of significant compliance issues;
- Assess whether the external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the Audit Committee;
- Assess local government's compliance framework dealing with relevant external legislation and regulatory requirements;
- Review Audit Committee's processes and procedures regarding compliance with legislation and regulatory requirements imposed on members, including not misusing their position to gain an advantage for themselves or another or cause detriment to the local government and disclosing conflicts of interest.

### 2.2 INTERNAL CONTROL SYSTEMS

Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government. Aspects of an effective control framework will include:

- Separation and segregation of roles and functions, processing and authorisation;
- Control of approval of documents, letters and financial records;
- Management internal reviews of comparison of internal data with external sources of information;
- Limits of direct physical access to assets and records;
- Security controls in regard to computer applications and information system standards;

- Security controls to limit changes in data files and systems;
- Whether maintenance and review of financial control accounts and trial balances is regular and appropriate;
- Whether comparison and analysis of financial results with budgeted amounts is appropriate;
- Whether reviews of arithmetical accuracy and context of records are regular and appropriate;
- Whether control and approval of financial payments and reconciliations is appropriate;
- Whether comparison of physical cash and inventory counts with accounting records is appropriate.

## 3.0 REVIEW CONTEXT

### 3.1 RISK APPETITE AND TOLERANCE

Understanding risk appetite and tolerance is important, as they assist in determining the level of risk the local government is willing to accept and pursue in attaining its goals and objectives.

**Risk appetite** is the amount of risk a local government is willing to accept or retain in order to achieve its objectives.

Risk appetite is usually expressed in a form of a statement and are aligned to categories of risk. Risk appetite statements will have a different look and feel based on a local government's internal and external context (influences).

**Risk tolerance** is the levels of risk taking acceptable to achieve a specific objective or manage a category of risk.

Risk tolerance “represents the practical application of risk appetite and is typically aligned to categories of risk such as strategy, financial, people or reputation”<sup>2</sup>.

**Risk culture** is the norms, traditions and behaviours of individuals and groups within the local government that determine the way in which the identify, understand, discuss and act on the risks the local government confronts and takes.

As highlighted in the 2018 Risk Management Report prepared by LGIS:

*Currently the Shire does not have a formal risk appetite or tolerance guidance statement. As this would require Council approval the development of this statement should be delayed until the Framework has matured further and the Audit Committee has had an opportunity to become more involved in the risk process. At this point, ‘tolerance’ is driven by the Shire’s risk acceptance criteria at an operational level and the Council’s appetite on specific areas or proposals (at the time of decision). The Shire’s risk acceptance criteria is as follows:*

Shire of Gnowangerup Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Director / CEO
EXTREME (20-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

<sup>2</sup> Australian Government Department of Finance – Risk Management Policy, 2016.

Being a public body, there is an expectation that the Shire’s risk appetite for legislative non-compliance will be very low, to protect the entity’s reputation and to guard against misappropriate or loss of public monies.

The Shire’s risk appetite when reviewing its service delivery, health, safety, environmental and financial management is considered to be ‘low to moderate’, requiring treatment with sound internal controls. Strategic and project based initiatives will require individual assessment, and where considered to be ‘high or extreme’, additional controls will be required to reduce the risk level. These additional controls will need continual monitoring and evaluation to confirm they are effective.

### 3.2 INTERNAL AND EXTERNAL CONTEXT

Evaluating and understanding the internal and external context the Shire of Gnowangerup operates within is essential, as they impact on the level of integration of risk management into the entity, and therefore can impact on the legislative compliance and the internal control environments implemented.

The internal and external context are detailed below:

Internal Context	External Context
The objectives and strategies contained in the Shire’s Strategic Community Plan	Increasing compliance requirements
The implementation actions and their timing in the Shire’s Corporate Business Plan	Cost shifting and devolution of services by Commonwealth and State Governments
The existing local government structure, size, location, functions and activities	Continual decline in external grant funding for operational activities and capital infrastructure
The current human and financial resources of the local government	Changing community expectations regarding service delivery and service levels
The ageing workforce of the local government	Local labour shortage
	Insufficient quality housing available locally

## 4.0 LEGISLATIVE COMPLIANCE SYSTEMS

### 4.1 INTERNAL MONITORING OF COMPLIANCE WITH LEGISLATION AND REGULATIONS

Key aspects assessed include:

#### 4.1.1 Management has implemented a compliance calendar and/or compliance checklist to ensure staff are aware of statutory compliance requirements, their timeframes and due dates.

##### Comments

The Shire has implemented an annual compliance calendar that it utilises to ensure staff are aware of key compliance requirements under a range of legislation. The annual compliance calendar is reviewed at each Management and Executive meeting (Manex), with critical compliance dates listed for the coming months. The process owner of the compliance activity is identified, along with the applicable Act/Regulation section/clause and schedule frequency.

This provides a sound control mechanism for ensuring compliance requirements are considered and evaluated on an on-going basis.

##### Findings

- (a) The implementation of a compliance checklist would reinforce the statutory requirements have been met for compliance items identified on the compliance calendar.

#### 4.1.2 Management reviews Government Gazettes and monitors circulars from the Department of Local Government, Sport and Cultural Industries for changes to legislation

##### Comments

The Deputy CEO monitors all Department of Local Government, Sport and Cultural industries circulars for notifications of changes to legislation that may impact on the Shire.

The Parliamentary Counsel's Office within the Department of Justice is the editor and publisher of the Government Gazette. The Government Gazette contains statutory and other notices that are required by law and Government authority to be published in the Gazette, including official publications required under enactments such as Acts, regulations, rules and by-laws. It is a rich source of information on changes to Acts of Parliament, and regulation amendments/changes, which may impact on local government.

Government Gazette publications are not currently monitored for amendments/changes to legislation that may have an impact on the local government's operations.

### Findings

- (a) Regular reviews of Government Gazettes would provide an additional control mechanism for monitoring changes to legislation that may affect the local government operationally and strategically.

#### **4.1.3 Management monitors compliance with Water Services Licence operating conditions, reviews biennial audit report and addresses adverse findings**

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### Comment

The local government is required under its' Water Service Licence for the Ongerup Limited Waste Water and Effluent Scheme to submit to an operational audit and an asset management system review every 24 months.

The objective of the operational audit is to assess the local government's level of compliance with the conditions of its licence.

The objective of the asset management system review is to provide the Economic Regulation Authority (ERA) with an independent opinion on whether or not the Shire has in place the appropriate systems for the planning, construction, operation and maintenance of its water services assets.

The draft audit report, which is currently subject to review, details a range of non-compliance items. There is currently no control mechanism for monitoring compliance with the obligations under the Water Service Licence issued and the associated legislative requirements.

### Findings

- (a) Appropriate control mechanisms could be achieved through the incorporation of the compliance obligations under the Water Service Licence and associated legislation into the existing Compliance Calendar. This would ensure that obligations are reviewed on a regular basis by management, as well as ensuring compliance timeframes are met.

#### **4.1.4 Management reviews agenda report template to ensure a contemporary format is used that ensures legislative compliance is one of the key headings to be addressed.**

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### Comment

The local government's existing Agenda Report template contains headings for legal and statutory requirements, ensuring relevant implications are reported and evaluated for any matter of business presented to Council for consideration.

### Findings

- (a) Current control mechanisms are considered appropriate.



**4.1.5 The local government holds Management & Executive team (Manex) meetings on a regular basis to discuss matters of strategic and operational importance. This includes compliance issues with the potential to significantly impact on business operations.**

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Comment

The Manex meetings are held on a regular basis (fortnightly), with a clearly structured agenda. Compliance items that have the potential for significant impact are listed on the agenda and discussed.

Findings

- (a) The structure and frequency of Manex meetings as a control mechanism are considered appropriate.

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**4.2 ANNUAL COMPLIANCE AUDIT RETURN AND REPORTING TO COUNCIL  
THE RESULTS OF THAT REVIEW**

Key aspects reviewed include:

**4.2.1 The Compliance Audit Return is completed on an annual basis and is submitted in accordance with the Local Government Act 1995 and associated Regulations. Comprehensive workpapers are compiled containing evidence of compliance with each of the legislative requirements.**

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Comments

The 2016 Compliance Audit Return was completed in February 2017 and submitted to the Audit Committee Meeting and the Ordinary Council Meeting, both held on 15 February 2017.

Non-compliance issues identified in the 2016 Compliance Audit Return include:

- (a) Item 10 of the Disclosure of Interests section, relating to keeping a Register of Financial Interests disclosed under Sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.

The 2017 Compliance Audit Return was completed on 16 March 2018 and is due to be submitted to the March 2018 Audit Committee and Council meetings. Non-compliance issues identified in the 2017 Compliance Audit Return include:

- (a) Item 9 of the Disclosure of Interests section, relating to keeping a Register of Financial Interests which contained the returns lodged under Sections 5.75 and 5.76.
- (b) Item 1 of the Tender for Providing Goods and Services section, relating to the obligation on the local government to invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the *Local Government (Functions & General) Regulations 1996*.

A public tender process was not conducted for the appointment of a Project Manager in relation to WANDRRA flood damage works.

#### Findings

- (a) The implementation of a compliance checklist to complement the Compliance Calendar would provide a certain level of comfort that the statutory requirements are being met.

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### 4.3 STAYING INFORMED ABOUT HOW MANAGEMENT IS MONITORING THE EFFECTIVENESS OF ITS COMPLIANCE AND MAKING RECOMMENDATIONS FOR CHANGE AS NECESSARY

Key aspects reviewed include:

#### 4.3.1 The local government has an audit committee that is responsible for reviewing the audit function, including legislative compliance requirements from a financial perspective, and monitoring enterprise financial risks.

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#### Comment

Audit Committee meetings were held 3 times during the 2016-17 financial year to deal with legislative responsibilities under the *Local Government Act 1995* and associated Regulations. Department of Local Government, Sport and Cultural Industries (DLGSC) Operational Guideline No. 9 recommends meetings should be conducted at least quarterly.

The local government has adopted a Terms of Reference for the Audit Committee, clearly establishing the Objectives of the Committee, its membership, meeting frequency, reporting, and duties and responsibilities.

#### Findings

- (a) Clause 2.3(l) of the Terms of Reference for the Audit Committee requires the Committee to meet at least quarterly.
- (b) The local government should consider reviewing the Terms of Reference for the Audit Committee and remove references to functions not performed, such as internal audit.

#### 4.3.2 The local government has Integrated Planning Documents that guide the strategic direction of Council, provide implementation and action plans, and identify asset, financial and human resourcing requirements.

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#### Comment

The local government has recently adopted a new Strategic Community Plan for the period 2017-2027 containing six key result areas:

- (i) Sustainable Business Growth
- (ii) The Natural Environment

- (iii) Our Community
- (iv) A Sustainable and Capable Community
- (v) Financial Sustainability
- (vi) Quality Built Form

The Shire adopted its Corporate Business Plan in 2017, which covers the years from 2017/18 – 2020/21.

The local government has an up-to-date Long Term Financial Plan (LTFP) and is currently reviewing its informing strategies for Asset Management and Workforce Planning.

#### Findings

- (a) The informing strategies for Asset Management and Workforce Planning are in draft format and are due to be finalised in the coming months.

#### **4.3.3 The local government reviews policies on a regular basis, at least biennially, and changes to legislation are considered and incorporated during the review process**

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#### Comment

The local government has a Policy Manual, which contains policies adopted by the Council that provide a framework for officers to work within. The Manual classifies Policies into the categories of:

- (i) Corporate and Community Development;
- (ii) Strategy and Governance;
- (iii) Human Resource and Communication;
- (iv) Finance; and
- (v) Infrastructure, Environment and Asset Management

The Policy Manual was last reviewed in 2018.

#### Findings

- (a) An Internal Control Policy does not exist that details the local governments' commitment to internal controls.
- (b) A Legislative Compliance Policy does not exist that details the local governments' commitment to legislative compliance.
- (c) It would be helpful for all Policies to contain an Objective, so that there is clear understanding of the intent of the Policy.
- (d) All Policies should be reviewed to ensure they meet obligations required under legislation and/or contain a policy framework that provide clear guidance to staff. For example, the local government's Purchasing Policy should be reviewed to ensure the

requirements under Regulation 11A of the *Local Government (Functions and General) Regulations 1996* are contained within the Policy.

#### 4.3.4 The local government reviews procedures and internal processes regularly, and changes to legislative requirements are considered and incorporated during the review process

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##### Comment

Documented procedures provide a consistent approach to how processes are undertaken and allow for key controls to be identified. Once documented, procedures require constant monitoring for compliance and effectiveness.

The local government has a well-documented procedures manual for the Senior Finance Officer, Finance Officer, Customer Service Officer and Executive Assistant positions. The procedures could be enhanced with some additional screen-shots so that users have some visual prompts to identify they are in the correct software program, or section of the software program. Alternatively, where the Procedure Manuals refer to Synergy, reference could be made to the relevant SynergySoft manual for further guidance.

A procedure manual is currently being prepared for the Corporate Support Officer position.

Process maps, or flow-charts, create a visual representation of a process/procedure and clearly identify key internal control points and responsibility.

Process maps are yet to be prepared for any processes/procedures.

##### Findings

- (a) Some Procedure Manuals could be enhanced with additional screenshots to provide users with visual prompts on how to perform processes.
- (b) A procedure manual is currently being prepared for the Corporate Support Officer position.
- (c) Process maps have not been prepared for any processes/procedures.

#### 4.3.5 The local government has authorised persons to carry out some of its discretionary functions under its legislative obligations and delegated authority to do the same. The Delegations Register is reviewed on an annual basis, and authorisations are reviewed when changes to legislation are identified. Delegations are included in the Compliance Calendar and reviewed accordingly.

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##### Comments

The local government has a Delegations Register in place that lists all of the powers and functions delegated to the Chief Executive Officer (CEO), and also lists those powers and functions sub-delegated by the CEO, where the head of power for sub-delegation exists. The Delegations Register was last reviewed on 22 March 2017 and is due for review in March 2018.

The Delegations Register makes reference to a Schedule of Authorisations and the appointment of Authorised Persons. The Schedule of Authorisations and List of Authorised Persons is currently under review.

#### Findings

- (a) The Delegations Register, and the systems and process for recording delegations, is considered appropriate.
- (b) The Delegations Register is due for review in March 2018.
- (c) The Schedule of Authorisations and List of Authorised Persons is currently under review.

#### **4.4 REVIEW WHETHER THE LOCAL GOVERNMENT HAS PROCEDURES FOR IT TO RECEIVE, RETAIN, AND TREAT COMPLAINTS, INCLUDING CONFIDENTIAL AND ANONYMOUS EMPLOYEE COMPLAINTS**

Key aspects assessed include:

**4.4.1 The local government has a Customer Services Charter that details the steps the local government will follow when dealing with a complaint. The Charter sets out the standards of service, compliments, enquiries, requests and complaints. The local government has a Customer Services Policy that provides guidance to staff and customers on the standards of service**

#### Comments

The local government has a Customer Service Charter that was last reviewed in 2015. The Charter sets out what a complaint is, how a complaint will be handled, and the standards of service that a customer can expect.

The local government has a Customer Services Policy that has the objective of facilitating consistent standards of service delivery across Council and to provide a mechanism whereby compliments and complaints may be received and processed. A complaints form has been implemented.

A formal complaints procedure is yet to be prepared. The Customer Services Officer Procedure Manual does make reference to complaints handling and the steps involved.

The local government is yet to develop a Procedure that deals with confidential and anonymous employee complaints.

#### Findings

- (a) The local government does not have a formal complaints procedure.
- (b) The local government does not have a procedure that deals with confidential and anonymous employee complaints.

#### 4.4.2 The local government has a grievance policy and procedure for the investigation and resolution of grievances, disputes and allegations of serious misconduct are managed.

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##### Comments

The local government has a grievance policy and a grievance procedure to investigate, manage and resolve grievances, disputes and allegations of serious misconduct.

##### Findings

- (a) Current grievance Policy and Procedures, including systems, processes and control mechanisms are considered appropriate.

#### 4.4.3 The local government has appointed a Public Interest Disclosure (PID) Officer to handle any PID complaint in a confidential manner, and has implemented internal procedures relating to the local governments obligations under the PID Act

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##### Comments

The local government has nominated the Chief Executive Officer as the PID Officer, in accordance with the PID Act.

Section 23(1)(e) of the PID Act requires the principle executive officer of a public authority to prepare and publish internal procedures relating to the local governments' obligations under the PID Act.

##### Findings

- (a) The local government does not have an internal procedure relating to Public Interest Disclosures as required by the PID Act.

#### 4.4.4 The local government has implemented an Elected Member Official Conduct Complaints Procedure.

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##### Comments

The local government has a Code of Conduct for Councillors and Employees that was reviewed and adopted in 2016, and is currently under review.

The local government does not have a procedure to handle complaints about Elected Member Official Conduct matters.

##### Findings

- (a) The local government does not have a procedure to handle complaints about Elected Member Official Conduct matters.

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#### 4.5 OBTAIN ASSURANCE THAT ADVERSE TRENDS ARE IDENTIFIED AND REVIEW MANAGERMENTS' PLANS TO DEAL WITH THESE

Key aspects assessed and reviewed include:

##### 4.5.1 Non-compliance issues identified in the Compliance Audit Return are reported to the Audit Committee and to Council, as well as the action to be taken to ensure compliance in future years

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###### Comments

The 2018 Compliance Audit Return for the period 1 January 2017 to 31 December 2017 was submitted to the Audit Committee on 28<sup>th</sup> March 2018. The Audit Committee accepted the Compliance Audit Return Report and recommended to Council its adoption; with one minor non-compliance item identified, relating to keeping a register of financial interests disclosed in the prescribed form. Management has advised they will implement a register that meets the requirements of Regulation 28 of the *Local Government (Administration) Regulations 1996*.

###### Findings

- (a) Non-compliance items have been reported to the Audit Committee and Council, with rectification action proposed to address the non-compliance for future years.
- (b) The systems and processes implemented as control mechanisms for the Compliance Audit Return are considered appropriate

##### 4.5.2 The local government holds management team meetings on a regular basis to discuss matters of strategic and operational importance. This includes compliance issues with the potential to significantly impact on business operations and consideration of any adverse trends.

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###### Comments

Management and Executive Team (Manex) meetings are scheduled to be held every fortnight. An agenda is prepared for each Manex meeting that lists strategic and operational matters of importance for consideration, including any matter that may have the potential to significantly impact on business operations. Minutes are kept of Manex meetings with actions to be implemented.

Individual risk profiles for key items are reviewed on a regular basis. To date 21 risk profiles have been identified mainly relating to operational risks, with some inclusion of generic strategic risks. Key financial matters are monitored, with regular reporting on budget variances.

Business plans are prepared on an as required ad-hoc basis for major projects.

###### Findings

- (a) Manex meetings are held regularly with minutes kept of actions required.

- (b) Individual risk profiles are reported and reviewed on a regular basis.
- (c) The regular use of business plans for key activities and major projects will assist identify legislative compliance requirements, development of risk profiles and financial modelling.
- (d) The structure and frequency of Manex meetings as a control mechanism are considered appropriate.

#### 4.5.3 The corporate services division of the local government provides advice and guidance to other divisional areas on how to achieve compliance in context of their service activities

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##### Comments

Adverse trends identified during business as usual operations are dealt with on an ad-hoc basis. How the issue is dealt with will depend on the severity of the problem and the risk it represents to the local government. If the issue is considered serious and high risk, the matter is reported to the CEO, and Manex evaluates how to deal with the matter effectively.

##### Findings

- (a) The systems, processes and structures in place for the provision of advice and guidance for other divisional areas are considered appropriate.

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#### 4.6 REVIEW MANAGEMENT DISCLOSURES IN FINANCIAL REPORTS OF THE EFFECT OF SIGNIFICANT COMPLIANCE ISSUES

Key aspects reviewed include:

##### 4.6.1 The Annual Financial Report and Annual Budget of the local government contain disclosures that report on significant compliance issues, their effect and impact on the local government

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##### Comments

The 2016 Annual Budget, 2016 Annual Financial Report, 2017 Annual Budget, 2017 Annual Financial report and the 2018 Annual budget were reviewed for significant compliance issues and related disclosures.

No significant disclosure items were present in the Annual Budget or Annual Financial Report of each of the years reviewed.

No matters were identified in any local government documents, records or registers that any significant compliance issues were present that needed to be disclosed.

##### Findings

- (a) The systems, processes and structures in place for the identifying and reporting significant compliance issues are considered appropriate.



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**4.7 REVIEW WHETHER THE INTERNAL AND/OR EXTERNAL AUDITORS HAVE REGARD TO COMPLIANCE AND ETHICS RISKS IN THE DEVELOPMENT OF THEIR AUDIT PLAN AND IN THE CONDUCT OF AUDIT PROJECTS, AND REPORT COMPLIANCE AND ETHICS ISSUES TO THE AUDIT COMMITTEE**

Key aspects reviewed include:

**4.7.1 The local government uses registered company auditors and the audit contract details the compliance areas covered and whether ethics risks are addressed**

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Comments

The audit contract/engagement letter sets out the compliance areas to be examined and potential risks that may be present as part of the audit process. It also sets out the risk assessments undertaken by the auditors and the focus of these risk assessments for the audit process to be conducted.

The audit contract/engagement letter identifies that ethical requirements are to be complied with, including independence, and ethical risks will be evaluated prior to the commencement of the audit process.

A generic audit plan is included in the tender submission, but an external audit plan is not prepared each year.

Findings

- (a) Audit contract/engagement letter addresses compliance issues and ethical risks that require consideration.
- (b) An external audit plan is not prepared each year and provided to the local government.

**4.7.2 The audit process consists of an interim and final audit, with any findings arising from the audit process reported to the local government. Audit and management reports are provided to the local government detailing non-compliance issues and any significant deficiencies in internal controls.**

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Comments

An interim audit process is generally conducted in April/May each year, with an interim audit report provided to the CEO on any findings. Findings contained in the 2017 interim report were addressed by management with actions implemented to rectify the deficiencies identified.

The final audit process is generally conducted in September/October each year, with an Audit Report and a management report provided to the CEO. Findings contained in the 2017 Auditors management report were addressed by the local government with actions implemented to rectify the deficiencies identified. The 2017 management report was

presented to the local governments' Audit Committee for consideration and notation of the actions taken to address the deficiencies identified.

#### Findings

- (a) The systems, processes and structures in place for the identifying non-compliance issues and internal control weaknesses are considered appropriate.

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#### **4.8 CONSIDER THE INTERNAL AUDITORS' ROLE IN ASSESSING COMPLIANCE AND ETHICS RISKS IN THEIR INTERNAL AUDIT PLAN**

The local government does not conduct a discrete internal audit function.

However, management does review systems and processes, including compliance systems, internal controls and ethics risks on a periodic basis.

This approach is considered reasonable given the size, location and resourcing capability of the local government.

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#### **4.9 ASSESS THE LOCAL GOVERNMENTS' COMPLIANCE FRAMEWORK DEALING WITH RELEVANT EXTERNAL LEGISLATION AND REGULATORY REQUIREMENTS**

Key aspects assessed include:

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##### **4.9.1 A Governance Manual has been implemented that outlines the governance framework and the legislation applicable to local government**

#### Comments

Corporate governance is a system of policies, procedures and processes through which an organisation makes decisions and directs, controls and monitors its operations. The systems are complex and are required by legislation.

A Governance Manual will assist the local government to achieve its commitment to good governance.

#### Findings

- (a) The local government does not have a Governance Manual.

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##### **4.9.2 The local government has an Annual Compliance Calendar which contains key legislative obligations it is required to comply with each month of the year**

#### Comments

The local government has an Annual Compliance Calendar that details a range of legislative compliance requirements, their due date and the responsible officer for ensuring compliance.

### Findings

- (a) The Annual Compliance Calendar currently does not address any of the compliance requirements relating to the Water Services Act, Water Services Regulations, and the Water Services Operating Licence conditions for the Ongerup Effluent System.

#### **4.9.3 The local government holds regular management meetings where compliance items for the current and forthcoming months are monitored**

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### Comments

Management and Executive (Manex) meetings are held on a regular basis, with a clearly structured agenda. The Annual Compliance Calendar is a standing agenda item for reference. Compliance items that have the potential for significant impact are listed on the agenda and discussed.

### Findings

- (a) The structure and frequency of Manex meetings as a control mechanism are considered appropriate.

#### **4.9.4 The local government prepares business plans for key activities and major projects that identify relevant external legislation and regulatory requirements, including risk management and financial modelling**

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### Comments

Business plans are prepared on an as required ad-hoc basis for major projects.

### Findings

- (a) The regular use of business plans for key activities and major projects will assist identify legislative compliance requirements, development of risk profiles and financial modelling.

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**4.10 REVIEW AUDIT COMMITTEE'S PROCESSES AND PROCEDURES REGARDING COMPLIANCE WITH LEGISLATION AND REGULATORY REQUIREMENTS IMPOSED ON MEMBERS, INCLUDING NOT MISUSING THEIR POSITION TO GAIN AND ADVANTAGE FOR THEMSELVES OR ANOTHER, OR CAUSE DETRIMENT TO THE LOCAL GOVERNMENT, AND DISCLOSING CONFLICTS OF INTEREST**

Key aspects assessed and reviewed include:

**4.10.1 Inductions are provided for newly elected members which covers conflicts of interest**

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Comments

The local government conducts an induction with newly elected members utilising the induction manual guidelines from the Department of Local Government, Sports and Cultural Industries, which covers conflicts of interest and their role as a councillor and a committee member.

Findings

- (a) The systems, processes and structures in place for induction of newly elected members are considered appropriate.

**4.10.2 Elected Members are provided with the opportunity to attend relevant training delivered by Western Australian Local Government Association (WALGA)**

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Comment

The local government promotes training courses conducted by WALGA and provides an annual training budget to ensure councillors can attend relevant training courses.

Findings

- (a) The systems, processes and structures in place for training for elected members are considered appropriate.

**4.10.3 The local government has a Code of Conduct that clearly sets out the requirements for elected members declaring conflicts of interest, including not misusing their position to gain an advantage for themselves or another**

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Comments

The local government has a Code of Conduct for Councillors and Employees that was reviewed and adopted in 2016; it is currently under review.

The existing Code contains clauses that clearly set out the requirement for declaring conflicts of interest for Councillors. Specific reference is made in the Code about not misusing their position to improperly influence other to gain undue or improper advantage (direct or indirect) for themselves, or any other person, or organisation.

### Findings

- (a) The systems, procedures and processes in place for elected members to be aware of, and declare, conflicts of interest, and not to misuse their position for advantage or gain, are considered appropriate.

#### 4.10.4 A Governance Manual clearly sets out the overarching governance framework that the local government operates within and describes in detail the statutory obligations of the local government and of a Councillor

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### Comments

Corporate governance is a system of policies, procedures and processes through which an organisation makes decisions and directs, controls and monitors its operations. The systems are complex and are required by legislation.

A Governance Manual will assist the local government to achieve its commitment to good governance.

### Findings

- (a) The local government does not have a Governance Manual.

#### 4.10.5 The local government has implemented and maintains Registers for Annual and Primary Returns, Declarations of Financial Interests and Gifts

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### Comments

The local government has implemented Registers for Annual and Primary Returns, and for Gifts, that meet legislative requirements.

### Findings

- (a) The local government is implementing a Register for Declaration of Financial Interests that meets the requirements of Regulation 28 of the *Local Government (Administration) Regulations 1996*.

## 5.0 INTERNAL CONTROL SYSTEMS

### 5.1 SEPARATION OF ROLES AND FUNCTIONS, PROCESSING AND AUTHORISATION

Key aspects assessed and reviewed include:

#### 5.1.1 Debtors Control – Separation of roles between invoice raiser, invoice approver, and receipting functions

##### Comments

There are clear role separations in place between invoice raiser and invoice approver. There are specific role separations in place between invoice raising and receipting for direct credit and BPay receipting.

However, clear separation for day-to-day over the counter receipting is difficult due to the small office and human resources of the local government; which results in a lack of separation for over the counter receipting. The local government is aware of this risk, which is impossible to avoid, and has implemented additional internal control measure checks for end of day balancing and end of month reconciliation, to minimise the risk exposure level.

##### Findings

- (a) There is a weakness present due to lack of separation of roles in the Debtors Control function, however the risk exposure level has been minimised through additional internal control measures.

#### 5.1.2 Purchases, Creditors and Cash Payments – Separation of roles between ordering, invoice entry, invoice approver, petty cash payments and recoups, and payment approvals

##### Comments

There are clear role separations in place between ordering, invoice entry, invoice approver, petty cash payments and recoups, and payment approvals.

##### Findings

- (a) The systems, procedures and processes in place for Purchases, Creditors and Cash payments are considered appropriate.

#### 5.1.3 Payroll – Separation of roles between timecard approver, timecard entry, payroll approver and pay run payment authorisers

##### Comments

There are clear role separations in place between timecard approver, timecard entry, payroll approver and pay run payment authorisers.

### Findings

- (a) The systems, procedures and processes in place for Payroll are considered appropriate.

#### **5.1.4 Receipting – Separation of roles between daily receipting, cash count at end of day, bank reconciliation process and review by Supervisor**

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### Comments

There are clear role separations in place between daily receipting, cash count at end of day, bank reconciliation process and review by Supervisor.

### Findings

- (a) The systems, procedures and processes in place for Receipting are considered appropriate.

#### **5.1.5 Rating – Separation of roles between rates levied, cash receipting over the counter and direct deposit, bank reconciliation process and review by supervisor, debt collection and review by supervisor**

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### Comments

There are clear role separations in place between rates levied, cash receipting by direct deposit, bank reconciliation process and review by supervisor, debt collection and review by supervisor.

However, clear separation for day-to-day over the counter receipting is difficult due to the small office and human resources of the local government; which results in a lack of separation for over the counter receipting. The local government is aware of this risk, which is impossible to avoid, and has implemented additional internal control measure checks for end of day balancing and end of month reconciliation, to minimise the risk exposure level.

### Findings

- (a) There is a weakness present due to lack of separation of roles in the Rating Control function, however the risk exposure level has been minimised through additional internal control measures.

#### **5.1.6 Banking – Separation of roles between cash receipting and daily banking, and bank reconciliation process**

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### Comments

There are clear role separations in place between cash receipting and daily banking, and bank reconciliation process.

### Findings

- (a) The systems, procedures and processes in place for Receipting are considered appropriate.

### 5.1.7 Monthly Reconciliations – Separation of roles to ensure supervisor is certifying monthly reconciliations prepared by relevant officers

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#### Comments

The local government has implemented monthly reconciliations that are prepared by the Customer Services Officer, Finance Officer and Senior Finance Officer. Each of the monthly reconciliations prepared is checked and then certified by the Deputy CEO.

In addition, a Monthly Reconciliations Checklist has been implemented to ensure all identified reconciliations are completed each month.

#### Findings

- (a) The systems, procedures and processes in place for Monthly Reconciliations are considered appropriate.

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## 5.2 CONTROL OF APPROVAL OF DOCUMENTS, LETTERS AND FINANCIAL RECORDS

Key aspects assessed include:

### 5.2.1 Document Approval – Documents are created by authorised officers and managed in a centrally controlled repository. Versions of documents are controlled by authorised officers in accordance with the local governments Document and Records Management Guideline – Access and Security

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#### Comments

The local government, in consultation with its IT Provider, has implemented a networked Drive where all corporate documents and forms are stored. All staff have read access to the drive, with four designated staff having edit and write access.

The Customer Services Officer (CSO) is responsible for electronically filing all incoming correspondence into the local governments Electronic Document and Records Management System (EDRMS) within the SynergySoft system.

Officers are responsible for checking-in and filing their own documents they create and the emails they receive, into the EDRMS.

Document access level is completed at time of record creation in the EDRMS, which restricts viewing and editing access based on security privileges assigned according to the confidentiality levels established within the system.

The Record Keeping Plan is currently being reviewed to reflect internal practices and meet *State Records Act 2000* statutory obligations.

#### Findings

- (a) The systems, procedures and processes in place for Document Approval are considered appropriate.



- (b) The Record Keeping Plan is currently being reviewed to reflect internal practices and meet *State Records Act 2000* statutory obligations

### 5.2.2 Letters Approval – Letters are created by authorised officers and managed in a centrally controlled repository. Versions of letters are controlled by authorised officers in accordance with the local governments Document and Records Management Guideline – Access and Security

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#### Comments

The CEO and Deputy CEO generate and approve the majority of letters issued by the local government; they also sign off on their own letters. Any sensitive matter dealt with by letter is approved by the CEO.

The Local Government has implemented an Electronic Document and Records Management System (EDRMS) within the SynergySoft system. Officers generating letters are responsible for filing the electronic copy within the EDRMS, with access assigned at point of capture.

A hard copy of each letter is kept on the relevant physical file. Physical files are housed in a secure storage room at the Community Resource Centre under lock, with keys kept at the Administration Centre.

Only the assigned officer, other than the system administrator, can edit versions of the letter captured in the EDRMS.

The Record Keeping Plan is currently being reviewed to reflect internal practices and meet *State Records Act 2000* statutory obligations.

#### Findings

- (a) The systems, procedures and processes in place for Letters Approval are considered appropriate.
- (b) The Record Keeping Plan is currently being reviewed to reflect internal practices and meet *State Records Act 2000* statutory obligations.

### 5.2.3 Financial Records Approval – The local government has sound oversight over the review and approval of financial records

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#### Comments

The Deputy CEO approves and reviews the generation of financial records. The Deputy CEO approves and reviews financial records prepared for external publication, as part of the Agenda review process.

Other financial records generated are approved via controls established through Purchasing Policies and Procedures, business system configurations of purchasing thresholds in SynergySoft, and payment delegations. Business systems are complemented by internal control measures through monthly reconciliations and checklists.

## Findings

- (a) The systems, procedures and processes in place for Financial Records Approval are considered appropriate.

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### 5.3 COMPARISON OF INTERNAL DATA WITH EXTERNAL SOURCES OF INFORMATION

Key aspect assessed included:

#### 5.3.1 Compare Internal Data to External Sources

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##### Comments

The local government undertakes comparison of internal data with external sources on an ad-hoc, as required basis.

##### Findings

Nil.

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### 5.4 LIMIT OF DIRECT PHYSICAL ACCESS TO ASSETS AND RECORDS

Key aspects assessed and reviewed include:

#### 5.4.1 Physical access to electronic records is controlled by sound security policies

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##### Comments

The local government does not have an IT Security Policy and Procedure. Access to electronic records is controlled by unique user login and passwords, with security based on user assigned credentials.

The local government has a basic Service Level Agreement (SLA) with an external IT Provider, with support based on block hours purchased.

Networked drives are controlled by group policy settings implemented by the external IT Provider under direction of the local government. All system users have access to a network drive, which allows users to gain access to the Records folder where all electronic documents are stored. There are little security protocols in place to prevent any user from viewing, editing and deleting electronic records from the Records folder.

##### Findings

- (a) The local government does not have an IT Security Policy and Procedure.
- (b) There is a weakness in IT security protocols that provides any user with direct access to electronic records via a network drive in a Remote Session, without the need to utilise the SynergySoft interface.

#### 5.4.2 Physical access to paper records is controlled by sound security policies, procedures and a sign-out, sign-in register

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##### Comments

Access to the physical filing system is obtained by signing out the key in the Key Register for access to the storage room at the Community Resource Centre. Once access to the filing storage room is obtained, the staff member is then meant to write on the whiteboard in the room the physical records file removed from the filing system.

The SynergySoft EDRMS also has a check-out function that can be used to signal that a physical paper records file has been removed from the filing system. This records the user and the date the file was checked-out. This practice is reasonable from a theory perspective but does not represent the actual process that takes place on site.

Staff did comment that no physical records file have been checked-out in the last five years.

##### Findings

- (a) The control mechanism of recording the checking out physical files on a whiteboard is considered a weakness as it is not a permanent record. It removes the accountability to trace the last officer who accessed and removed a physical file from the filing system.

#### 5.4.3 Physical access to IT systems hardware is controlled by sound security procedure

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##### Comments

The local governments IT system hardware is contained within a lockable cabinet, within a room.

The room can be accessed via three door-ways, making it difficult to provide security at this level. However, direct line of site is available to the Deputy CEO, when that person is situated in their office.

At time of inspection, the lockable cabinet was unlocked, allowing unencumbered access.

Access to the Server required an Administrator user login and password.

##### Findings

- (a) The design of the room housing the IT hardware does not facilitate sound security protocols to be implemented.
- (b) To reduce the risk on unencumbered access to IT hardware, it is suggested that the IT hardware cabinet be locked, with keys being held by the local governments IT administrator.

#### 5.4.4 Physical access to assets, such as keys to plant and equipment, is controlled by a sign-out sign-in register, with keys kept in a lockable cabinet

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##### Comments

The local government houses all keys for plant and equipment within a lockable cabinet at the depot. A key register has been implemented which staff must fill out to obtain access to keys for all plant and equipment.

##### Findings

- (a) The systems, procedures and processes in place for Physical Access to Assets are considered appropriate

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### 5.5 CONTROL OF COMPUTER APPLICATIONS AND INFORMATION SYSTEMS STANDARDS

Key aspects assessed and reviewed include:

#### 5.5.1 Access to corporate applications is controlled by unique user login and password. User access control is managed via access limitations imposed at individual user level

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##### Comments

The local government has assigned each user a unique login and password for access to the computer network and for access to corporate applications, such as SynergySoft. Password changes for each user are force changed by the external IT Provider, at the direction of the Deputy CEO.

The local government has a basic Service Level Agreement (SLA) with an external IT Provider, with support based on block hours purchased.

Networked drives are controlled by group policy settings implemented by the external IT Provider under direction of the local government. All system users have access to a network drive via Remote Session, which allows users to gain access to all data stored on the network drive. There seems to be little or no security protocols in place to prevent any user from viewing, editing and deleting files from the network drive.

##### Findings

- (a) The local government does not have an IT Security Policy and Procedure.
- (b) There is an IT security risk present that provides any user with direct access to files and folders on a network drive in a Remote Session.

### 5.5.2 Corporate network controls include virus protection, cyber-security and firewall protection, regular back-ups and testing, system passwords and access controls

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#### Comments

The local government has a basic Service Level Agreement (SLA) with an external IT Provider, with support based on block hours purchased.

System access is controlled by an Administrator login and password, which is held by the local governments' IT Administrator and the external IT Provider.

The local government has implemented a Cyberoam UTM device that provides hardware firewall protection and cyber-security, along with enterprise virus protection software. Both the firewall device and enterprise virus protection are maintained by the external IT Provider.

The local government has implemented daily back-ups, with the first stage of back-up going to an internal drive in the Server; at the end of the day this is copied onto an external USB drive that is changed daily. The second stage of the back-up regime is the copying of daily back-ups to a Network Attached Storage (NAS) device located at the depot. Whilst off-site back-ups are not feasible at this stage due to poor internet speeds, this option is monitored and reviewed regularly.

Data files from back-ups have been restored previously, which tends to indicate back-ups are working; however, a more rigorous back-up testing regime from a disaster recovery point should be instituted, with at least annual testing done of a full system restore, not just a single file.

#### Findings

- (a) The local government does not have an IT Disaster Recovery Plan.
- (b) The local government does not undertake annual full system restores to test whether the back-up regime is working, and full system recovery can be achieved.

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## 5.6 LIMIT ACCESS TO MAKE CHANGES IN DATA FILES AND SYSTEMS

Key aspects assessed and reviewed include:

### 5.6.1 Authority to access and use corporate business systems is approved by the Deputy CEO

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#### Comments

The Deputy CEO of the local government controls access to the corporate network and approves access for newly appointed employees.

The Deputy CEO approves the access removal of all termination employees.

Access and removal to the corporate network is conducted by the external IT Provider based upon authorisation by the Deputy CEO.

## Findings

- (a) The systems, procedures and processes in place for Authority to Access and use Corporate Business Systems are considered appropriate.

### 5.6.2 Access to networked corporate drives is controlled by unique user login and password at each device

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#### Comments

Each user has a unique login and password that controls access to the corporate network and business applications.

Individual user passwords are force changed every two to three months, which is managed by the external IT Provider.

Networked drives are controlled by group policy settings implemented by the external IT Provider under direction of the local government. All system users have access to a network drive via a Remote Session, which allows users to gain access to all data stored on the network drive. There seems to be little or no security protocols in place to prevent any user from viewing, editing and deleting files from the network drive.

#### Findings

- (a) There is a weakness in IT security protocols that provides any user with direct access to files and folders via a network drive in a Remote Session.

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## 5.7 REGULAR MAINTENANCE AND REVIEW OF FINANCIAL CONTROL ACCOUNTS AND TRIAL BALANCES

Key aspects assessed and reviewed include:

### 5.7.1 Monthly and regular reconciliations are performed on key financial risk areas with the local government

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#### Comments

The local government performs regular reconciliations in the following areas:

Area	Process undertaken
Annual Budget	Monthly actuals are compared to budget and significant variances fully investigated and explained
Financial Reporting	Actuals are compared to budget each month, with management reviewing variances, with significant variances investigated and explained
Grants	Regular reviews of all grant income and monitor compliance with terms of grant agreements; actual grant revenue is compared to budget estimates each month
Receipting	Revenue is compared to budget each month; Accounts receivable statements are sent to customers each month

<b>Area</b>	<b>Process undertaken</b>
Rates	Ageing profile report run after instalment payment option date passes
Rates	Subsidiary ledger is reconciled to the general ledger each month
Rates	Actual rate revenue is compared to budget each month
Rates	Annual valuation update is balanced prior to generation of rates
Rates	Interim valuation updates are balanced prior to generation of interim rates and issue of notices
Receivables	Ageing profile report is run monthly, and outstanding balances are investigated, and referred to debt collection if required
Receivables	Management reviews provision for doubtful debts on a monthly basis as part of the outstanding balances review
Receivables	Subsidiary ledger is reconciled to the general ledger each month
Bank Accounts	All general journals to the bank accounts are verified by the DCEO as part of the bank reconciliation check process, including supporting documentation for general journals posted
Bank Accounts	Bank reconciliations and checked and counter-signed by the DCEO
Investments	Investment income is compared to budget estimates each month
Investments	Investment register is maintained in accordance with Regulations and Council Policy and updated when investments mature, or new investments are made
Investments	Investment register is reconciled to general ledger each month
Payroll	Actual employee costs are compared to budget estimates each month, with significant variances investigated
Payroll	Regular reviews of employees listed on payroll master file are conducted, with any unusual items investigated
Payroll	Salary and hourly payroll reports are reviewed and approved by management prior to payments being made
Payroll	Payroll deduction reports are periodically reviewed for accuracy and ongoing relevance
Payroll	Salary sacrifice calculations are periodically reviewed for accuracy and compliance with legislative requirements
Payroll	Fortnightly pay run is reviewed by management prior to authorisation for payment for consistency and abnormal items
Payments	Actual expenditure is compared to budget estimates each month, with significant variances investigated
Payments	A List of Payments is prepared and presented to Council each month; management reviews any unusual or large payments
Payments	All supporting documentation is reviewed by management prior to approving/authorising payments
Payables	Ageing profile report is reviewed on a monthly basis, and any long outstanding items are investigated
Payables	Subsidiary ledger is reconciled to the general ledger each month
Fixed Assets	Management compares all fixed asset balances to budget estimates each month
Fixed Assets	Asset register additions and disposals are checked monthly and then again at year end

Area	Process undertaken
Fixed Assets	Depreciation rates and methodology are reviewed annual for assets classes that have undergone a fair value revaluation
Fixed Assets	Asset register is reconciled to general ledger monthly
Borrowings	All loan repayments of principal and interest are reviewed monthly
General Journals	All general journals are reviewed after posting, including supporting documentation. DCEO signs general journal documentation.

### Findings

- (a) An Ageing Profile Report for Rates is not run at the end of each month.

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## 5.8 COMPARISON AND ANALYSIS OF FINANCIAL RESULTS WITH BUDGETED AMOUNTS

Key aspects assessed and reviewed include:

### 5.8.1 Presentation of Monthly Statement of Financial Activity and supporting information to Council with actual results compared to year to date budget estimates each month, with adequate explanation of significant variances

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#### Comment

The local government prepares a Monthly Statement of Financial Activity with supporting documentation, which is included in the Council Agenda. Significant variances reported in the Statement of Financial Activity are explained in detail.

#### Findings

- (a) The systems, procedures and processes in place for the Presentation of Monthly Statement of Financial Activity are considered appropriate.

### 5.8.2 Presentation of Mid-Year Budget Review to Council with actual results compared to the budget for the month, and projections undertaken through to 30 June, with recommendations on any budget amendments required based on projection trends

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#### Comments

The local government prepares a mid-year budget review that is submitted to Council in February of each year. Significant variations are explained, and recommendations are made on budget amendments based on projection trends.

#### Findings

- (a) The systems, procedures and processes in place for the Mid-Year Budget Review are considered appropriate.



### 5.8.3 End of Financial Year Review is conducted with actual results compared to amended budget, with significant variations explained

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#### Comments

The local government conducts an end of financial year review of its finances, with the aim of identifying key areas that were over or under budget estimates, with explanations provided on what has caused the outcome.

#### Findings

- (a) The systems, procedures and processes in place for the End of Financial Year Review are considered appropriate.

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### 5.9 ARITHMETICAL ACCURACY AND CONTENT OF RECORDS IS REGULARLY CHECKED

Key aspects assessed and reviewed include:

#### 5.9.1 Supplier invoices are cross-checked for arithmetic accuracy prior to data entry

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#### Comments

The local government checks all computations and calculations on supplier invoices, including GST, for accuracy. Each supplier invoice is stamped and initialled as being checked.

#### Findings

- (a) The systems, procedures and processes in place for the checking supplier invoice computations and calculations are considered appropriate.

#### 5.9.2 Customer invoices are cross-checked for arithmetic accuracy prior to issue

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#### Comments

The local government checks all computations and calculations on customer invoices, including GST, for accuracy. A copy of each customer invoice is stamped and initialled as being checked.

#### Findings

- (a) The systems, procedures and processes in place for the checking customer invoice computations and calculations are considered appropriate.

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## 5.10 REPORT, REVIEW AND APPROVAL OF FINANCIAL PAYMENTS AND RECONCILIATIONS

Key aspects assessed and reviewed include:

### 5.10.1 Accounts Payable Procedure provides guidance on the method for paying creditors that meets internal control, organisational and legislative requirements

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#### Comments

The local government has implemented an Accounts Payable procedure manual that identifies the main steps involved in the process.

#### Findings

- (a) It is suggested the procedure also document the matching process of the purchase order with the supplier invoice, ensuring proper number of quotations have been received and a check is performed on the approval threshold for purchase orders as part of the process.
- (b) The inclusion of screenshots of data entry screens may assist a user that is not familiar with the Accounts Payable process.

### 5.10.2 List of Accounts is prepared, reviewed and submitted to Council

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#### Comments

Management prepares a List of Accounts that is presented to Council each month. Management reviews each payment on the list, cross-checking each item has been appropriately authorised and certified prior to payment authorisation and/or signing.

#### Findings

- (a) The systems, procedures and processes in place for the preparation, review and approval of the List of Accounts are considered appropriate.

### 5.10.3 Manager reviews monthly reconciliations, cross-checks records and counter-signs reconciliations performed as being completed and are accurate

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#### Comments

Management reviews and authorises each payment listing made. Monthly reconciliations are prepared and counter-signed by the Deputy CEO to acknowledge completion and accuracy.

Monthly checklists have been implemented to ensure all reconciliations are performed monthly.

## Findings

The systems, procedures and processes in place for the preparation, review and approval of the List of Accounts are considered appropriate.

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### 5.11 COMPARISON OF THE RESULT OF PHYSICAL CASH AND INVENTORY COUNTS WITH ACCOUNTING RECORDS

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Key aspects assessed and reviewed include:

#### 5.11.1 Cash float in tills is reconciled at the end of each day

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##### Comments

The procedure manual for the Customer Services Officer position contains a detailed step by step process for reconciling the till cash float at the end of each day.

It is standard practice that another staff member cross-checks the cash float and counter-signs the receipting report for the day.

##### Findings

- (a) It would be helpful to include in the procedure manual the practice of another staff member verifying the cash float and cash takings for the day, including counter-signing the receipting reports.

#### 5.11.2 Cash collected is accounted for correctly

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##### Comments

It is standard practice that another staff member cross-checks the cash takings and counter-signs the receipting report for the day.

Cash is also collected at the Gnowangerup library for old book stock and for lost book fees.

##### Findings

- (a) It would be helpful to include in the procedure manual the practice of another staff member verifying the cash takings for the day, including counter-signing the receipting forms.
- (b) The library should issue receipts for any cash collected so that there is an audit trail of how much cash was received, from whom, on what date, and for what purpose.
- (c) A daily takings reconciliation should also be completed so there is a clear audit trail of the cash takings received on any day.

### 5.11.3 Cash floats at outstations are reconciled at the end of each day and is periodically checked by management

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#### Comments

Employees at the swimming pool have a cash register float of \$200. Current practice is for cash register tapes, along with cash takings to be presented to the Administration Office, with the cash count and register tape to be reconciled by the Customer Service Officer. There is no evidence that the cash float of \$200 is balanced each day as no daily taking sheet is compiled, which would usually include a float reconciliation table.

The swimming pool has a food and drink vending machine that contains a cash float of \$142. Current practice is one employee empties the vending machine and delivers cash takings to the Administration Office about once per month. No reconciliation sheet of cash collected is currently completed, as the local government has had difficulty in identifying the appropriate mechanism to perform a reconciliation against.

#### Findings

- (a) The introduction of a daily takings reconciliation sheet for swimming pool entry takings and reconciliation of cash register float are appropriate internal control measures that should be implemented.
- (b) The local government should consider recording sales from the vending machine based on stock replenishment figures, either daily or weekly, and use this as the basis of performing a reconciliation for cash takings collected.

### 5.11.4 Petty cash is recouped on a regular basis and reconciliation is approved by supervisor

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#### Comments

The local government recoups petty cash on an as needs basis, most often being quarterly. Petty cash reconciliation worksheets are completed; receipts are attached to the worksheet. Remaining cash is counted by two employees to verify cash balance and recoup amount. Management cross-checks recoup to receipts and authorises recoupment.

#### Findings

- (a) The systems, procedures and processes in place for Petty Cash Recoups are considered appropriate.

### 5.11.5 Physical stock on hand is checked and reconciled to stock register on a monthly basis

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#### Comments

Only diesel fuel is kept as stock.

The local government takes weekly fuel dips to monitor physical stock levels. At the Gnowangerup depot fuel issues are recorded via an electronic swipe card system. Each plant item is allocated a card, which is then used to record the litres of fuel issued. A download of the weekly fuel issues is exported into an excel file.

At the Ongerup depot fuel issues are recorded on a manual fuel worksheet and recorded against the plant number. These are faxed through to the Administration Office weekly.

Stock receipts for each depot are obtained from fuel supplier invoices and are included in the weekly fuel reconciliation.

### Findings

- (a) Based on stock reconciliations reviewed, variations of up to 300 litres per month are occurring. To identify the cause of the variations, it is suggested that the weekly fuel issues worksheet be amended so that meter readings can be written down after each fuel issue, so that tracking of the meter reading to the actual litres of fuel issued can be performed and be compared to the closing fuel dip. This will allow for any erroneous readings to be identified.

## 6.0 FINDINGS

Key findings arising from the Legislative Compliance and Internal Control Review are as follows:

### Internal Monitoring of Compliance with Legislation and Regulations

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- (1) The implementation of a compliance checklist would reinforce that all statutory requirements have been met for compliance items identified on the Annual Compliance Calendar.
- (2) Regular reviews of *Government Gazettes* would provide an additional control mechanism for monitoring changes to legislation that may affect the local government operationally and strategically.
- (3) The incorporation of the compliance obligations under the Water Service Act, Regulations and Licence into the existing Annual Compliance Calendar would provide appropriate control mechanisms, ensuring obligations are reviewed on a regular basis and compliance timeframes are met.

### Annual Compliance Audit Return and Reporting to Council the Results of that Review

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- (4) The implementation of a compliance checklist to complement the Annual Compliance Calendar would provide a certain level of comfort that all statutory requirements are being met.

### Staying Informed About How Management is Monitoring the Effectiveness of its Compliance and Making Recommendations for Change as Necessary

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- (5) Clause 2.3(l) of the Terms of Reference of the Audit Committee requires the Committee to meet at least quarterly.
- (6) The local government should consider reviewing the Terms of Reference for the Audit Committee and remove references to functions not performed, such as internal audit.
- (7) The local government does not have an Internal Control Policy
- (8) The local government does not have a Legislative Compliance Policy
- (9) It would be helpful for all Council Policies to contain an objective, so there is clear understanding of the intent of the policy.
- (10) All policies should be reviewed to ensure they meet obligations under legislation and/or contain a policy framework that provide clear guidance to staff. For example, the local governments' Purchasing Policy should be reviewed to ensure the requirements under Regulation 11A of the *Local Government (Functions and General) Regulations 1996* are contained within the policy.
- (11) Some procedure manuals could be enhanced with additional screenshots to provide users with visual prompts on how to perform the procedure.

- (12) Process maps have not been prepared for any processes/procedures.

### **Review Whether the Local Government has Procedures for it to Receive, Retain and Treat Complaints, Including Confidential and Anonymous Employee Complaints**

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- (13) The local government does not have a formal complaints procedure.
- (14) The local government does not have a procedure that deals with confidential and anonymous employee complaints.
- (15) The local government does not have an internal procedure relating to Public Interest Disclosures, as required by the Public Interest Disclosures (PID) Act.
- (16) The local government does not have a procedure to handle complaints about elected member official conduct matters.

### **Review Whether External Auditors have regard to Compliance and Ethics Risks in the Development of Their Audit Plan and in the Conduct of Audit Projects, and Report Compliance and Ethics issues to the Audit Committee**

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- (17) An external audit plan is not prepared each year and provided to the local government.

### **Assess the Local Governments' Compliance Framework Dealing with Relevant External Legislation and Regulatory Requirements**

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- (18) The local government does not have a Governance Manual.
- (19) The Annual Compliance Calendar does not address any of the compliance requirements relating to the Water Services Act, Water Services Regulations and the Water Services Operating Licence conditions for the Ongerup Effluent System.
- (20) The regular use of business plans for key activities and major projects will assist identify compliance requirements, development of risk profiles and financial modelling risks.

### **Review Audit Committee's Processes and Procedures Regarding Compliance with Legislation and Regulatory Requirements Imposed on Members Including Not Misusing Their Position to Gain an Advantage for themselves or another, or Cause Detriment to the Local Government, and Disclosing Conflicts of Interest**

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- (21) The local government does not have a Governance Manual.

### **Limit of Direct Physical Access to Assets and Records**

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- (22) The local government does not have an IT Security Policy and Procedure.
- (23) There is a weakness in IT security protocols that provides any user with direct access to electronic records via a network drive in a Remote Session, without the need to utilise the SynergySoft interface.

- (24) The control mechanism of recording the checking out of physical files on a whiteboard is considered a weakness as it is not a permanent record. It removes the accountability to trace the last officer who accessed and removed the physical file from the filing system.
- (25) To reduce risk of unencumbered access to IT hardware, it is suggested that the IT hardware cabinet be locked, with keys being held by the local governments' IT administrator.

### Control of Computer Applications and Information Systems Standards

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- (26) The local government does not have an IT Security Policy and Procedure.
- (27) There is a weakness in IT security protocols that provides any user with direct access to files and folders via a network drive in a Remote Session.
- (28) The local government does not have an IT Disaster Recovery Plan.
- (29) The local government does not undertake annual full system restores to test whether the back-up regime is working, and full system recovery can be achieved.

### Limit Access to Make Changes in Data Files and Systems

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- (30) There is a weakness in IT security protocols that provides any user with direct access to files and folders via a network drive in a Remote Session.

### Regular Maintenance and Review of Financial Control Accounts and Trail Balance

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- (31) An ageing profile report for Rates is not run at the end of each month.

### Report, Review and Approval of Financial Payments and Reconciliations

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- (32) It is suggested the Accounts Payable procedure also document the matching process of the purchase order with the supplier invoice; ensure the proper number of quotations have been received; and a check is performed on the approval threshold for purchase orders.
- (33) The inclusion of screenshots of data entry screens may assist a user that is not familiar with the Accounts Payable process.

### Comparison of the Result of Physical Cash and Inventory Counts with Accounting Records

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- (34) It may be helpful to include in the Customer Services Officer Procedure Manual, under cash receipting, the practice of another staff member verifying the cash float and cash takings for the day, including counter-signing the receipting reports.
- (35) The library should issue approved receipts for any cash collected so there is an audit trail of how much cash was received, from whom, on what date and for what purpose.
- (36) A daily takings reconciliation worksheet should be completed by the library so there is a clear audit trail of the cash takings received on any day.



- (37) The introduction of a daily takings reconciliation worksheet for the swimming pool, and reconciliation of cash float in the cash register, are appropriate internal control measures that should be implemented.
- (38) The local government should consider recording sales from the vending machine based on stock replenishment figures, either daily or weekly, and use this as the basis for performing a reconciliation of cash takings collected.
- (39) It is suggested the weekly fuel issues worksheet be amended so that meter readings can be recorded after each fuel issue. This will allow the tracking of the meter reading to the actual litres of fuel issued and allow comparison to the closing fuel dip. This will allow any erroneous readings to be identified.

## 7.0 IMPROVEMENT RECOMMENDATIONS

As a result of the findings, the following improvement recommendations are made:

- (1) That the CEO consider the implementation of a compliance checklist detailing the statutory obligations to be met for the compliance items identified on the Annual Compliance Calendar.
- (2) That the CEO consider instituting regular reviews of *Government Gazettes* to monitor for changes to legislation that may affect the local government operationally and strategically.
- (3) That the CEO consider amending the Compliance Calendar to incorporate the compliance requirements relating to the Water Services Act, the Water Services Regulations and the Water Services Operating Licence Conditions for the Ongerup Effluent System.
- (4) That the CEO consider undertaking a review of the Audit Committee Terms of Reference and ensure that quarterly meetings are held in accordance with clause 2.3(l) of the Terms of Reference.
- (5) That the CEO consider implementing an Internal Control Policy.
- (6) That the CEO consider implementing a Legislative Compliance Policy.
- (7) That the CEO consider undertaking a review of the Policy Manual so that:
  - (a) Each Policy contains an objective so that the intent of the policy is clear; and
  - (b) Each policy meets the obligations under legislation or contains a policy framework that provides clear guidance to staff.
- (8) That the CEO consider updating internal procedure manuals with additional screenshots to provide users with visual prompts on how to perform the procedures.
- (9) That the CEO consider process mapping procedures to assist visual interpretation and to identify weaknesses in internal controls.
- (10) That the CEO consider implementing a formal complaints procedure, which also addresses confidential and anonymous employee complaints.
- (11) That the CEO implement an internal procedure that meets the requirements of the Public Interest Disclosures Act.
- (12) That the CEO consider implementing a procedure that details the process of handling complaints about elected members under the Official Conduct Rules.
- (13) That the CEO consider implementing a Governance Manual that provides sound guidance on the corporate governance framework that applies to the local government.
- (14) That the CEO consider implementing an IT Security Policy and an IT Security Procedure.
- (15) That the CEO hold discussions with the external IT provider to identify a resolution to the weakness in the IT security protocols relating to networked drives in a Remote Session.

- (16) That the CEO consider reviewing the procedure and protocols for checking out physical record files from the secure storage room.
- (17) That the CEO direct that the IT hardware cabinet be locked, and access keys remain with the local governments' IT administrator.
- (18) That the CEO consider implementing an IT Disaster Recovery Plan that contains annual disaster recovery tests of full system restores.
- (19) That the CEO consider implementing an internal procedure to ensure that an ageing profile report for Rates be run each month.
- (20) That the CEO consider updating the Accounts Payable internal procedure, so it addresses the full process from initiation to completion, including the insertion of relevant screenshots to provide users with visual prompts on how to perform the procedure.
- (21) That the CEO consider updating the cash receipting internal procedure so that it includes the practice of another staff member verifying the cash float and the cash takings for the day.
- (22) That the CEO implement the use of an approved tax receipt being issued at the library for any cash collected so there is an audit trail of the amount of cash received, from whom it was received, on what date it was received and for what purpose it was received.
- (23) That the CEO consider implementing a daily takings worksheet at the library to account for any cash collected on a daily basis.
- (24) That the CEO consider implementing a daily takings worksheet for the swimming pool to record daily attendances, and to reconcile the cash float in the cash register and the daily cash takings received from pool entry fees.
- (25) That the CEO consider implementing a vending machine sales reconciliation worksheet, based on stock replenishment figures, which can be used as the basis for performing a reconciliation of cash takings collected, and that two people be present when cash is removed from the vending machine.
- (26) That the CEO consider implementing amendments to the fuel issues worksheet so that bowser meter readings can be recorded along with each fuel issue undertaken.

## 8.0 OPINION

The review of the Legislative Compliance and Internal Control mechanisms developed by the Shire of Gnowangerup indicates that, except for those matters identified in the findings and recommendations section of this report, they are appropriate and effective for the particular operations and size of the local government.



# Local Government (Audit) Regulation 17 Risk Management – Appropriateness & Effectiveness

Version: 1.0 Final

## Shire of Gnowangerup

Prepared by: LGIS Risk and Governance

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## Executive Summary

The Shire of Gnowangerup (the 'Shire') engaged LGIS to review the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management. The Chief Executive Officer (CEO) has a regulatory obligation to report this (together with internal control and legislative compliance) to the Audit Committee at least biennially.

The Department of Local Government, Sport and Cultural Industries provided guidance for the areas that should be considered for this review (Operational Guideline #9 Appendix 3). These specific areas have been addressed to provide the basis and format for this review. A combination of documentary evidence and discussions with Shire staff has provided the foundation for information provided in this report.

The Shire implemented a Risk Management Framework ('Framework') in 2014 and that structured approach has remained since implementation. The Shire's risk maturity has since progressed and the Framework structure now needs to be enhanced and broadened to allow the Shire to further develop in this area.

The Shire's Framework classifies all risks under three main contexts:

1. **Strategic Risks** – these risks are identified through the Strategic Community Plan and associated informing plans / strategies. The mitigation activities are documented through the Corporate Business Plan and the status tracked and reported regularly and through annual Council reports. Whilst the full application of the risk 'process' is not documented (e.g. risk assessment); the base principle of identifying and managing risk is apparent.
2. **Operational Risks** – these risks are formally managed through the use of risk profiles, covering all operations of the Shire. The components of the individual risk profiles (e.g. risk ratings / control effectiveness / mitigation treatments) are regularly reviewed and have these components have not changed since inception.
3. **Project Risks** – the process for identifying and managing small project based risks are reliant upon the skills and knowledge of the Shire's project 'representative'. Risks for Large / Major Projects are generally assessed by external entities engaged to plan or deliver upon the project and are deliberated by the Shire's Executive and Council. Specific proposals provided to Council contain a requirement to address the risks associated with the proposal.

The Audit Committee accepted the CEO's previous report (Regulation 17) in March 2016. Since that time there have been no further formalised risk reports requested or provided. It should be noted however that Council (and therefore Audit Committee) are aware of the strategic objectives and the performance of activities to deliver; in addition they are involved in deliberations for major projects as they arise. Whilst not formalised under the Framework, risks are identified and managed.

Notwithstanding the recommendations in this report, the Shire's risk management systems and procedures are considered appropriate and effective for the size, scale and resourcing constraints of the Shire.

## Summary Recommendations

The high level recommendations from this review will cover

- **Governance** – Review and consolidation of the Risk Management Framework to remove duplication and allow a more flexible approach to incorporate all risk context areas. Provide the Audit Committee with regular 'risk reports' to support their oversight responsibilities in regards to risk management.
- **Risk Profiling** – Consolidate the existing operational risks with the view to reducing profile numbers whilst maintaining the spectrum. Ensure the capture of identified strategic and project risks into the existing reporting format to enhance a holistic approach to risk management.

# Risk Management Considerations

Internal control and risk management systems and programs are a key expression of the Shire's attitude to effective controls. Good audit committee practices in monitoring internal control and risk management programs typically include:<sup>1</sup>

## Risk management system

### Guidance Note Component

- *Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered*

The 'system' is considered to be the Shire's Risk Management Framework ('Framework'); which consists of:

- Risk Management Policy (2.11)
- Risk Management Procedures (2.15)
- Risk Management Governance Framework Document
- Current Risk Profiles

## Risk Management Policy

The policy as documented in the Policy Manual is simplistic and does not meet the basic requirements of articulating risk management commitment as per ISO 31000:2018. A risk policy does however appear in the Risk Management Governance Framework Document which provides the commitment statement.

## Risk Management Procedures

The procedures as documented in the Procedures Manual only provide an overview of the roles and responsibilities, it does not provide for an actual risk management process. The risk process does however appear in the Risk Management Framework Document.

## Risk Management Governance Framework Document

This appears to be the overarching document that contains the policy and procedures, in addition to:

- Operating model, governance and document structure
- Accountabilities (roles and responsibilities)
- Reporting requirements
- Risk assessment and acceptance criteria

This document focuses on operational risk by providing a structured approach to risk descriptions and profiling requirements. When this was initially implemented it was considered appropriate as it provided a prescriptive approach to managing common risks across all local governments and allowed the Shire to embed and integrate a risk management process.

## Current Risk Profiles

Individual Risk Profiles have been reviewed on a regular basis as evidenced through the minuted Management Meetings (Manex). At this point there are 21 risk profiles covering mainly operational risks, with some inclusion of generic strategic risks (Refer Appendix 1 – Most Current Dashboard).

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<sup>1</sup> Extract from Local Government Operational Guidelines #9 Appendix 3 (Opening statement)



## Recommendations

1. Replace the Risk Management Policy (2.11) with the policy from the Risk Management Governance Document. This should also contain the risk assessment and acceptance criteria as it provides direction for strategic decision making and should therefore be approved by Council.
2. Review and replace the Risk Management Procedures (2.15) with the procedures from the Risk Management Governance Document. Considerations for the review include:
  - a. Removal of all sections that do not specifically relate to procedures and capture within the Risk Management Governance Framework Document (refer below).
  - b. Removal of the Key Indicator requirements. Due to the scale of operations, the reporting of specific risk / control based key indicators does not add any value. i.e. awareness and management of issues are addressed as they arise; the use of reporting indicators is seen to only add an administrative burden.
  - c. Removal of the Annual Control Assurance Plan requirements. This function is akin to an internal audit and due to resource constraints is also considered an administrative burden. The same benefit can be achieved through adding some structure to the risk assessment (and therefore risk review) process which is already embedded.
  - d. Remove Appendices B & C (Risk Profile Template & Risk Theme Definitions) and references to them in the Procedures. As stated above these were initially included to assist in the embedding of a structured approach to the assessment of pre-identified common risks. The Shire is now in a position to expand this practice to include key strategic and project risks into the reporting process. The concept of having these formalised detracts from the flexibility the Shire is now requiring.
  - e. Ensure the reporting requirements include a dashboard risk report to the Audit Committee at an appropriate frequency (suggest quarterly)
3. Condense the Risk Management Governance Framework so that it only provides an overview of the components of Framework and describes the operating model including roles and responsibilities.
4. Across all documentation:
  - a. Remove references to LGIS Risk Foundation project in 2014. The Shire has now surpassed that original exercise and needs to recognise that the Framework is now theirs.
  - b. Remove references to Regulation 17 where applicable. This Framework supports and assists in addressing the regulatory obligation it does not meet the obligation.
5. Consider:
  - a. Consolidating the existing risk profiles into broader categories for the operational risks; for example, combine 'Business disruption, 'Inadequate organisation and community emergency management' and 'Damage to physical assets' into one profile.
  - b. Reviewing existing strategic components of risk profiles (e.g. Engagement / Community expectations) together with identified risks through the Strategic Community Plan and create key strategic risk profiles as per existing templates.
  - c. Identify current or future major projects and create risk profiles so that risk management can be applied (and documented) through the project lifecycle.

## Business Continuity / IT Disaster Recovery

### Guidance Note Component

- *Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time.*

The Shire has a Business Continuity Framework in place which incorporates:

- Business continuity management procedures and approach.
- Business Continuity Plan.
- Procedures for emergency management preparedness and response.

The plan has not been validated other than desktop reviews and updates of critical business functions. It is also considered to be high level by providing an approach as opposed to detailed steps to apply in the case of a business disruption event.

In terms of appropriateness, the Shire benefits from being a small regional organisation and would not be driven by short (or minimum) recovery time objectives. In addition the ability of the Shire staff and community to work closely together and have a clear understanding of the overall recovery objectives would more than likely result in a successful (albeit slower) recovery.

It is difficult to assess the effectiveness as there has been no formal validation exercise, testing the effectiveness of the business continuity arrangements.

The Shire has recognised the deficiencies in the current business continuity arrangements and is in the process of reviewing the plan and associated procedures.

The IT disaster recovery arrangements are primarily driven by internet availability for the region. As the Shire is reliant upon ADSL the ability to utilise cloud based services for operations and data back-up are limited. Current arrangements involve on site back-ups to USB hard drives and off site data back-ups to the Depot.

There is no formal testing of these arrangements; however the recovery of specific files occurs on a semi regular basis which provides some comfort on functionality.

As internet functionality improves, the Shire is well placed to improve these arrangements and is currently in discussions with their IT service provider to migrate to cloud based back-ups and offsite hosting of systems.

From a cyber risk perspective these existing arrangements may present a higher risk of data encryption issues; however the costs to enhance arrangements would be prohibitive based on current internet speeds.

These risks generally manifest from staff accessing links in emails or other software from inside the protective firewall systems. Improving staff awareness of these risks could be considered appropriate mitigation strategies until internet arrangements improve.

### Recommendations

1. Update and refresh the Business Continuity Management arrangements.
2. Continue with the development of an IT Strategy to take advantage of any improvement of the regions internet arrangements.
3. Provide continual staff awareness sessions on the risks associated with opening / clicking on dubious emails and other links, sharing of passwords, the use of unencrypted external media drives, etc.

## Managing material operating risks in accordance with tolerance

### Guidance Note Component

- *Assessing the internal processes for determining and managing material operating risks in accordance with the local government's **identified tolerance for risk**, particularly in the following areas;*
  - *potential **non-compliance** with legislation, regulations and standards and local government's policies;*
  - *important **accounting judgements or estimates** that prove to be wrong;*
  - ***litigation and claims**;*
  - ***misconduct, fraud and theft***
  - ***significant business risks**, recognising responsibility for general or specific risk areas, for example, **environmental risk, occupational health and safety**, and how they are managed by the local government.*

The Shire does not have a formal risk appetite or tolerance guidance statement. As this would require Council approval the development of this statement should be delayed until the Framework has matured further and the Audit Committee has had an opportunity to become more involved in the risk process. Whilst there are definite benefits in developing a Risk Appetite Statement (RAS), supported by tolerances; to be effective, this will need to be developed in line with overall risk maturity.

At this point, 'tolerance' is driven by the Shire's risk acceptance criteria at an operational level and the Council's appetite on specific areas or proposals (at the time of decision). The Shire's risk acceptance criteria is as follows:

Shire of Gnowangerup Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Director / CEO
EXTREME (20-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

### Non-compliance

The Shire has identified 'Failure to fulfil statutory, regulatory or compliance requirements' as a low risk. The residual risk rating is driven by the key controls being rated 'effective':

- Constant review of the Compliance Calendar.
- Use of the Compliance Annual Return as a detective mechanism to identify any potential non-compliance issues and ensure the currency of the Compliance Calendar.
- Maintaining subscriptions and memberships with appropriate external entities to ensure the Shire is fully aware of any potential changes or emerging issues.

The combination of residual risk and control ratings fits within the Shire's risk acceptance criteria.

Once the report component on 'Legislative Compliance' is accepted, this risk profile should be reviewed in line with any findings and / or recommendations.

## Accounting judgements / estimates

In the current environment where the Shire is subject to a reducing rates base, State Government cost shifting, increased asset maintenance or renewal costs and grant funding reductions, the focus on financial sustainability becomes a key strategic risk.

Business case development together with project management planning and delivery should be considered as potential controls for mitigating this risk.

The Shire currently has profiled two risks related to this area:

1. 'Inadequate project / change management' – current listed as a high residual risk with adequate controls. Discussions indicate that whilst project status reporting is adequate, the risk assessments, business case development and general methodical approach to moving from concept to project delivery does not meet the 'control tests' for adequate and should be rated as inadequate.
2. 'Inadequate asset sustainability practices' – currently listed as a moderate residual risk with inadequate controls. The Shire is continually improving their Asset Management Strategy through implementing asset management principles and system support.

Traditionally, the Shire has a practice of engaging external parties to prepare business cases in relation to large projects. These are then reviewed internally and informally with Council initially until a formal recommendation is submitted to Council.

The Shire also has a template for business cases which is designed to identify and consider relevant risks (amongst other project considerations). It has not been used independently as they have relied on the external reports in conjunction with internal and Council deliberations for risk assessment.

The Shire would benefit from formalising a project management and business case approach to ensure that appropriate risk management is incorporated into Council financial decision making.

## Litigation and claims

The Shire did not identify any existing or credible, substantiated potential litigation. These risk events are difficult to assess where the normal course of operations does not generally attract litigious activity. In the last two years there have been two claims on the Shire from a Liability perspective, neither of which met the base threshold from a financial impact perspective.

### Liability Claims

Claim #	Cause (Roads)	Description	Date	Cost
LI0026887	Maintenance/Repairs	Drove over windrow during grading	11/10/2016	\$2,401
LI0036569	Road Surface/Potholes	SVA: lost control of vehicle due to flood damaged road (Denied Claim)	1/10/2017	Nil

The Shire's approach once the potential for claim or litigation arise is to advise their Insurer immediately so that appropriate mitigation activities can begin to contain or reduce the potential consequences or likelihood of occurrence.

## Fraud and misconduct

### Additional Guidance Note Component

- *Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.*

The Shire has profiled 'Misconduct' as a moderate risks with overall adequate controls. This is acceptable under Shire's risk acceptance criteria and so no additional actions have been identified.

The Shire has also affirmed that their controls covering the procurement function are rated as effective.

Audit reports over the last two years that whilst there are limitations in the audit process they did not identify or suspect fraudulent activity.

The current Code of Conduct provides direction on the expected behaviours of staff and elected members. It expressly provides guidance on the expectations in relation to the:

- Statutory environment,
- Roles and relationships between Council, CEO and Staff
- Conflict and disclosures of interest
- Use of confidential information
- Gifts & Hospitality
- General Conduct
- Reporting of Breaches and Misconduct

The latter section describes an approach to dealing with potential cases of fraud or misconduct, however could benefit from:

1. A more assertive response (e.g. Change ‘...may be reported...’ to ‘should be reported...’) to instil a moral obligation to report potential incidents
2. Regular reminders to Staff / Elected members. (Note: Annual reminders would be considered appropriate, however it is unknown at the time of this report as to whether this process is already in place).

Once the report component on ‘Internal Control’ is accepted, this risk profile also should be reviewed in line with any findings and / or recommendations.

## **Significant business risks**

### **Environmental risk**

The Shire has identified ‘Inadequate environmental management’ as a high risk with overall adequate controls. This risk profile was last reviewed in February 2016; since then the Shire has progressed improvements in the identified deficiencies in landfill site management and the Ongerup Waste Ponds.

Indicative discussions with the Shire’s Asset and Waste Management Coordinator suggest that the control ratings could be improved and the residual risk reduced.

The Shire should now revisit this risk profile in line with the current status of activities and re-assess the whether this risk is now within the Shire’s tolerance.

From a strategic perspective the Shire has also identified that the regions limited pollution and conservation of natural flora and fauna as risk opportunities to drive positive outcomes for the Shire. These considerations should also form part of the risk profile re-assessment.

### **Occupational safety and health**

The Shire has identified ‘Inadequate safety and security practices’ as a high risk with overall adequate controls. This was reviewed in February 2017 and there have been improvements made since that time which are not reflected in the risk profile.

The combination of control and risk ratings do not meet the Shire’s acceptance criteria, however they are actively working towards constant improvements. Examples include:

- Improving Contractor Management (including the Induction process).
- Developing safe work method statements.
- Integrating the use of ‘Plant Assessor’ to assist in risk assessment and management practices.

Feedback from the Shire's Regional Risk Coordinator (Monty Archdale) suggests that the Shire is proactive in improving the controls for this area of risk.

**Other significant business risks identified include:**

Through the Integrated Planning and Reporting process or operational risk profiling, the Shire has identified the following (where not already considered in this report):

- **Community Disruption** – Due to severe weather events, bushfire or other disaster that may affect the community; active planning is in place through the Local Emergency Management Arrangements.
- **Political Risks** – Due to change of government, royalties for regions, impact on ability to provide affordable living and aged housing projects.
- **Shire Demographics** – Decline in population and the need to attract residents, where they may come from and considerations for improving the negative trend. There also consider the issue of volunteer rates within the community and the potential for volunteer burn out.
- **Technology** – Specifically the difficulty in obtaining high speed internet and the impacts on the business community from online shopping trends.
- **Workforce** – Aging workforce and the inability to attract or retain staff. This also considers the impact of changing regulatory landscape together with community expectations in being able to resource appropriately based on financial constraints.

**Recommendations**

1. Review the 'Failure to fulfil statutory, regulatory or compliance requirements' risk profile in line with the outcomes of the Legislative Compliance component of this report.
2. Review the Code of Conduct and consider including a more assertive approach to report potential misconduct / fraud breaches. In addition confirm a process that ensures the Code is reminded to all Staff and Elected Members on an annual basis (if not already).
3. Consider developing / adopting a standard project management approach which encapsulates appropriate business case development and associated risks are highlighted and managed throughout the project lifecycle.
4. Create a strategic risk profile covering Financial Sustainability and assess accordingly.
5. Review all existing risk profiles with the view to consolidation of operational risks and the inclusion of key strategic and project risks.

## Audit Committee Practices

### Guidance Note Components

- *Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported.*
- *Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors.*
- *Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment.*

The Local Government Act and Regulations stipulate that each local government is to establish an Audit Committee. Where a Council considers it appropriate, the whole Council can be appointed to the Audit Committee. This approach has been adopted by the Shire's Council.

The role of the Audit Committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, **risk management systems**, internal and external audit functions and ethical accountability<sup>2</sup>.

A review of the Audit Committee official minutes highlighted the following activity:

- 23<sup>rd</sup> March 2016
  - Accepted the CEO's previous report on the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control and legislative compliance.
- 24<sup>th</sup> August 2016
  - Received and noted the 2016 Financial Management Systems Review.
- 23<sup>rd</sup> November 2016
  - Adopted the Annual Financial Report for the year ended 30th June 2016; accepted the audit report for 2015 – 2016 financial year and received the Auditors Management Report for the year ended 30th June 2016. The Auditor was present at this meeting and committee members were reminded about and provided a copy of the Operational Guidelines Number 9 – Audit in Local Government.
- 15<sup>th</sup> February 2017
  - Accepted the Compliance Annual Review for 2016 calendar year.
- 23<sup>rd</sup> August 2017
  - Received a presentation from the Auditor on changes to the Australian Accounting Standards.

There is evidence of the Audit Committee reviewing financial and audit reports in addition to meeting the Auditor as per the regulatory requirements. There is no evidence of any regular risk reports being considered or requested from the Audit Committee. A 'Terms of Reference' for the Audit Committee was provided, which is covered in the Legislative Compliance component of the overall report.

### Recommendations

1. Provide the Audit Committee with quarterly Risk Dashboard reports detailing the current risk and control environment faced by the Shire.

<sup>2</sup> Local Government Operational Guidelines #9

## Insurable Risks

### Guidance Note Component

- Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance.

All insurance products are arranged through Local Government Insurance Services (LGISWA) and are formally reviewed on an annual basis.

Formal renewal meetings are generally held in February with the insurable periods being based on the financial year. The formal renewal meeting was conducted on the 8<sup>th</sup> February preparing the Shire for the 2018/19 financial year. The current period is still current and the current insured risks are detailed in Appendix 1

Regular contact is maintained with the LGISWA to ensure that relevant exposures are appropriately covered.

The Shire also has a documented procedure for managing insurance claims.

The following tables itemise the recorded claims made against the Shire over the last 2 years. From a hindsight perspective the potential for insurance claims to be upheld would appear to be a high risk (based on actual financial consequence and likelihood expectations). As the Shire has addressed these issues as opportunities to improve internal processes the likelihood of maintaining the same financial consequence is lower, reducing the overall residual risk.

### Motor Fleet Claims

Number	Claim #	Fault	Description	Date	Cost
GN00	3551815	Insured	The IV reversed into the TPV	18/02/2017	\$2,248
GN0020	557373	Third Party	IV window damaged by rock	29/03/2017	\$1,504
GN0024	3555266	Insured	While servicing, bull-bar hit grill.	01/07/2016	\$2,090
GN0044	3533954	Insured	A stump hit the fuel tank of IV	19/09/2016	\$2,478
GN006	3541314	Insured	Driver lost control and hit side railing	29/11/2016	\$20,280
GN010	3563712	Third Party	TP failed to yield to insured	11/05/2017	\$2,139
GN046	3561295	Insured	Fence wire damaged insured ute	10/05/2017	\$2,838

### Property Claims

Claim #	Cause	Description	Date	Cost
PR0015859	Vandalism/Malicious Damage	Reticulation pump vandalised Gnowangerup Bowling Club, Garnet Road	16/06/2017	\$7,417.28



## Workcare Claims

Claim #	Cause / Causing	Description	Date	Cost
25589	Being hit by moving objects (hand). Contusion, bruising and superficial crushing	Wind blew causing grader door to shut on left hand. Left hand bruising and cut.	08/07/2016	\$740
25897	Muscular stress while lifting, carrying, or putting down objects (lower back) back pain, lumbago, and sciatica	Lifting grader blades. Lower back injury	26/10/2016	\$4,065
26653	Being hit by falling objects (eye) Foreign body on external eye, in ear or nose or in respiratory, digestive or reproductive tract	Using angle grinder to cut bolt. Foreign body right eye	30/06/2017	\$575

## Unusual transactions

### Guidance Note Component

- *Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk.*

The Delegation Framework provides for authority to be passed to relevant officers based on financial and transaction types that would constitute 'usual transactions'. Any transaction that is not referenced within this framework would be considered 'unusual' and would require Management / DCEO / CEO / Council oversight and approval to proceed.

From a financial and / or investment transaction perspective, policies and their associated procedures and reporting frameworks provide assurance that all transactions do not expose the Shire to unacceptable risks. These include the;

- Investment Policy – ensures the investment portfolio is contained within a framework that provides tolerances for credit quality and spread of investments.
- Purchasing Policy – driven by the Local Government Act and Regulations, it is supported by a Purchasing Procedures document that sets out the procedures to be applied for all purchases.

Auditors are also required to test samples of journal entries of which the latest review identified no irregularities towards unusual or high risk transactions.

The Shire does not have any associations with activities, events or businesses that could be considered unusual.

## Procurement Framework

### Guidance Note Component

- *Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied.*

The Shire has identified 'Inadequate procurement, disposal and tender practices as a moderate risk with adequate controls; which meets the Shire's risk acceptance criteria. An example (Contracted Gardening Services) was provided for discussion which may have resulted in a breach. Whilst considered a 'near-miss'; it was identified and rectified prior to the awarding of the contract.

The Shire advised that the process was reviewed following the incident which indicates an effective control environment.

## Appendix 1 – Current Risk Dashboard

Executive Summary				
This risk report dashboard highlights the current Risk & Control ratings together with any current actions / treatments underway. The individual profiles are discussed each fortnight by the Management Team.				
<b>Misconduct</b>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Business Disruption</b>		Risk	Control	
		Moderate	Inadequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Determine site of alternative office for emergency situations	Mar-16	DCEO/Manex		
If required, develop MOU with responsible body of alternative office site	Jun-16	DCEO		
Complete templates in BCP (including timeframes)	Jun-16	DCEO/Manex		
<b>Damage to Physical Assets</b>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Conduct asset inspections	Ongoing	MW & AWMC		
<b>External Theft &amp; Fraud (inc. Cyber Crime)</b>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Policies and procedures to be reviewed	Ongoing	CEO		
Monitor IT Security	Ongoing	DCEO, EA, External Support		
Review Insurance coverage annually	Ongoing	DCEO, SFO		
<b>Failure to fulfil statutory, regulatory or compliance requirements</b>		Risk	Control	
		Low	Effective	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Review Compliance Calendar Monthly	ongoing	CEO		
Improved Council Induction	ongoing	CEO		
Regular Information to councillors regarding declarations of interest	ongoing	CEO		
<b>Providing inaccurate advice / information</b>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate Document Management Processes</b>		Risk	Control	
		Moderate	Effective	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Monitoring of the record keeping plan	Ongoing	DCEO		
Record Audits	Ad hoc	DCEO		
Develop new record keeping plan	Dec-18	Records Consultant		
<b>Inadequate engagement with Community / Stakeholders / Elected Members</b>		Risk	Control	
		High	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Create Customer Satisfaction Survey every 3 years	Nov-18	CEO		
Relevant focus groups as required	ongoing	CEO		
<b>Inadequate Asset Sustainability Practices</b>		Risk	Control	
		Moderate	Inadequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Asset Management Framework Review	ongoing	DCEO/POLH		
Develop a Building Maintenance Program	Jun-16	DCEO/MW		
<b>Inadequate Supplier / Contract Management</b>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate Environment Management</b>		Risk	Control	
		High	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Landfill site plans				
Recycling data from Warren Black wood Waste CCTV and electric gates for landfill sites				
<b>Ineffective Management of Facilities/Venues/Events</b>		Risk	Control	
		Low	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Errors, Omissions &amp; Delays</b>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Regular management monitoring and reporting	ongoing	DCEO		
Manage Staff Workloads	ongoing	Managers/Supervisors		
<b>Failure of IT &amp;/or Communications Systems and Infrastructure</b>		Risk	Control	
		Low	Effective	
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate safety and security practices</b>		Risk	Control	
		High	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Improve Contractor / Site Induction process	Jun-17	OSH Committee		
<b>Inadequate Organisation and Community Emergency Management</b>		Risk	Control	
		High	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Follow up Bushfire Risk Management Plan	Sep-17	DCEO		
<b>Inadequate Project / Change Management</b>		Risk	Control	
		High	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
<b>Inadequate Procurement, Disposal or Tender Practices</b>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Review list of authorised persons	Mar-18	DCEO		
<b>Inadequate Stock Management</b>		Risk	Control	
		Low	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
No current actions required				
<b>Ineffective People Management / Employment Practices</b>		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Performance Management Policy/Process	Dec-17	DCEO		
Reward and Recognition Program	Ongoing	CEO		
<b>Not meeting Community expectations</b>		Risk	Control	
		High	Effective	
Current Issues / Actions / Treatments	Due Date	Responsibility		
Develop Community Strategy (including community engagement)	Aug-18	MCS		
Review of service levels	Aug-18	MCS		
Note: To add in additional rows, click in the cell and drag it down as shown in the theme above. This will bring the hyperlinks into the new cell.				

## Appendix 2 – Insurance Profile

Insurance Class	LGISWA cover	Scheme	Limits	Excess/Deductible	
Casual Hirers Liability	LGIS Liability		Aggregate Limit	\$10,000,000	Each Claim \$500
Crime	LGIS Liability		Any One Person	\$500,000	Each Claim \$1,000
LGIS Bush Fire	LGIS Bush Fire		Aggregate Limit	Unlimited	Each Claim Nil Excess
LGIS Liability	LGIS Liability		Public Liability Products Liability Professional Indemnity	\$500,000,000 \$500,000,000 \$500,000,000	Libel and Slander Public Liability Professional Indemnity \$5,000 Nil Excess \$5,000
LGIS Property	LGIS Property		Sections One and Two Combined	\$600,000,000	Standard Excess \$1,000
LGIS Work Care	LGIS Work Care		Common Law Cover Journey Injury Capital Benefit Journey Injury Weekly Benefit	Unlimited \$300,000 \$2,500	Each Claim Nil Excess

Insurance Class	Insurance Company	Limits		Excess/Deductible	
Corporate Travel	Chubb Insurance	Death and Capital Benefit Weekly Benefit up to Aggregate Limit	\$300,000 \$2,500 \$10,000,000	Portable Electronic Equipment All Other Claims	\$250 Nil Excess
Management Liability	Chubb Insurance Australia Limited	Councillors' and Officers' Liability Statutory Liability Employment Practices Liability Cyber Extortion	\$1,000,000 \$2,000,000 \$1,000,000 \$250,000	Councillors' and Officers' Liability Statutory Liability Employment Practices Liability Cyber Extortion	\$5,000 \$2,000 \$12,500 \$5,000
Marine Cargo	QBE Insurance through Key Underwriting	Within Australia Imports Exports	\$400,000 Not Insured Not Insured	Within Australia Imports Exports	\$100 Not Insured Not Insured
Motor Vehicle and Plant	Zurich Australia Insurance Limited	Section One Section Two Dangerous Goods	\$20,000,000 \$30,000,000 \$5,000,000	Basic Excess Capped Excess	\$300 \$30,000
Personal Accident	Chubb Insurance	Capital Benefits Weekly Benefits up to Aggregate Limit	\$300,000 \$2,500 \$10,000,000	Non Medicare Medical Expenses	\$25
Pollution Legal Liability	AIG Australia Limited	Total Aggregate limit across all Members	\$50,000,000	Each and every claim	\$50,000
Cyber Liability	Chubb Insurance Australia Limited	Aggregate Limit	\$1,000,000	Each claim	\$10,000

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## **5. CLOSURE**

There being no further business Presiding Member Cr K House closed the meeting at 4:50pm.

---

**11.2 ACCEPTANCE OF MINUTES OF CEO REVIEW COMMITTEE MEETING  
10 OCTOBER 2018**

**Location:** N/A  
**Proponent:** N/A  
**File Ref:** ADM0525  
**Date of Report:** 11 October 2018  
**Business Unit:** Corporate and Community Services  
**Officer:** V Fordham Lamont – Deputy CEO  
**Disclosure of Interest:** Nil

---

ATTACHMENTS

- Minutes of the CEO Review Committee meeting held on 10 October 2018 (tabled at the meeting)

PURPOSE OF THE REPORT

To resolve to accept the recommendations of the CEO Review Committee from its meeting of 10 October 2018.

BACKGROUND

The CEO Review Committee met on 10 October 2018 and made the following recommendation to Council:

1. Adopt the CEO Review Committee Terms of Reference as presented.

COMMENTS

Nil

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Section 5.22(2) Minutes of council and committee meetings

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

STRATEGIC RISK MANAGEMENT CONSIDERATIONS:

Nil



IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The CEO Review Committee supported the Officer's recommendations and it is recommended that Council support the CEO Review Committee's recommendations.

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION:

**Moved: Cr S Hmeljak**

**Seconded: Cr R House**

**1018.112 That Council:**

- 1. Note the minutes of the CEO Review Committee meeting of 10 October 2018;  
and**
- 2. Accept the recommendations of the CEO Review Committee and:**
  - Adopt the CEO Review Committee Terms of Reference as presented.**

**UNANIMOUSLY CARRIED: 8/0**



## **MINUTES**

### **CEO REVIEW COMMITTEE**

**10 October 2018  
Commenced at 5:00pm**

**Council Chambers  
28 Yougenup Road, Gnowangerup WA 6335**

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## 1. OPENING AND ANNOUNCEMENT OF VISITORS

Presiding Member Cr K House welcomed Committee members and Staff and opened the meeting at 5:00pm.

## 2. ATTENDANCE /APOLOGIES

### 2.1. ATTENDANCE

- |                        |  |
|------------------------|--|
| • Cr Keith House       | Shire President                        |
| • Cr Fiona Gaze        | Shire Deputy President                 |
| • Cr Richard House     |  |
| • Cr Chris Thomas      |  |
| • Cr Lex Martin        |  |
| • Cr Frank Hmeljak     |  |
| • Cr Shelley Hmeljak   |  |
| • Cr Greg Stewart      |  |
|                        |  |
| • Shelley Pike         | CEO                                    |
| • Vin Fordham Lamont   | Deputy CEO                             |
| • Carrol Shaddick      | Senior Finance Officer                 |
| • Yvette Wheatcroft    | Works Manager                          |
| • John Skinner         | Waste and Asset Management Coordinator |
| • Rosemary Seneviratne | Consultant                             |
| • Anrie van Zyl        | Corporate Support Officer              |
| • Anita Finn           | Executive Assistant                    |

### 2.2. APOLOGIES

- Cr Ben Moore

## 3. CONFIRMATION OF PREVIOUS MEETING MINUTES

CEO REVIEW COMMITTEE MEETING 9<sup>TH</sup> MAY 2018

### COMMITTEE RECOMMENDATION

**Moved: Cr R House**

**Seconded: Cr F Gaze**

**CRC1018. That the minutes from the CEO Review Committee Meeting held on 9<sup>th</sup> May 2018 be confirmed as true and correct.**

**UNANIMOUSLY CARRIED: 8/0**

## 4. GENERAL BUSINESS

---

<b>4.1.</b>	<b>SHIRE OF GNOWANGERUP CEO REVIEW COMMITTEE TERMS OF REFERENCE</b>
<b>Location:</b>	N/A
<b>Proponent:</b>	N/A
<b>File Ref:</b>	ADM0525
<b>Date of Report:</b>	1 October 2018
<b>Business Unit:</b>	Strategy and Governance
<b>Officer:</b>	V Fordham Lamont – Deputy CEO
<b>Disclosure of Interest:</b>	Nil

---

### ATTACHMENTS

- Draft Terms of Reference

### PURPOSE OF THE REPORT

For the CEO Review Committee to recommend that Council adopts the attached Terms of Reference.

### BACKGROUND

Council instituted its CEO Review Committee a number of years ago but current officers have been unable to locate a relevant Terms of Reference document. It has, therefore, been assumed that no such document exists.

Although the requirement for a Terms of Reference is not mandated in law, it is good governance practice that ensures the Committee's role and scope of its activity is clearly stated by Council and understood by the Committee members.

### COMMENTS

The draft CEO Review Committee Terms of Reference is based on the WALGA template, as is the recently updated Audit Committee Terms of Reference.

Earlier in the year, the Shire undertook its Audit Reg 17 Review, which is required to be carried out at least every two years. Regulation 17(1) of the *Local Government (Audit) Regulations 1996* states that "the Chief Executive Officer (CEO) of a local government is to review the appropriateness and effectiveness of a local government's systems and procedures..."

Recommendation 4 of the Review of Legislative Compliance and Internal Controls report stated, in part:

"That the CEO consider undertaking a review of the Audit Committee Terms of Reference..."

After discussing this matter with WALGA Strategy and Governance consultants, officers determined that it would be appropriate and good governance to also develop Terms of Reference for the CEO Review Committee.

## CONSULTATION

WALGA Strategy and Governance Unit

## LEGAL AND STATUTORY REQUIREMENTS

Nil

## POLICY IMPLICATIONS

Nil

## FINANCIAL IMPLICATIONS

Nil

## STRATEGIC IMPLICATIONS

Shire of Gnowangerup Strategic Community Plan 2017 -2027.

Theme 4 A Sustainable and Capable Council.

Objective 2 To have a highly skilled and effective Council that represents the best interests of the community.

Strategic Initiative 3.1 Ensure elected body has a comprehensive understanding of its roles and responsibilities.

## RISK MANAGEMENT CONSIDERATIONS:

<b>Strategic Risk Category</b>	Leadership
<b>Consequence Rating</b>	Insignificant
<b>Likelihood Rating</b>	Unlikely
<b>Control Rating</b>	Effective
<b>Risk Acceptance Criteria</b>	Acceptable

## IMPACT ON CAPACITY

Nil

## ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

## CONCLUSION

It is good governance to have Terms of Reference in place for Council committees and the document will be a valuable resource to members.

## VOTING REQUIREMENTS

Simple majority

**OFFICERS RECOMMENDATION:**

**Moved: Cr L Martin**

**Seconded: Cr F Gaze**

**CRC1018. That the Audit Committee:**

**Recommends Council adopt the CEO Review Committee Terms of Reference as presented.**

**UNANIMOUSLY CARRIED: 8/0**

*Heart of the Stirlings*



**SHIRE OF GNOWANGERUP**

# **CEO REVIEW COMMITTEE**

## **TERMS OF REFERENCE**

September 2018



## Purpose

The CEO Review Committee (Committee) is responsible for making recommendations to Council on Chief Executive Officer (CEO) appointments, contract reviews/renewals, performance and remuneration reviews and assessments, and the actioning of complaints against the CEO.

The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have a delegated power from Council. The Committee does not have any management functions and cannot involved itself in management processes or procedures.

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate informed decision making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

## Objectives

The primary objectives of the Committee are to make recommendations to Council on CEO appointments, contract reviews/renewals, performance and remuneration reviews and assessments, and the actioning of complaints against the CEO.

Reports from the Committee will assist Council in discharging its legislative responsibilities of governing the Shire's affairs.

## Duties and Responsibilities

The duties and responsibilities of the Committee members will be to:

1. Make recommendations to Council on CEO performance reviews and assessments;
2. Review and recommend annual goals and targets for the CEO against key performance indicators to Council for consideration.
3. Make recommendations to Council on CEO remuneration reviews and assessments.
4. Assess and make recommendations on action arising from complaints against the CEO.
5. Make recommendations to Council on CEO appointments.
6. Make recommendations to Council on CEO contract reviews and/or renewals.

## Membership

The Committee will consist of all elected members of Council. All members shall have full voting rights.

The CEO and employees are not members of the committee.

The CEO and senior staff, with the approval of the Presiding Member and CEO, may be called to attend meetings to provide advice and guidance to the Committee.

The Executive Assistant will provide administrative support to the Committee by preparing agendas and minutes, and organising meetings.

The Presiding Member and Deputy Presiding Member must be elected in accordance with section 5.12 and Schedule 2.3 of the Act.

## Meetings

The Committee shall have flexibility in relation to when it needs to meet, but as a minimum, will need to meet at least once a year. It is the responsibility of the Presiding Member to call the meetings of the Committee.

## Reporting

Reports and recommendations of each Committee meeting shall be presented to the next ordinary meeting of the Council and must be moved by the Presiding Member, or in his/her absence the Deputy Presiding Member, or in both their absences, any other member of the Committee.

## **5. DATE OF NEXT MEETING**

That the next CEO Review Committee meeting be held on ..... at .....pm.

## **6. CLOSURE**

There being no further business, the Presiding Member Cr K House thanked Committee members and Staff for their time and closed the meeting at 5:03pm.

## 12. STRATEGY AND GOVERNANCE

---

### 12.1 QUARTERLY REVIEW OF CORPORATE BUSINESS PLAN / STRATEGIC COMMUNITY PLAN

<b>Location:</b>	N/A
<b>Proponent:</b>	N/A
<b>File Ref:</b>	ADM0432
<b>Date of Report:</b>	4 October 2018
<b>Business Unit:</b>	Strategy and Governance
<b>Officer:</b>	V Fordham Lamont – Deputy CEO
<b>Disclosure of Interest:</b>	Nil

---

#### ATTACHMENTS

- Quarterly Corporate Business Plan / Strategic Community Plan Review for 1<sup>st</sup> Quarter 2018/2019

#### PURPOSE OF THE REPORT

For Council to note the Quarterly Corporate Business Plan (CBP) / Strategic Community Plan (SCP) Review for the quarter ending 30 September 2018 (i.e. the progress of the actions/projects in the existing CBP) and to adopt any amendments to the existing SCP and CBP.

#### BACKGROUND

Council adopted its Strategic Community Plan and Corporate Business Plan in 2017. Regulation 19DA(4) of the *Local Government (Administration) Regulations 1996* requires a local government to review its current Corporate Business Plan each year. Regulation 19C(4) requires a local government to review its Strategic Community Plan at least once every four years.

The Great Southern Peer Support Group, with the assistance of Shire of Gnowangerup officers, developed a customised tool to report the status of, and any modifications to, these plans, including but not limited to objectives, strategic initiatives and actions. This will satisfy the regulatory requirements above.

#### COMMENTS

The attached report satisfies Regulations 19DA(4) and 19C(4) of the *Local Government (Administration) Regulations 1996*. It is planned that, moving forward, the Strategic Community Plan and Corporate Business Plan will be streamlined into a single plan that will be the subject of a major review every 4 years.

As this is the first report in its present format, officers are very open to feedback to improve the report for the future.

#### CONSULTATION

Nil

**LEGAL AND STATUTORY REQUIREMENTS**

*Local Government (Administration) Regulations 1996*  
Reg 19C Strategic community plans, requirements for  
Reg 19DA Corporate business plans, requirements for

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil. All actions/projects have been budgeted for or will be budgeted for in future years.

**STRATEGIC IMPLICATIONS**

Strategic Community Plan  
Theme: A Sustainable and Capable Council  
Objective: Provide accountable and transparent leadership  
Strategic Initiative: Integrate planning, resources and reporting

**STRATEGIC RISK MANAGEMENT CONSIDERATIONS:**

<b>Strategic Risk Category</b>	Ineffective Leadership
<b>Consequence Rating</b>	Minor
<b>Likelihood Rating</b>	Unlikely
<b>Control Rating</b>	Effective
<b>Risk Acceptance Criteria</b>	Acceptable

**IMPACT ON CAPACITY**

Nil

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Nil

**CONCLUSION**

The new reporting tool is a relatively simple way to report to Council on the progress of the CBP actions. This is the first time it has been used and any suggested improvements can be added into future reports.

The adoption of the revised CBP and SCP, reinforces Council’s commitment to meaningful strategic planning and provides a sound basis for continual improvement within the Shire.

**VOTING REQUIREMENTS**

Absolute majority

**COUNCIL RESOLUTION:**

Moved: Cr S Hmeljak

Seconded: Cr F Hmeljak

**1018.113 That Council:**

- 1. Note and approve the achievements against the actions in the attached Quarterly Corporate Business Plan / Strategic Community Plan Review for the quarter ending 30 September 2018;**
- 2. Adopt the following amendments to the existing CBP/SCP:**
  - **A1.1.3 Digital Work Plan implementation added to CBP for 2018/2019 via budget deliberations.**
  - **A1.4.3 Progress Cuneo Close commercial development added to CBP for 2018/2019 via budget deliberations.**
  - **A1.5.1 Business community are not interested in an annual Business Form and suggested every two years might be more appropriate.**
  - **B1.2.4 Meeting with business community re becoming a plastic bag free shire removed from CBP as State Govt is banning plastic bags.**
  - **B1.2.5 Planning to become a plastic bag free shire in 2018/2019 removed from CBP as State Govt is banning plastic bags.**
  - **B3.2.2 Removed from CBP due to lack of interest from prospective local partners in a native plant subsidy scheme.**
  - **C1.3.1 and C1.3.2 Removed from CBP by CEO at Council's request.**
  - **C2.1.2 Removed from CBP as the ABS does not provide this Census information for small communities.**
  - **D3.1.2 Removed from CBP as Altus Human Resources module not implemented because the system will not offer sufficient benefits to outweigh implementation and ongoing costs.**
  - **E2.1.1 Removed from CBP by CEO.**
  - **E2.1.7 Added to CBP after discussions with Council to subdivide Reserve 14184 into Old Gnowangerup Police Station and Gaol, Old Telecentre and the Childcare Centre.**
  - **E2.1.8 Added to CBP implement a previous Council decision to acquire 25 Yougenup Rd, Gnowangerup and reserve it as a park.**
  - **F2.1.2 Removed from CBP because Council resolved not to proceed as costs of acquisition of 11 & 13 Bell St, Gnowangerup would exceed possible sale proceeds.**
  - **F3.1.1 Removed from CBP as Census data is unavailable for small communities the size of Ongerup and Borden.**
  - **F4.1.7 Added to CBP to comply with legislation re updating the municipal heritage inventory.**

- **F4.1.8 Added to CBP as budget deliberations confirmed new shed for Depot.**
  - **F4.1.9 Added to CBP Infrastructure upgrades to Ongerup Waste Water Ponds as required by Economic Regulation Authority's Post Audit Implementation Plan.**
- and;
3. **Direct the CEO to publish the attached report on the Shire's web page.**

**UNANIMOUSLY CARRIED: 8/0**

GNOWANGERUP SHIRE STRATEGIC BUSINESS PLAN FY 2018/19 - 2021/22 Draft v1

<b>OUR VISION</b>	A progressive, inclusive and prosperous community built on opportunity.
<b>OUR PURPOSE</b>	
<b>OUR HORIZONS</b>	Horizon 1 FY 2018/19 – 2021/22 (next 4 years): Horizon 2 FY 2022/23 – 2028/29 (next 5-10 years):
<b>OUR VALUES</b>	We believe in the following values which will guide our behaviours: <ul style="list-style-type: none"> <li>Honesty</li> <li>Responsibility</li> <li>Respect</li> <li>Excellence</li> <li>Fairness</li> <li>Teamwork</li> </ul>

OUR KEY THEMES and OBJECTIVES <small>Note, these should be broad, long term aims that work towards achieving the vision and purpose. Extract from your Community Strategic Plan</small>		OUR INITIATIVES or PROJECTS <small>Note, these should be broad activities required to:</small> 1) Achieve a target 2) Create a critical success factor 3) Overcome a barrier		OPERATIONAL IMPLEMENTATION					18/19 QUARTERLY REVIEW - END OF QUARTER ONE			
				ACTIONS	RESPONSIBILITY	DELIVERY TIMELINE				PROJECT STATUS		ACTION UPDATE COMMENTS
						FY 17/18	FY 18/19	FY 19/20	FY 20/21	ON TRACK	HELD	
<b>A. SUSTAINABLE BUSINESS GROWTH</b>												
A1	Actively support and develop existing business and attract new local business.	A1.1	Lobby for the technological infrastructure necessary to support commercial and business growth.	A1.1.1	Develop and implement an Economic Development Strategy/ Plan to guide and drive economic development in the Shire.	CEO		●				
				A1.1.2	Develop a Digital Workplan to position the Shire as a "Smart Shire" and to maximise the benefits of digital communication technology and initiatives within the Shire for local businesses and the community.	DCEO		●			Plan presented to Council in September 2018.	
				A1.1.3	Implement the Digital Workplan.	DCEO		●	●	●	Ready to commence after plan has gone to Council in September 2018.	
		A1.2	Create business and community Partnerships.	A1.2.1	Identify a community project to facilitate, that encourages business growth i.e. Business Development Group.	CEO	●	●	●	●		
				A1.3.1	Monitor progress on infrastructure plans.	TOWN PLANNER	●	●	●	●		
		A1.4	Facilitate future industrial Development.	A1.4.1	Work with Landcorp to release the industrial lots in Quinn Street.	CEO / TOWN PLANNER	●	●	●	●	Awaiting a determination from Landcorp as to whether they will proceed.	
				A1.4.2	Monitor development rates and ensure future supply of industrial land for subdivision and development.	TOWN PLANNER	●	●	●	●	Cuneo close structure plan and Quinn street area now zoned and available for industrial/serviced commercial usage	
		A1.5	Facilitate knowledge sharing and learning opportunities.	A1.4.3	Progress Cuneo Close commercial development	MW		●			Road works completed - electrical works still outstanding.	
				A1.5.1	Hold annual Business Forum.	CEO	●		●		Business community are not interested and suggested annually is too frequent and suggest maybe every two years.	
		A2	For the Shire's business community to have the technology and communication capability necessary to thrive within a competitive environment.	A2.1	Actively seek opportunities for improving local communication network infrastructure.	A2.1.1	Work with external partners to provide an improved internet service within the District.	DCEO	●	●	●	●
A3	Enhance and develop the Tourism industry to promote growth and prosperity.	A3.1	Develop partnerships to actively support visitor growth	A3.1.1	Work with the community to attract a Major Event/Festival or Attraction to the Shire	CEO	●	●	●	●	Waiting for the commencement of the Community Development Coordinator.	
				A3.2.1	Complete Gnowangerup Heritage Trail Project.	CEO	●				Project completed in 17/18.	
		A3.2	Leverage our environmental, built, heritage and social assets in the promotion of tourism	A3.2.2	Develop Tourism Strategy.	CEO		●				
A3.2.3	Develop Management Plan for the Gnowangerup Star.			CEO	●	●	●		Management Plan options provided to Council for consideration. On hold until 19/20 budget.			
<b>B. THE NATURAL ENVIRONMENT</b>												
B1	Environmentally sustainable leadership.	B1.1	Effectively manage Resource consumption including water, energy and non-renewable resources and stewardship.	B1.1.1	Facilitate active involvement from the community in preserving and enhancing the natural environment by using all available resources such as The West Australian Waste Authority's CIE Grants, which are available each year.	AWMC		●	●	●		
				B1.1.2	Take management order over Borden Community Dam reserve.	DCEO		●			Negotiating with Water Corp after Council endorsed proposal.	
		B1.2	Reduce waste through reduction, re- use and recycling of waste products.	B1.2.1	Design and cost the installation of recycling stations at each landfill. Trial at Gnowangerup in Feb 2018.	AWMC		●			Bins and signage to be delivered December 2018.	
				B1.2.2	Roll out the recycling stations to the Borden and Ongerup landfills.	AWMC		●				
				B1.2.3	Investigate Recycling and waste management Education and Awareness Activities such as the West Australian Waste Authority's CIE Grants, which have been used to fund projects of this type.	AWMC	●	●	●	●	Ongoing - CIE grants reviewed each year.	
				B1.2.4	Hold a meeting with the business community to discuss becoming a plastic bag free Shire.	-AWMC-	●				Not required - State Govt to ban plastic bags.	
				B1.2.5	Plan to become a plastic bag free Shire in 2018/19.	-AWMC-		●			Not required - State Govt to ban plastic bags.	
B2	Adapt to the effects of Climate change.	B2.1	Implement Policy changes through planning, building, land management and infrastructure.	B2.1.1	Investigate alternative sources of power for Shire owned buildings.	AWMC	●				Ongoing	
				B2.1.2	Install solar systems at the Shire's Administration and Depot buildings.	AWMC	●				Ongoing	
				B2.1.3	Formulate a plan to help reduce power consumption at the new pool site.	AWMC	●				Ongoing	
				B2.1.4	Implement pool power plan.	AWMC		●			Ongoing	



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18/19 QUARTERLY REVIEW - END OF QUARTER ONE

OUR KEY THEMES and OBJECTIVES <small>Note, these should be broad, long term aims that work towards achieving the vision and purpose. Extract from your Community Strategic Plan</small>	OUR INITIATIVES or PROJECTS <small>Note, these should be broad activities required to: 1) Achieve a target 2) Create a critical success factor 3) Overcome a barrier</small>	OPERATIONAL IMPLEMENTATION				DELIVERY TIMELINE				PROJECT STATUS	ACTION UPDATE COMMENTS
		ACTIONS	RESPONSIBILITY	FY 17/18	FY 18/19	FY 19/20	FY 20/21	ON TRACK			
								HELD			
		<b>B2.1.5</b>	Investigate large-scale power generation opportunities.	AWMC						Ongoing	
		<b>B2.1.6</b>	Participate in State Risk Project.	DCEO	●	●				Risk Assessment workshops held with LEMC in 17/18 and 18/19.	
<b>B3</b>	Enhance reserves and protect local ecology and biodiversity of natural ecosystems.	<b>B3.1</b>	Conserve and enhance open spaces.	MW	●	●	●	●			
		<b>B3.2.1</b>	Continue to preserve the conservation road side areas and support local conservation groups.	MW / CEO	●	●	●	●			
		<b>B3.2.2</b>	<del>Investigate partnering in the native plant subsidy scheme.</del>	<del>DCEO</del>	●					No suitable local partners were supportive of this initiative.	
		<b>B3.2</b>	Conserve natural vegetation, Native reserve condition and bushland.								

PROJECT STATUS	ACTION UPDATE COMMENTS
ON TRACK	
HELD	
CANCELLED	
COMPLETED	

C. OUR COMMUNITY				DELIVERY TIMELINE								
				ACTIONS	RESPONSIBILITY	FY 17/18	FY 18/19	FY 19/20	FY 20/21	PROJECT STATUS	ACTION UPDATE COMMENTS	
<b>C1</b>	Build connectivity between the three communities.	<b>C1.1</b>	Strengthen the sense of place and culture and belonging through inclusive community interaction and participation.	<b>C1.1.1</b>	Support annual funds to local arts and culture groups.	COUNCIL / CEO	●	●	●	●		
				<b>C1.1.2</b>	Identify opportunities to strengthen the relationship between our three communities.	CEO	●	●	●	●		
				<b>C1.1.3</b>	Promote and support the needs of disadvantaged people within the community.	CEO	●	●	●	●		
		<b>C1.2</b>	Actively strengthen relationships with our diverse cultural community.	<b>C1.2.1</b>	Work with the indigenous community to celebrate NAIDOC week.	CEO	●	●	●	●		
				<b>C1.2.2</b>	Implement the DAIP to guide Shire operations and services to ensure they are inclusive of all members of the community.	CEO	●	●	●	●		
				<b>C1.3</b>	Investigate the feasibility of changing the name of the Shire to promote a more inclusive Shire image.	<del>COUNCIL / CEO</del>		●				
<b>C2</b>	Build proud and active residents who participate in local activities and services for the betterment of the community.	<b>C2.1</b>	Facilitate a program of community-based events that encourage social interaction within our three communities.	<b>C2.1.1</b>	Actively engage the community and event promoters to host iconic, cultural and sporting events within the Shire in partnership with other community organisations e.g. Australia Day, NAIDOC Week, National Youth Week, Mental Health Week, Thank a Volunteer Day / Volunteer Week.	CEO	●	●	●	●		The shire provided funding and support to the annual NAIDOC indigenous football match
				<b>C2.1.2</b>	<del>Subscribe to and develop locally based statistical service programs to enhance demographic analysis capability, including Community Profile, Economic Profile and Population forecasts.</del>	<del>CEO</del>	●	●	●	●		ABS does not provide this Census information for small communities
				<b>C2.1.3</b>	Prepare a Community Development Plan to guide the provision of community based services delivered or facilitated by the Shire.	CEO	●					Waiting for the commencement of the Community Development Coordinator
				<b>C2.1.4</b>	Support annual funds to local community groups & individuals to assist in delivering local passive recreational activities.	CEO	●	●	●	●		
		<b>C2.2</b>	Increase productivity and where possible value add to Shire delivered community services.	<b>C2.2.1</b>	Increase Ongerup Library membership and introduce library activities to be delivered to the community.	CEO	●					
				<b>C2.2.2</b>	Investigate needs associated with staffing the Gnowangerup Community Swimming Pool to maintain optimal operations.	CEO	●	●				
				<b>C2.2.3</b>	Relocate Ongerup Library to Yongergnow-Ongerup CRC.	CEO		●			Will be completed by the end of October 2018	
<b>C3</b>	Assist in building the sustainable management of local organisations and community groups.	<b>C3.1</b>	Support and facilitate the development of community Leaders.	<b>C3.1.1</b>	Work in partnership with other Shires and community organisations to facilitate the development of local leaders through skills development opportunities and capacity building activities e.g. Regional Passive Recreation Development Project, Governance Training, Training and Skills Development Project and Community Leadership Project.	CEO	●	●	●	●		
				<b>C3.2.1</b>	Promote the sustainable management of local organisations and community groups.	CEO				●		
		<b>C3.2</b>	Support and encourage opportunities for local volunteering.	<b>C3.2.2</b>	Facilitate and promote partnerships between volunteer organisations, NGO's, Local Businesses and Local Government Organisations.	CEO	●	●	●	●		
				<b>C3.2.3</b>	Develop a community asset map to facilitate a sustainable volunteer base and reduce volunteer burnout.	CEO				●		
<b>C4.1.1</b>	Conduct environmental health initiatives in the community, including inspections and assessments relating to: food, water, noise, disease, pest control and safety.	EHO	●	●	●	●		Ongoing				

PROJECT STATUS	ACTION UPDATE COMMENTS
ON TRACK	
HELD	
CANCELLED	
COMPLETED	

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OPERATIONAL IMPLEMENTATION		DELIVERY TIMELINE			
ACTIONS	RESPONSIBILITY				
		FY 17/18	FY 18/19	FY 19/20	FY 20/21
<b>C4.1</b> Build a healthy community that is aware of and responsive to current public health risks.					
<b>C4.1.2</b> Continue to monitor the Ongerup Sewerage Scheme.	EHO	●	●	●	●
<b>C4.2</b> Support and promote initiatives that aim to improve mental health.					
<b>C4.2.1</b> Shire remain an Act-Belong-Commit Partner Site.	CEO	●	●	●	●
<b>C4.2.2</b> Support community driven preventative health initiatives and support the provision of services for community members impacted by mental health issues.	CEO	●	●	●	●

18/19 QUARTERLY REVIEW - END OF QUARTER ONE		ACTION UPDATE COMMENTS
PROJECT STATUS		
ON TRACK		
HELD		
CANCELLED		
COMPLETED		

<b>C4</b> Ensure residents feel safe and confident in their ability to travel and socialise within their community.	<b>C4.1</b> Build a healthy community that is aware of and responsive to current public health risks.	<b>C4.1.2</b> Continue to monitor the Ongerup Sewerage Scheme.	EHO	●	●	●	●	Ongoing
	<b>C4.2</b> Support and promote initiatives that aim to improve mental health.	<b>C4.2.1</b> Shire remain an Act-Belong-Commit Partner Site.	CEO	●	●	●	●	ongoing
		<b>C4.2.2</b> Support community driven preventative health initiatives and support the provision of services for community members impacted by mental health issues.	CEO	●	●	●	●	

**D. A SUSTAINABLE AND CAPABLE COUNCIL**

<b>D1</b> Provide accountable and transparent leadership.	<b>D1.1</b> Continue to develop a policy framework that guides decision making.	<b>D1.1.1</b> Annually review the Shire's Policy Manual and develop new policies as required.	DCEO	●	●	●	●	Ongoing	
		<b>D1.1.2</b> Major re-development of Policy Manual.	DCEO		●			Due for completion in fourth quarter.	
	<b>D1.2</b> Integrate planning, resources and reporting.	<b>D1.2.1</b> Develop a seamless suite of plans aligning the strategic direction with operational actions and projects.	CEO	●				Waiting the completion of the asset management plan.	
		<b>D1.2.2</b> Develop the Asset Management Framework which includes policy, strategy and plans.	AWMC	●					
		<b>D1.2.3</b> Develop a Workforce Plan.	CEO / DCEO	●				Workforce Plan presented to Council in April 2018.	
		<b>D1.2.4</b> Review the Long Term Financial Plan.	DCEO	●	●	●	●	Due for completion in second quarter.	
		<b>D1.3</b> Demonstrate accountability through robust reporting that is relevant and easily accessible by the Community.	<b>D1.3.1</b> Ensure the Annual Report includes all the information that is required by legislation and in a format easily understandable by the community.	CEO / DCEO	●	●	●	●	Collating information for report.
	<b>D1.4</b> Optimise opportunities for the community to access and participate in the decision making process.	<b>D1.4.1</b> Develop a community engagement / consultation strategy.	CEO	●				Waiting the commencement of the Community Development Coordinator and the outcome of the Customer Service survey	
		<b>D1.4.2</b> Establish and manage a Strategic Community Reference Group from a wide demographic to provide advice to Council on matters of significant community interest.	CEO	●				Discussions with the members of the Citizens Panel indicated they would be prepared to take on this role.	
		<b>D1.4.3</b> Prepare and publish all Agendas and Minutes of Council in accordance with legislation and make them accessible to the public.	CEO	●	●	●	●		
	<b>D2</b> To have a highly skilled and effective Council that represents the best interests of the community.	<b>D2.1</b> Ensure elected body has a comprehensive understanding of its roles and responsibilities.	<b>D2.1.1</b> Manage election process and ensure new councillors receive relevant documentation.	CEO	●		●		Induction Guide provided to Council for input
			<b>D2.1.2</b> Develop an Induction Manual for elected members.	CEO		●			Commenced. Will be finalised once feedback from Councillors regarding the Guide has been received.
			<b>D2.1.3</b> Develop an annual elected members training calendar.	CEO		●			
<b>D3</b> Improve the capability and capacity of the Shire.	<b>D3.1</b> Improve organisational systems with a focus on innovative solutions.	<b>D3.1.1</b> Implement the outcomes of the Better Practice Review.	CEO / DCEO	●				Completed in 17/18.	
		<b>D3.1.2</b> Implement new Synergysoft and ALTUS Human Resources module to provide management with relevant HR statistics to assist decision making.	DCEO	●				Not proceeded with as system will not offer benefits to outweigh implementation and ongoing costs.	
		<b>D3.1.3</b> Implement new ALTUS Financial Reporting system to provide a more efficient monthly financial reporting process.	DCEO	●	●			Officers continuing to work with specialists from IT Vision to fine tune ALTUS Financial Reporting.	
		<b>D3.1.4</b> Conduct five yearly review of Recordkeeping Plan.	DCEO	●	●			Recordkeeping Plan will be reviewed in second quarter by external consultant.	
		<b>D3.1.5</b> Conduct two-yearly Reg 17 Audit Review.	DCEO	●		●		Review conducted by external consultants and presented to Council in September 2018.	
		<b>D3.1.6</b> Implement recommendations from Records Management review including records disaster recovery plan, records policies and procedures, completion of archiving program and medical practice files.	DCEO	●	●			Continuing to implement recommendations.	
		<b>D3.1.7</b> Annually conduct a review of local laws with a major review to be done eight-yearly.(Last major review was 2016).	DCEO	●	●	●	●	Review completed. Standing Orders Local Law due for completion in fourth quarter.	

ACTIONS	RESPONSIBILITY	FY 17/18	FY 18/19	FY 19/20	FY 20/21	PROJECT STATUS	ACTION UPDATE COMMENTS
<b>D1.1.1</b> Annually review the Shire's Policy Manual and develop new policies as required.	DCEO	●	●	●	●	ON TRACK	Ongoing
<b>D1.1.2</b> Major re-development of Policy Manual.	DCEO		●			HELD	Due for completion in fourth quarter.
<b>D1.2.1</b> Develop a seamless suite of plans aligning the strategic direction with operational actions and projects.	CEO	●				CANCELLED	Waiting the completion of the asset management plan.
<b>D1.2.2</b> Develop the Asset Management Framework which includes policy, strategy and plans.	AWMC	●				ON TRACK	
<b>D1.2.3</b> Develop a Workforce Plan.	CEO / DCEO	●				ON TRACK	Workforce Plan presented to Council in April 2018.
<b>D1.2.4</b> Review the Long Term Financial Plan.	DCEO	●	●	●	●	ON TRACK	Due for completion in second quarter.
<b>D1.3.1</b> Ensure the Annual Report includes all the information that is required by legislation and in a format easily understandable by the community.	CEO / DCEO	●	●	●	●	ON TRACK	Collating information for report.
<b>D1.4.1</b> Develop a community engagement / consultation strategy.	CEO	●				HELD	Waiting the commencement of the Community Development Coordinator and the outcome of the Customer Service survey
<b>D1.4.2</b> Establish and manage a Strategic Community Reference Group from a wide demographic to provide advice to Council on matters of significant community interest.	CEO	●				ON TRACK	Discussions with the members of the Citizens Panel indicated they would be prepared to take on this role.
<b>D1.4.3</b> Prepare and publish all Agendas and Minutes of Council in accordance with legislation and make them accessible to the public.	CEO	●	●	●	●	ON TRACK	
<b>D2.1.1</b> Manage election process and ensure new councillors receive relevant documentation.	CEO	●		●		ON TRACK	Induction Guide provided to Council for input
<b>D2.1.2</b> Develop an Induction Manual for elected members.	CEO		●			ON TRACK	Commenced. Will be finalised once feedback from Councillors regarding the Guide has been received.
<b>D2.1.3</b> Develop an annual elected members training calendar.	CEO		●			ON TRACK	
<b>D3.1.1</b> Implement the outcomes of the Better Practice Review.	CEO / DCEO	●				ON TRACK	Completed in 17/18.
<b>D3.1.2</b> Implement new Synergysoft and ALTUS Human Resources module to provide management with relevant HR statistics to assist decision making.	DCEO	●				CANCELLED	Not proceeded with as system will not offer benefits to outweigh implementation and ongoing costs.
<b>D3.1.3</b> Implement new ALTUS Financial Reporting system to provide a more efficient monthly financial reporting process.	DCEO	●	●			ON TRACK	Officers continuing to work with specialists from IT Vision to fine tune ALTUS Financial Reporting.
<b>D3.1.4</b> Conduct five yearly review of Recordkeeping Plan.	DCEO	●	●			ON TRACK	Recordkeeping Plan will be reviewed in second quarter by external consultant.
<b>D3.1.5</b> Conduct two-yearly Reg 17 Audit Review.	DCEO	●		●		ON TRACK	Review conducted by external consultants and presented to Council in September 2018.
<b>D3.1.6</b> Implement recommendations from Records Management review including records disaster recovery plan, records policies and procedures, completion of archiving program and medical practice files.	DCEO	●	●			ON TRACK	Continuing to implement recommendations.
<b>D3.1.7</b> Annually conduct a review of local laws with a major review to be done eight-yearly.(Last major review was 2016).	DCEO	●	●	●	●	ON TRACK	Review completed. Standing Orders Local Law due for completion in fourth quarter.

PROJECT STATUS	ACTION UPDATE COMMENTS
ON TRACK	Ongoing
HELD	Due for completion in fourth quarter.
CANCELLED	Waiting the completion of the asset management plan.
ON TRACK	
ON TRACK	Workforce Plan presented to Council in April 2018.
ON TRACK	Due for completion in second quarter.
ON TRACK	Collating information for report.
HELD	Waiting the commencement of the Community Development Coordinator and the outcome of the Customer Service survey
ON TRACK	Discussions with the members of the Citizens Panel indicated they would be prepared to take on this role.
ON TRACK	
ON TRACK	Induction Guide provided to Council for input
ON TRACK	Commenced. Will be finalised once feedback from Councillors regarding the Guide has been received.
ON TRACK	
ON TRACK	Completed in 17/18.
CANCELLED	Not proceeded with as system will not offer benefits to outweigh implementation and ongoing costs.
ON TRACK	Officers continuing to work with specialists from IT Vision to fine tune ALTUS Financial Reporting.
ON TRACK	Recordkeeping Plan will be reviewed in second quarter by external consultant.
ON TRACK	Review conducted by external consultants and presented to Council in September 2018.
ON TRACK	Continuing to implement recommendations.
ON TRACK	Review completed. Standing Orders Local Law due for completion in fourth quarter.



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<b>OUR VISION</b>	A progressive, inclusive and prosperous community built on opportunity.
<b>OUR PURPOSE</b>	
<b>OUR HORIZONS</b>	Horizon 1 FY 2018/19 – 2021/22 (next 4 years): Horizon 2 FY 2022/23 – 2028/29 (next 5-10 years):
<b>OUR VALUES</b>	We believe in the following values which will guide our behaviours: <ul style="list-style-type: none"> <li>Honesty</li> <li>Responsibility</li> <li>Respect</li> <li>Excellence</li> <li>Fairness</li> <li>Teamwork</li> </ul>

OUR KEY THEMES and OBJECTIVES <small>Note, these should be broad, long term aims that work towards achieving the vision and purpose. Extract from your Community Strategic Plan</small>	OUR INITIATIVES or PROJECTS <small>Note, these should be broad activities required to:</small> 1) Achieve a target 2) Create a critical success factor 3) Overcome a barrier	OPERATIONAL IMPLEMENTATION					
		ACTIONS	RESPONSIBILITY	DELIVERY TIMELINE			
				FY 17/18	FY 18/19	FY 19/20	FY 20/21
E4 Continue to liaise with key stakeholders such as State and Federal Government Agencies.	E4.1 Maximise funding opportunities for key infrastructure projects for the Shire of Gnowangerup.	E4.1.2 Submit funding for Regional Road Group funds. Focus on preservation resealing of single seal bitumen roads – Borden Bremer Bay Rd, Tieline Rd, Tambellup Rd, Kwobrup Rd. Complete widening and resealing of Ongerup Pingrup Rd.	MW	●	●	●	●
		E4.1.3 Maximise WANDRRA funding opportunities by reviewing and incorporating works completed by WANDRRA and adjust works program accordingly.	MW	●	●	●	●

18/19 QUARTERLY REVIEW - END OF QUARTER ONE

PROJECT STATUS	ACTION UPDATE COMMENTS
ON TRACK	
HELD	
CANCELLED	
COMPLETED	

F. QUALITY BUILT FORM											
F1 For the Shire's commercial and residential areas to be filled with quality buildings and appealing streetscapes.	F1.1	Ensure planning frameworks promote and support mixed use developments.	F1.1.1	Design Stage 1 of residential subdivision in Quinn Street.	TOWN PLANNER	●	●	●	●	Completed.	
	F1.2	Environmentally sensitive building designs are promoted and encouraged.	F1.2.1	Ensure environmental consideration is reflected in Town Planning and Building Approvals.	TOWN PLANNER / BUILDING SURVEYOR	●	●	●	●	on going	
	F1.3	Buildings and landscaping is suitable for the immediate environment and reflect community values.	F1.3.1	Facilitate the redevelopment of Aylmore Springs. Stage 1: Community Consultation. Stage 2: Design & Implementation.	CEO / TOWN PLANNER	●	●	●	●	Quotes for decommissioning and demolition of the old pool have been received. Stage 2 will be part of the 2019/20 budget.	
F2 Facilitate and integrate housing options, local services, employment and recreational spaces.	F2.1	Facilitate diverse, inclusive, housing options.	F2.1.1	Support Landcorp release of residential blocks.	CEO	●	●	●	●	Awaiting offers to purchase from the community.	
			F2.1.2	Acquire 11 & 13 Bell Street Gnowangerup vacant blocks for re-sale.	-DCEO-					Council resolved not to proceed as costs of acquisition would exceed possible sale proceeds.	
			F2.1.3	Purchase grouped housing block from Landcorp.	CEO	●					The Block on the Corner of Quinn and Whitehead Streets has been purchased.
			F2.1.4	Construct two houses on grouped housing block.	DCEO / AWMC		●	●			Pending sign off of Building Better Regions grant documentation. Specifications completed.
	F2.2	Provide appropriate open space to recreate and connect with nature.	F2.2.1	Encourage better use of existing underutilised community spaces across the Shire.	CEO / TOWN PLANNER	●	●	●	●	Ongerup library moving to Youngergnow to take advantage of unused space and provide an income for the CRC. We have identified some reserves no longer required by council.	
	F2.2.2	Support projects that improve community spaces and that incorporate the sustainable management of community assets into the future e.g. Community Garden.	CEO	●	●	●	●			ongoing	
F3 To provide facilities of the highest quality which reflect the needs of the community now and into the future.	F3.1	Develop an understanding of the demographic context of local communities to support effective facility planning.	F3.1.1	Prepare a demographic profile for each of the 3 communities using the 2016 Census data.	-CEO-	●				Census data is unavailable for small communities the size of Ongerup and Borden.	
F4 Manage current and future assets and infrastructure.	F4.1	Continue to improve asset management practices.	F4.1.1	Develop a long-term approach to significant facility upgrades and improvements.	AWMC	●	●	●	●		
			F4.1.2	Develop an Asset Management Strategy 2018-2028 to guide the Shire's approach to managing its assets.	AWMC	●					
			F4.1.3	Maintain and protect heritage building and places.	CEO	●	●	●	●	ongoing	
			F4.1.4	Complete planned shade facility and niche wall at Gnowangerup Cemetery.	MW / COUNCIL	●	●	●	●	Shade structure completed.	
			F4.1.5	Update mapping of plots and number grave sites at Gnowangerup Cemetery.	DCEO	●	●			Due for completion in second quarter.	
			F4.1.6	Continue to work with GSDC and the Gnowangerup Aboriginal Corporation in progressing the business case for the agricultural training facility.	CEO	●				GSDC have dropped the ball. The CEO is trying to kick start it. The business case is completed but lacks an aboriginal organisation to take it forward.	
			F4.1.7	Update Municipal Heritage Inventory.	CEO		●			Waiting for the commencement of the Community Development Coordinator.	
			F4.1.8	Construct new plant and equipment shed at Depot.	MW / AWMC		●				
			F4.1.9	Infrastructure upgrades to Ongerup Waste Water Ponds.	AWMC		●				

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<b>12.2</b>	<b>PROPOSED ROAD CLOSURE UN-NAMED ROAD (NO. 8578) OFF PALLINUP ROAD, PALLINUP</b>
<b>Location:</b>	near Pallinup Road, Pallinup
<b>Proponent:</b>	M Lance/Cwmavon Farm Trust
<b>File Ref:</b>	A6302
<b>Date of Report:</b>	10 October 2018
<b>Business Unit:</b>	Strategy & Governance
<b>Officer:</b>	Phil Shephard, Planning Officer
<b>Disclosure of Interest:</b>	Nil

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#### ATTACHMENTS

Map of proposed road closure area.

#### PURPOSE OF THE REPORT

To consider any submissions received on the proposed closing of un-named road and formally request the Minister for Lands to close the un-named unconstructed road reserve and dispose of the land to the adjoining landowner.

The recommendation is to formally request the Minister close the road.

#### BACKGROUND

The Council at its 22 August 2018 meeting (Resolution 0818.91) considered the landowners request to close the road and resolved as:

*That Council:*

*Support the proposed road closure of un-named unconstructed road (Road No. 8578) through Location 3729 and commence the road closure referral and consultation phase required under s.58 'Closing roads' of the Land Administration Act 1997 subject to the landowner/proponent agreeing in writing to meeting the associated costs of the Shire administering the road closure process (i.e. advertising cost, referral and report writing and administration time costs) and any required surveying and/or land transfer costs from the Department of Planning, Lands and Heritage.*

#### COMMENTS

The landowner provided written agreement to meet the associated administration costs with the road closure and staff then commenced the public advertising of the proposed road closure for comment.

The road closure notice:

- Was advertised in the Great Southern Herald and 'In The Gnow' newspapers from Thursday 30 August 2018 until Friday 5 October 2018 (total of 37 days).
- Referred directly to adjoining affected landowners (RJ Garnett & Son) for comment.

At the close of the submission period, no submissions were received for consideration and the road may now be considered for formal closure.

The un-named unconstructed road reserve is shown in the aerial image below. The portion of road reserve that makes up part of the Pallinup River will be amalgamated into the river reserve with the road portions to be closed and amalgamated into the adjoining Lot 3729 (west of the river) and Lot 2112 (east of the river).



*Aerial image of proposed road closure area shown bordered in red (Image Landgate Map Viewer Plus)*

As noted in the original request, the road reserve has never been developed and there are several other road closures in the immediate vicinity that have been completed over time. Given the road has not been required to be developed to date and involves difficult terrain for road construction (which includes part of the Pallinup River) plus the availability of other roads and access options to the surrounding lots, there appears to be no future purpose for the road reserve and it is considered surplus and could be considered for closure. There are no services or infrastructure (i.e. water supply, sewer pipes, electricity powerlines etc.) affected by the closure.

The landowner has agreed to meet the costs of the Shire administering the road closure process (i.e. advertising cost, referral and report writing and administration time costs) which are approximately \$700 and will be required to meet any future surveying and/or land transfer costs.

#### CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

M Lance (Cwmavon Farm Trust - Landowner)

RJ Garnett & Son

Notice placed in newspapers circulating in the district.

## LEGAL AND STATUTORY REQUIREMENTS

*Land Administration Act 1997/Land Administration Regulations 1998* – sets out the processes for requesting the Minister for Lands to open and close roads as follows:

### **58. Closing roads**

- (1) *When a local government wishes a road in its district to be closed permanently, the local government may, subject to subsection (3), request the Minister to close the road.*
- (2) *When a local government resolves to make a request under subsection (1), the local government must in accordance with the regulations prepare and deliver the request to the Minister.*
- (3) *A local government must not resolve to make a request under subsection (1) until a period of 35 days has elapsed from the publication in a newspaper circulating in its district of notice of motion for that resolution, and the local government has considered any objections made to it within that period concerning the proposals set out in that notice.*
- (4) *On receiving a request delivered to him or her under subsection (2), the Minister may, if he or she is satisfied that the relevant local government has complied with the requirements of subsections (2) and (3)-*
  - (a) *by order grant the request; or*
  - (b) *direct the relevant local government to reconsider the request, having regard to such matters as he or she thinks fit to mention in that direction; or*
  - (c) *refuse the request.*
- (5) *If the Minister grants a request under subsection (4)-*
  - (a) *the road concerned is closed on and from the day on which the relevant order is registered; and*
  - (b) *any rights suspended under section 55(3)(a) cease to be so suspended.*
- (6) *When a road is closed under this section, the land comprising the former road-*
  - (a) *becomes unallocated Crown land; or*
  - (b) *if a lease continues to subsist in that land by virtue of section 57(2), remains Crown land.*

*Local Government Act 1995* – sets out the responsibilities for roads under the control of local government.

## POLICY IMPLICATIONS

There are no Local Planning Policies that apply to this report.

## IMPACT ON CAPACITY

The road is unconstructed although it is under the care and control of the Shire. If the road was closed and the land amalgamated into the adjoining lot, the Shire would no longer be responsible for the road.

RISK MANAGEMENT CONSIDERATIONS

Strategic Risk Category	Financial Sustainability
Consequence Rating	Insignificant (1)
Likelihood Rating	Unlikely (2)
Acceptance Rating	Low (2)
Risk Acceptance Criteria	Acceptable. Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring

FINANCIAL IMPLICATIONS

The road is unconstructed, and the Shire therefore currently expends no funds maintaining the road. If the road was closed and the land amalgamated into the adjoining lot, the Shire would no longer be responsible or be required to budget funds for the road.

The administration costs to complete the referral/advertising and preparation of this final report amount to \$715.96 (inc. GST) which will be recouped from the applicant as agreed in Council’s August 2018 decision.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017 - 2027

Theme: 6 Quality Built Form  
 Objective: 4. Manage current and future assets and infrastructure.  
 Strategic Initiative: 4.1 Continue to improve asset management practices.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council has a number of options available to it, which are discussed below:

- 1 *Not support the proposal*  
*The Local Government can choose to not support the proposed road closure. If this option was chosen, the present road reserve would remain in place.*
- 2 *Support the proposal*  
*The Local Government can choose to support the proposed road closure and request the Minister for Lands now formally close the road and dispose of the land.*
- 3 *Defer the proposal*  
*The Local Government may elect to defer the matter for a period and seek additional information or comment before proceeding to make a decision.*

CONCLUSION

There were no submissions received on the proposed closure of un-named unconstructed road (Road No. 8578) and it is recommended that Council now request the Minister for Lands close the road and dispose of the land to the adjoining landowners.

VOTING REQUIREMENTS

Simple Majority.



**COUNCIL RESOLUTION:**

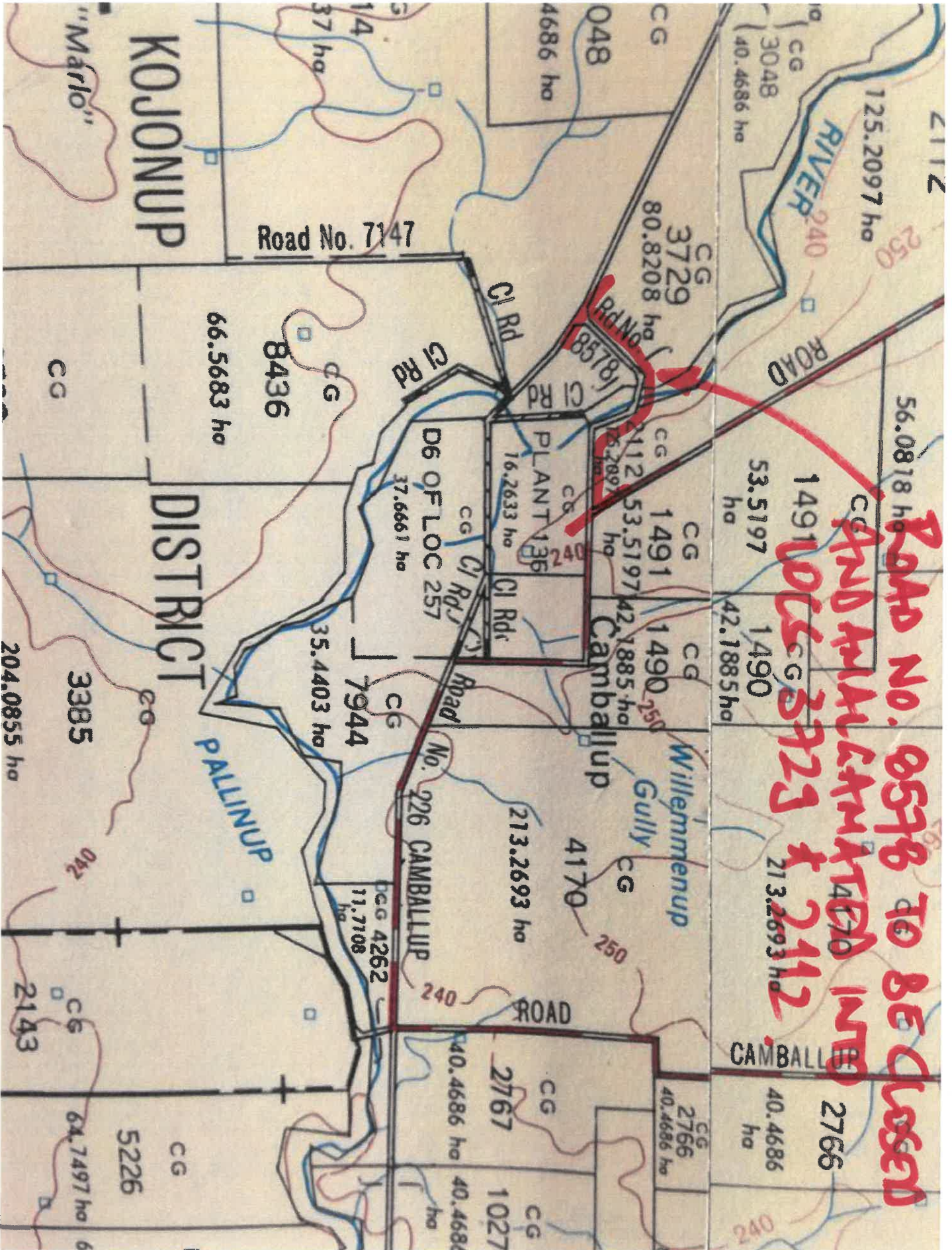
Moved: Cr F Hmeljak

Seconded: Cr F Gaze

**1018.114 That Council:**

In accordance with s.58 'Closing roads' of the *Land Administration Act 1997* seek the Minister for Lands approval to formally close un-named unconstructed road (Road No. 8578) and the land to be amalgamated into adjoining Locations 3729 and 2112 with the landowner/proponent being responsible for any surveying and/or land transfer costs from the Department of Planning, Lands and Heritage.

**UNANIMOUSLY CARRIED: 8/0**



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### **12.3 ADMINISTRATION OFFICE CHRISTMAS CLOSURE**

<b>Location:</b>	Shire of Gnowangerup
<b>Proponent:</b>	N/A
<b>File Ref:</b>	ADM0530
<b>Date of Report:</b>	17 October 2018
<b>Business Unit:</b>	Strategy and Governance
<b>Officer:</b>	Shelley Pike – Chief Executive Officer
<b>Disclosure of Interest:</b>	Nil

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#### ATTACHMENTS

Nil

#### PURPOSE OF THE REPORT

To seek Council's endorsement for the closing of the Shire Administration Office during the Christmas and New Year break from close of business Monday 24 December 2018 to reopen on Wednesday 2 January 2019.

#### BACKGROUND

Previously, Council has authorised the closure of the Shire Administration office during the Christmas and New Year period.

#### COMMENTS

The Boxing Day public holiday falls on Wednesday 26 December 2018 meaning staff would return to work on Thursday 27 December 2018 for 2 days. Following the weekend staff would then return to work again on Wednesday 2 January following the New Year's Public Holiday on the Tuesday.

Over the past year it has been recognised that on many occasions council staff have gone above and beyond what has been required of them. As the CEO I would like to provide council staff with the extra Rostered Day Off (RDO). This would mean staff would return to work on Wednesday 2<sup>nd</sup> January 2018.

Staff will be required to take a total of 2 days accrued leave. If a staff member has no accrued leave, the time off would be leave without pay.

If approved, the closure would be advertised in the three Local Newsletters, Shire of Gnowangerup Website and the administration answering machine.

#### CONSULTATION

Nil

#### LEGAL AND STATUTORY REQUIREMENTS

Nil

#### POLICY IMPLICATIONS

Nil

**FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS**

Strategic Community Plan

Theme: A Sustainable and Capable Council

Objective: To have a highly skilled and effective Council that represents the best interests of the community.

Strategic Initiative: Maintain a skilled and highly effective workforce.

**IMPACT ON CAPACITY**

No work or service delivery would take place between Christmas and New Year.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Council can decline to close the Shire Administration office during Christmas and New Year.

Staff may feel unappreciated and take annual leave. The office will need to be staffed by two people which will most likely be the Senior Finance Officer and the Chief Executive Officer.

**CONCLUSION**

It is not often that Council has the opportunity to reward staff and it is therefore proposed that Council endorses the closing of the Council administration office during the Christmas and New Year break.

**VOTING REQUIREMENTS**

Simple majority

**COUNCIL RESOLUTION:**

**Moved: Cr F Gaze**

**Seconded: Cr F Hmeljak**

**1018.115 That Council:**

**Endorse the closure of the Shire Administration Office from the close of business on Monday the 24 December 2018 to reopen on Wednesday 2 January 2019.**

**UNANIMOUSLY CARRIED: 8/0**

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**12.4 PROPOSED NEW OCCUPATIONAL HEALTH AND SAFETY (OSH)  
CONTRACTORS MANAGEMENT POLICY**

<b>Location:</b>	N/A
<b>Proponent:</b>	N/A
<b>File Ref:</b>	ADM0175
<b>Date of Report:</b>	15 October 2018
<b>Business Unit:</b>	Strategy and Governance
<b>Officer:</b>	A van Zyl – Corporate Support Officer
<b>Disclosure of Interest:</b>	Nil

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ATTACHMENTS

- Occupational Safety and Health (OSH) Contractors Management Policy

PURPOSE OF THE REPORT

For Council to adopt the “OSH Contractors Management Policy” and approve its inclusion in the Shire of Gnowangerup Policy Manual.

BACKGROUND

In October 2016, the Shire undertook a Tier 1, Safety Assessment, performed by Emma Horsefield from LGIS. Even though the Shire had achieved an overall score of 88% in safety, it was concluded that the Shire does not currently consult with Contractors on OSH related issues. The assessor advised that the Shire would benefit from having processes and procedures in place to assist in the management of contractors.

COMMENTS

This document was developed to assist Officers in addressing the issue of managing contractor safety. It is provided as a guide for both Contractors and Officers.

The aim of the Policy for Contractors is to advise them of their responsibilities and liabilities in respect to safety and health, insurances, licence requirements, etc. prior to the commencement and for the duration of the contract.

The aim of the Policy for Officers is to assist them in defining the correct scope of works and identifying the associated risk classification for the contract, and the requirements for managing the Contractor according to the risk classification during and upon completion of the contract.

By developing and implementing an OSH Contractors Management Policy, Council will ensure a pass mark in the “Consultation and Communication” category in the Tier 2 Risk Assessment due to take place in October of 2019.

CONSULTATION

- Monty Archdale, Regional Risk Coordinator, Great Southern, LGISWA

LEGAL AND STATUTORY REQUIREMENTS

Council has a statutory obligation to fulfil its primary duty of care under the *Occupational Safety and Health Act 1984*, the *Occupational Safety and Health Regulations 1996*, and extending to the

*Worker's Compensation and Injury Management Act 1981*, to provide a healthy, safe and productive working environment for all workers, and other people (including Contractors) that may be exposed to Council's undertakings.

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS**

Strategic Community Plan

Theme: A Sustainable and Capable Council

Objective: Provide accountable and transparent leadership

Strategic Initiative: Continue to develop a policy framework that guides decision making

**STRATEGIC RISK MANAGEMENT CONSIDERATIONS:**

Nil

**IMPACT ON CAPACITY**

Nil

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Nil

**CONCLUSION**

The aim of the proposed policy is to provide a "toolkit" to Officers to assist them in defining the correct scope of works and the associated risk classification for the contract, and the requirements for managing the Contractor according to the risk classification during and upon completion of the contract. The Officer believes this objective is met with the proposed policy.

**VOTING REQUIREMENTS**

Absolute majority

**OFFICER RECOMMENDATION**

**That Council:**

- 1. Adopts the new Occupational Safety and Health (OSH) Contractor Management Policy; and**
- 2. Approves its inclusion in the Shire of Gnowangerup Policy Manual.**

*Cr Keith House informed the Councillors that there is a conflict of wording in the new Occupational Health and Safety Contractors Management Policy. The wording might have to be changed in several places in the document from 'Council' to 'CEO'. He asked for a deferral of this item to the next meeting so this can be clarified.*

**PROCEDURAL MOTION:**

**Moved: Cr C Thomas**

**Seconded: Cr L Martin**

**1018.116 That Council:**

**Deferred this item for consideration at the next Ordinary Council Meeting on 28 November 2018 and resubmitting to Council.**

**UNANIMOUSLY CARRIED: 8/0**



# OSH CONTRACTORS MANAGEMENT POLICY





SHIRE OF GNOWANGERUP

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## 1. Introduction

This document was developed to assist Council (Shire of Gnowangerup) Officers in addressing the issue of managing contractor safety. This document is provided for Contractors and Council officer's use as a guide on the information to be provided by Contractors and items to be placed within the contractual tender or arrangement.

Council has a statutory obligation to fulfil its primary duty of care under the *Occupational Safety and Health Act 1984*, the *Occupational Safety and Health Regulations 1996*, and extending to the *Worker's Compensation and Injury Management Act 1981*, to provide a healthy, safe and productive working environment for all workers, and other people (including Contractors) that may be exposed to Council's undertakings.

## 2. Legal Responsibility

As stated in the introduction of this document, Council has a Primary duty of care, as prescribed in section 23D of the *Occupational Safety and Health Act 1984*, to ensure that any person, while engaged in undertaking contract works for Council, suffers no harm.

Contractors have an equal safety legal responsibility to ensure they, and their workers and subcontractors workers work in a safe manner, and comply with Occupational Safety and Health (OSH) legislation and Council's policies and procedures.

It is important to remember that:

- Assigning by contract does not remove the individual statutory duty of care obligations under the OSH legislation, i.e. OSH cannot be outsourced.
- More than one party may have duty of care obligations for OSH at any one time.
- It is no defence to argue that other parties have compromised your capacity to adequately address OSH responsibilities.

Throughout this document there are many procedures that Council Manager's and Contractors need to follow to ensure that they are fulfilling their OSH statutory duty of care obligations.

<b>Council (Shire of Gnowangerup)</b>	<b>Contractor</b>
Advise contractors on identifying and elimination of site risks, review contractor project safety plan, Induct contractor and conduct regular checks	Identify, assess and manage project risks, induct all visitors and workers, train, brief and supervise all project workers and report and record all incident(s) as soon as possible as per legislative requirements
Appoint a principal Contractor for high-risk construction projects, if required.	Ensure all projects workers to have appropriate construction tickets/licenses and comply with project safety rules as per legislative requirements.

## 3. Determining the Level of Risk – High, Medium or Low?

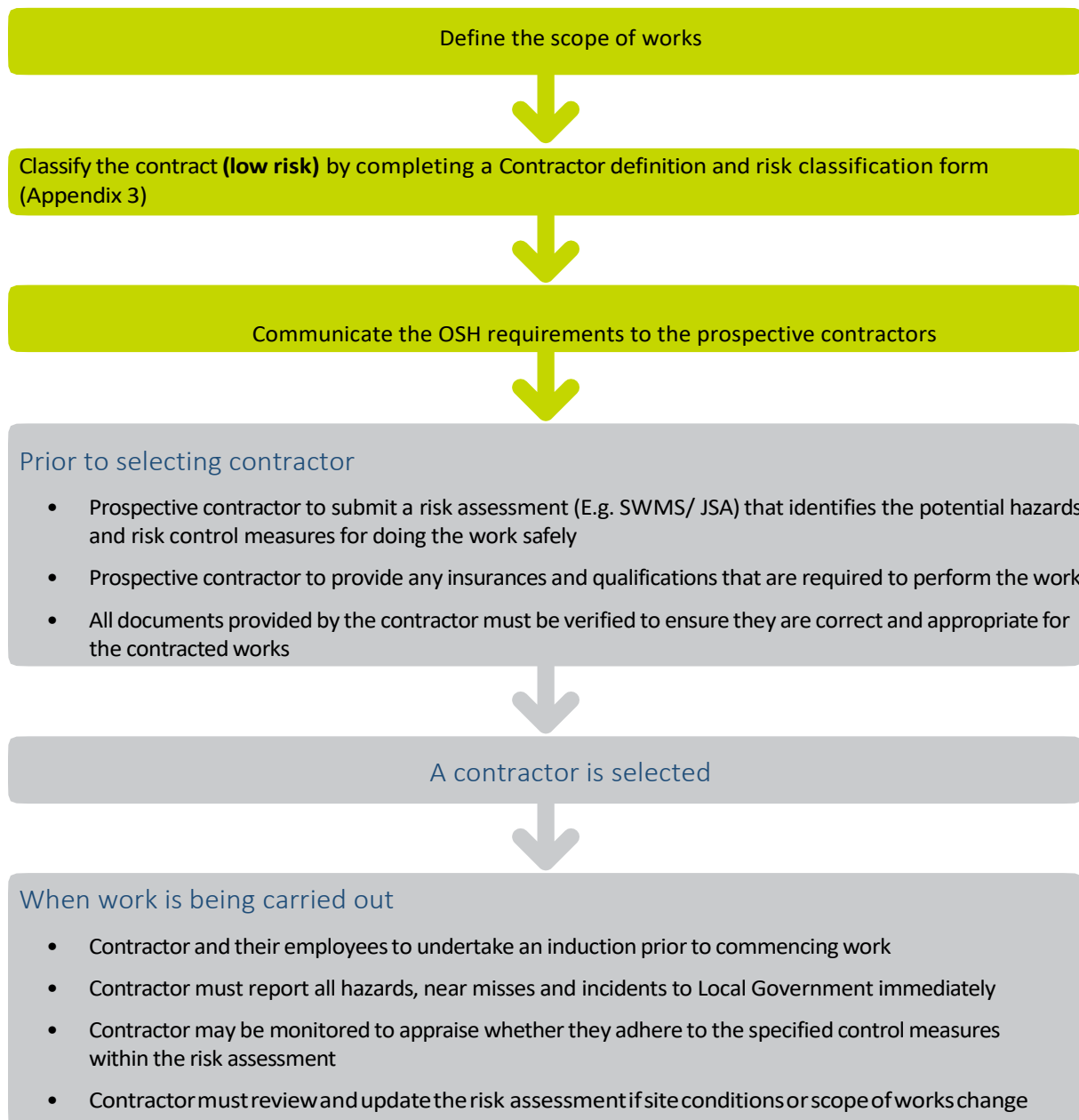
Council manages a very broad range of contracts. The contracts vary in the level of risk, the duration of the contract and the value of the contract. There is a need to distinguish between high, medium and low risk contracts and develop a practical approach to managing contractors. Irrespective of the elements of the contract, the defined difference between the types of contracts does not reduce the safety and health obligations on Contractors or Council under the OSH legislation.

It is imperative to establish the level of risk associated with a contract. The level of risk associated with the contract will determine what documentation Council is required to receive from the contractor

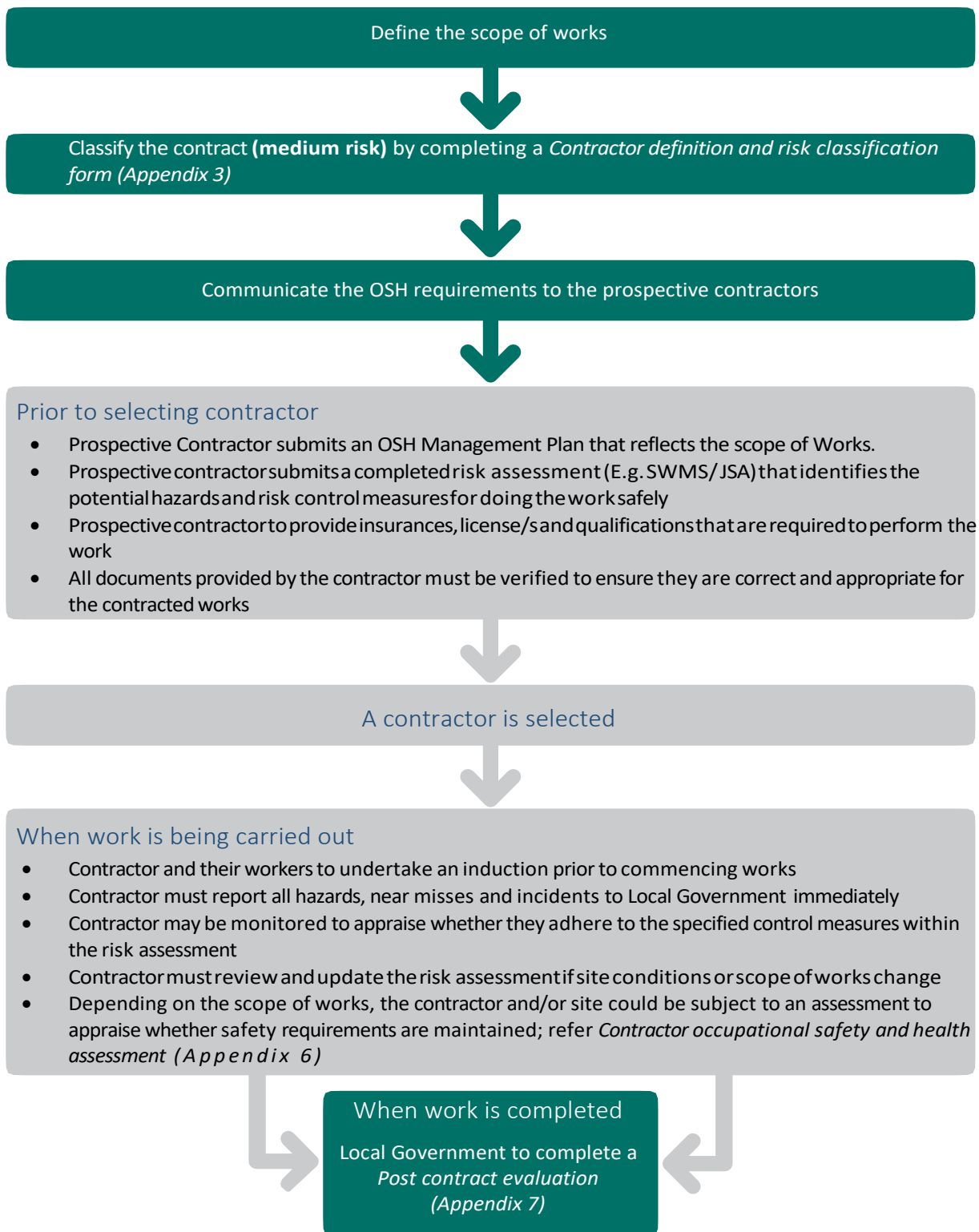
**before** the contract commences. The level of risk will also have potential implications upon public liability and Workers' Compensation responsibilities.

The following risk flowcharts should be used to establish the level of risk and which documentation is to be provided by the Contractor to Council.

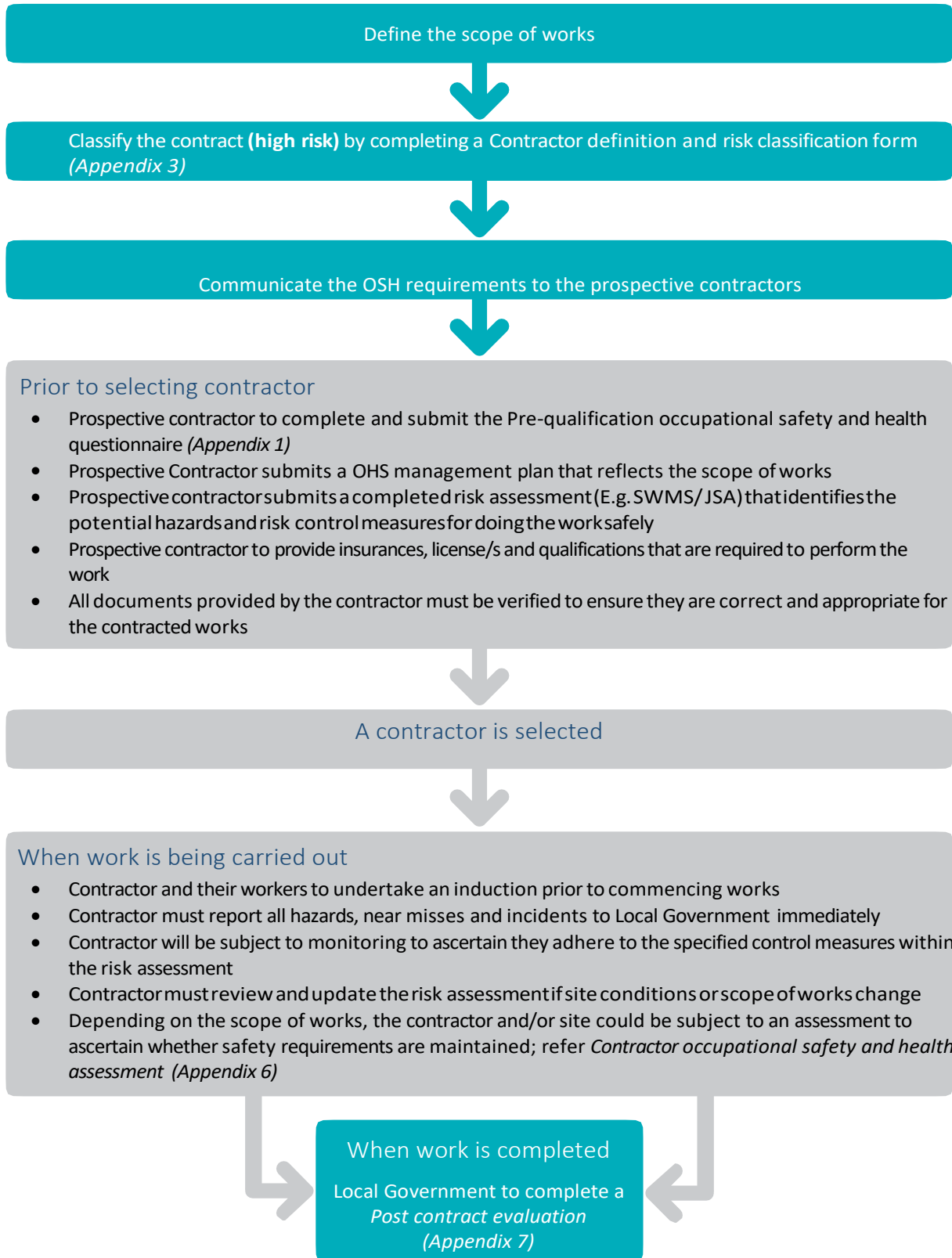
## LOW RISK CONTRACTS FLOWCHART



# MEDIUM RISK CONTRACT FLOWCHART



# HIGH RISK CONTRACTS FLOWCHART



NOTE: It is important to clearly define the contract type. If you are not sure how to define a contract, please contact the Shire's Risk Coordinator.

Also, at the completion of the contract term, the contractor is required to sign an incident record form or provide a declaration letter with company letterhead stating that there were no incidents or injuries throughout the duration of the contract. Or, if there were incidents or injuries, a copy of the incident report must be forwarded to the Manager responsible and Council's Risk Coordinator. This record must be kept in case a contractor returns to Council to claim Workers' Compensation.

#### 4. Contractor Occupational, Safety and Health Responsibilities

All contractors need to undergo and follow the safety and health procedures contained within this document, and in compliance with the *Occupational Safety and Health Act 1984*, *Occupational Safety and Health Regulations 1996*, and the *Worker's Compensation and Injury Management Act 1981*.

Most of the procedures below will apply to all contracts. However, there will be circumstances where some procedures will not need to be fulfilled. For example, if someone was to tender for a cleaner to clean an administration building, they will not need to adhere to a Motor Vehicle Movement Plan.

##### 4.1 Demonstrated evidence of OSH Management System

###### 4.1.1 OSH Management Plan

The successful Contractor for a medium or high-risk contract will be required to submit an Occupational Safety and Health Management Plan for the work *prior* to commencing the contract, addressing site specific OSH issues relevant to the contract. The OSH Management Plan will document the safe work methods to effectively manage the identified risks.

It is the duty of the principal contractor to prepare an OSH Management Plan for construction projects in accordance with Regulation 3.142 of the *OSH Regulations 1996*. **COUNCIL REQUIRES THIS INFORMATION FOR ALL MEDIUM AND HIGH-RISK CONTRACTS.**

###### 4.1.2 Risk Assessments

Council will require the contractor to undertake work site risk assessment(s) for the described works prior to commencement. The initial risk assessment should be undertaken in consultation with the Council Officer deemed to be responsible for the contract.

This process needs to be documented stating who undertook the risk assessment. The assessment is to help identify the hazards and the controls that needs to be implemented to control the associated risk of the identified hazards. In addition to this requirement the risk assessments are to be used to develop Safe Work Method Statements (SWMS) See 4.3.

Please complete the **CONTRACT DEFINITION AND RISK CLASSIFICATION FORM** (Appendix 3) as part of your risk assessment. The Risk Matrix below should be used when completing Risk Classification Form.

The following Risk Matrix should be used to classify your risk

## Risk Matrix

RISK MATRIX						
CONSEQUENCE						
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
LIKELIHOOD						
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

## Risk Acceptance Criteria

Risk rank	Description	Criteria
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedure and subject to semi-annual monitoring
HIGH (10-16)	Urgent attention required	Risk acceptable with excellent controls, managed by senior management/executive and subject to monthly monitoring
EXTREME (17-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring



## Consequence Table

The following is a guide to determining consequence.

Level & descriptor	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant (1)	First aid injuries	Less than \$5,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or “no news” item	Inconsequential damage	Contained, reversible impact managed by on-site response
Minor (2)	Medical type injuries	\$5,001 - \$15,000	Short term temporary interruption – backlog cleared <1day	Some temporary non-compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Lost time injury <30 days	\$15,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources <1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury >30 days	\$50,001 - \$250,000	Prolonged interruption of services – additional resources, performance affected <1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than \$250,000	Indeterminate prolonged interruption of services – non-performance >1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution. Complete loss of plant, equipment and building	Uncontained irreversible impact

# Likelihood Table

The following can be used as a guide for determining likelihood.

Rating	Description	Likelihood of Occurrence	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

#### 4.1.3 Hazard Identification

During risk assessment Contractors will need to identify the hazards associated with all tasks to be undertaken and continually undertake risk assessments for the duration of the contract works. The following is a guide of hazards that may be identified:

- Physical hazards: noise, manual handling, working from heights, excavations,
- Chemical hazards: possible inhalation, absorption by skin contact, indigestion,
- Electrical hazards: underground cabling, overhead power lines,
- Biological hazards: needle stick injury, handling of wastes, infections,
- Radiation hazards: UVR from the sun, UV lights, lasers,
- Psychological hazards: conditions that may lead to stress.

#### 4.1.4 Hazard Identification and Reporting

Contractors are required to identify and eliminate any hazard that may cause harm to a worker, so far as reasonably practicable, and if elimination is not reasonably practicable, then minimise this hazard so far as reasonably practicable for any hazards that may arise during the contract works.

Contractors have to report and communicate all new significant hazards that arise whilst undertaking contract works to the relevant Council Officer immediately.

As per regulation 3.141 of the *Occupational Safety and Health Regulation 1996* the Contractor must keep record of the following:

- Information relating to:
  - identification of hazards to which a person at the construction site is likely to be exposed to; and
  - assessing the risk of injury or harm to a person resulting from those hazards; and
  - considering the means by which the risk may be reduced.
- The level of detail to be recorded must be appropriate for the nature of the hazard and the degree of risk.
- All information recorded under Regulation 3.141 is kept until the construction work has been completed.

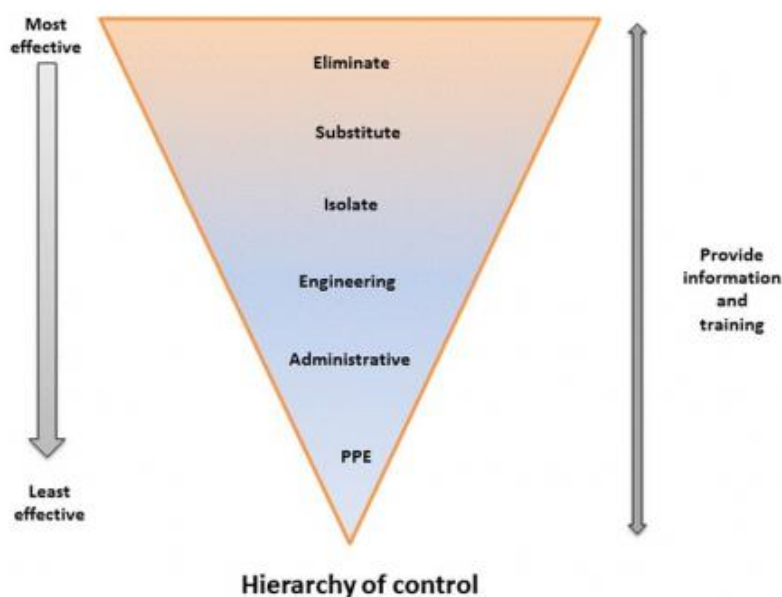
Contractors will need procedures in place to assess, record, report and investigate hazards that occur on or to and from the worksite.

Contractors are required to inform their workers and subcontractors of the identified hazards associated with the contract works and will ensure workers and subcontractors are competent in implementing correct controls when hazards arise. This should be addressed and documented during the initial induction and toolbox meetings throughout the contract.

It is the responsibility of the Contractor to ensure that they comply with the *Occupational Safety and Health Act 1984 and the Occupational Safety and Health Regulations 1996*, and any other relevant Federal and State Acts governing the contract work.

#### 4.1.5 Hazard Control

The ways of controlling risks/hazards are ranked from the highest level of protection and reliability to the lowest as shown in the figure below. This ranking is known as the hierarchy of risk control.



The aim by the Contractor should always be to eliminate the hazard, which is the most effective method of control. If this is not reasonably practicable, then the risk should be minimised by working through the other alternatives in the hierarchy.

If a hazard is identified, the Contractor shall immediately take all practicable steps to:

- **Eliminate** it, or if not reasonably practicable to eliminate it;
- **Substitute** it with a less risky alternative; or
- **Isolate** it, or if not reasonably practicable to isolate it; minimise the risk by
- Adding in **Engineering** (e.g. guard or barricade) measures or;
- Use **Administrative** (SWMS or further training) controls; or
- Use **Personal Protective Equipment** (PPE).

A combination of the above measures may be required to minimise the risk to the lowest level reasonably practicable if no single measure is sufficient for that purpose.

#### 4.2 Managing the Risks of Plant

Contractors will provide the Plant and Equipment necessary for the performance of the contract work. All tools and machinery will be maintained in good working order in accordance with the OSH Legislation and Regulations and Councils' requirements.

#### 4.3 Safe Work Method Statements (SWMS) for High Risk Construction Work

All Contractors must provide Council with copies of the site specific SWMS for all tasks associated with the contract, which have been identified as having safety risks. SWMS should be derived from the risk assessment undertaken (refer 4.1.2 Risk Assessment)

All Contactors undertaking contract works for Council are required to comply with the relevant Parts of the *Occupational Safety and Health Act 1984*, *Occupational Safety and Health Regulations 1996* and associated Codes of Practice, safety guidelines or other documentation. In particular, Contractors are responsible for providing Council with SWMS for all activities of the proposed contract.

Prior to the commencement of any contract works, Council must be satisfied that all functions undertaken by the Contractor are covered by an appropriate SWMS. It is the Contractor's responsibility to make available to the responsible Council Officer, a signed and dated copy of their SWMS's.

Works must **NOT** commence until the responsible Council Officer has given authorisation for the works to commence.

#### 4.4 Skills and Competencies

Where plant, equipment or vehicle operation is required under the contract works, the successful contractor must produce their original certificates of competency (training records as required) and any relevant licenses to Council. Council will require a copy of these certificates **prior** to the work commencing.

#### PLANT OPERATOR COMPETENCY ACCREDITATION EVIDENCE

Contractors should be able to demonstrate evidence that plant operator training and assessment has been delivered by a Registered Training Organisation or Institute.

Plant requiring accredited training and assessment qualifications/licenses includes, but are not limited to, operators of

- Cranes (all types)
- Forklift Trucks (LF & LO)
- Hoists (WP, BP, HM & HP)
- Dogging (DG)
- Rigging (RB, RI & RA)
- Scaffolding (SB, SI & SA)
- Pressure Equipment (BB, BI, BA, ES & TO)
- Demolition Work
- Asbestos Removal

Contractors that are unable to provide evidence of accredited plant operator training and assessment qualifications will not be allowed to carry out work on Council worksites or facilities.

**NOTE:** If it is found that a contractor provided Council with fraudulent certificates or licenses, Council has the right to terminate the contract and report this to the relevant authorities.

It is the responsibility of the Contractor onsite to ensure that their workers are appropriately supervised, trained and instructed when operating plant. Appropriate PPE should also be supplied as stipulates in section 3.32 – 3.36 of the *Occupational Safety and Health Regulations 1996*.

The Contractor must inform the responsible Council Officer of any suspension or expiration of any licenses.

**Electrical Work:** All electricians must provide their licenses which will be checked with Energy Safety for validity.

#### 4.5 Induction

Prior to carrying out work for the Shire of Gnowangerup, Contractors, contractor workers and sub-contractors must undergo the Shire's General Induction. Participation in the induction course is mandatory for all persons required to work on a Council facility or construction site.

It is the responsibility of the Contractor to ensure that all their workers have undergone the relevant OSH induction training and to carry their appropriate licenses with them at all times.

Council can request the evidence of induction and appropriate licenses of Contractor workers at any time during the contract term, including formal, planned, unplanned and informal inspections.

Contractors are required to ensure their workers have been inducted onto the specific work site where they will be working and that they are wearing the appropriate PPE and hold the relevant licenses/tickets. This induction will be documented, stating the workers name, the site they have been inducted on to, and a copy of the risk assessment attached.

- Refer to *OSH Regulations 1996, Division 11, Sections 3.135 – 3.136 - Construction Industry Induction Training*

#### 4.6 Site Safety Talk Toolbox Meetings

Contractors are required to undertake Site Safety Talk Toolbox meetings with their workers. These meetings are to be undertaken in conjunction with the Risk Assessment and Site Induction process.

Site Safety Talk Toolbox Meetings must be undertaken as a minimum when job situations or workers/contactors change.

Records of all Toolbox meetings must be documented stating the workers who attended the meeting and the topics discussed.

Council has the authority to request this information at any time during the contract term.

Contractors shall keep a register of all ongoing workplace/site audits undertaken during the course of the contract works. This register shall also contain actions undertaken to eliminate or control hazards.

#### 4.7 Electrical

In addition to the *Occupational Safety and Health Act 1984* and the *Occupational Safety and Health Regulations 1996*, Contractors must also comply with the Australian Standard (AS) 300:2000 Electrical installations (known as the Australian/New Zealand Wiring Rules) and the Code of Practice for Safe Low Voltage Work Practices by Electricians.

Contractors shall ensure all workers are appropriately trained in the use of all electrical equipment they will be using during the contract term and ensure equipment is inspected and tested by a suitably qualified person.

Contractors must keep record of the relevant testing data of all electrical equipment and ensure this record is kept up to date.

All portable electrical equipment and leads used on construction sites must be tested as required and tagged in compliance with AS/NZS 3012, 3108.

#### 4.8 Hazardous Substances

Contractors are required to provide a list of hazardous substances that will be utilised throughout the contract term in accordance with the *Occupational Safety and Health Regulations 1996 Part 5, Division 2 – Hazardous substances generally*.

In addition to this, the Contractor, as required under Regulation 5.13, will keep a register of the substances and all the relevant Material Safety Data Sheets (MSDS). The Contractor must ensure all MSDS's are current and ensure hazardous substances are stored in accordance with the MSDS.

Contractors are encouraged to use chemicals with lower hazard/risk levels without compromising the technical requirements of the contract works.

#### 4.9 Lifting Gear and Equipment

Contractors are required to keep a register of all lifting gear (chains, slings, wire ropes, shackles, hooks etc.) used and ensure their workers are suitably trained in the safe use of all lifting gear they will be using whilst undertaking contract works for Council.

All lifting gear is to undergo as a minimum, an annual inspection by a competent person and inspection records are to be provided **before** commencing the contract work.

#### 4.10 Plant and Equipment Register

Contractors shall keep a register of all plant and equipment hazard inspections carried out and any alterations or repairs undertaken in accordance with the OSH legislation whilst undertaking contract works for the Council.

#### 4.11 Personal Protective Equipment (PPE)

Whilst undertaking a contract or tender work for Council, Contractors and their workers are required to wear appropriate PPE in accordance with the relevant Australian Standards and / Codes of Practice. The Contractor must provide their workers with the appropriate PPE, maintained to the respective Australian Standards, to undertake the contract works safely and ensure they are trained in the correct use of PPE.

Where hazards are identified on the worksite, Contractors will implement corrective controls and inform people of the hazards and ensure that they are equipped with the correct PPE.

Contractors have the right (and responsibility) to instruct people not suitably protected by PPE to leave the area.

Refer to *Occupational Safety and Health Regulations 1996, Division 2 – General duties in relation to personal protective clothing and equipment, Regulation 3.32 – 3.36.*

#### 4.12 First Aid

Contractors shall ensure that a fully stocked first aid kit, meeting WorkSafe requirements, and a list containing emergency contact numbers, is available at the workplace/site with a designated first aid person clearly identified to their workers (<https://www.commerce.wa.gov.au/worksafe/first-aid-0>).

If the contract work is of such a nature that specialised first aid equipment or materials may be needed, it is the Contractor's responsibility to provide it.

**NOTE: As a Contractor, you are legally responsible for providing first aid facilities for use by yourself and your workers, irrespective of any provisions made by Council.**

#### EMERGENCY NUMBERS

<b>All emergencies call:</b>	<b>000</b>	<b>Mobiles</b>	<b>112</b>
<b>WorkSafe:</b>	<b>1300 307 877</b>	<a href="mailto:safety@commerce.wa.gov.au">safety@commerce.wa.gov.au</a> .	

#### 4.13 Emergency Procedures

Contractors will provide adequate fire protection and fire extinguishers relevant to the contract work's hazards and risks being undertaken, and are to ensure they are available at the workplace site.

Contractors need to ensure all firefighting equipment is supplied, maintained and inspected in compliance with Australian Standard 1851:2012.

In addition to this, Contractors need to keep a register of fire protection equipment available whilst undertaking contract works.

Contractors must have emergency procedures in place and ensure their workers and subcontractors are familiar with these procedures.

Contractors will inform Council Officers through induction, of the hazard or emergencies that may arise from the contract works, and what to do if an emergency incident occurs.

Where Contractors are working on Council worksites, Contractors will ensure that their workers and subcontractors know the Council's emergency procedures relevant to that particular workplace/site.

##### 4.13.1. Contractors Working Autonomously

Contractors will have procedures in place to deal with emergency situations that may arise whilst undertaking contract works.

Contractors, their workers and any subcontractors are required to be trained in these procedures and have the necessary equipment available to carry out the procedures.



#### 4.13.2 Contractors Working in Staffed Council Facilities

Council will inform Contractors about any emergency and evacuation procedures during site inductions.

Once Contractors have been informed of these procedures, it is their responsibility to ensure their workers or subcontractors are also informed.

If the contract works introduces any hazard or risk that may create an emergency not covered by the normal procedures, i.e. introducing a toxic gas or oxidising agent, the Contractor must inform Council and ensure relevant persons that may be affected are informed about what to do if the emergency situation arises. This should be addressed **prior** to the commencement of the contract works.

#### 4.14 Amenities

Contractors will provide suitable hygienic facilities or ensure amenities are available for their workers and subcontractors. Worker amenities must comply with the Code of Practice for Workplace Amenities and Facilities.

#### 4.15 Motor Vehicle Movement Plans & TCP's

Contractors shall ensure that a Vehicle Movement Plan (VMP) and/or Traffic Control Plan (TCP) are in operation prior to and during any contract works associated with road works. Traffic Control Plans must be designed by a MRWA qualified person and must be regularly reviewed and updated when necessary.

#### 4.16 Subcontractors

Contractors are responsible for:

- Selection of suitably qualified/trained subcontractors.
- Ensure that subcontractors have the relevant insurance policies
- Induction of subcontractors
- Supervision, of any subcontractors they may engage
- Ensuring that your subcontractors work in a safe manner and have adequate safety and health procedures and safe systems of work that are equivalent to the Contractors OSH Management System.

**NOTE: If your company intends to engage subcontractors to undertake or support Council works on behalf or in conjunction with your company, you must obtain authorisation from Council prior to the subcontractor commencing works. In addition to this, contractors must be able to provide evidence of the subcontractor induction and verify subcontractors hold the relevant licenses/tickets appropriate for the task and risk being performed.**

#### 4.17 Warning Signage and Public Safety

Contractors shall ensure that the required warning signs and warning systems as defined in relevant OSH Legislation, Code of Practices and/or Council instructions are used accordingly.

Contractors shall at all times ensure that people are adequately warned by way of signs, barriers and/or other means where the work is likely to present potential hazards.

Contractors shall ensure that a Motor Vehicle Movement Plan covers all road works and/or TCP designed by suitable qualified personnel.

#### 4.18 Permits to Work

Contractors will need to ensure that they have provided the correct and current permits to work.

All Contractors are required to report to the responsible person for their work activities and complete a Permit to Work Authorisation Form for the specific works to be under taken e.g. Hot Works Permit, Confined Spaces Permit, etc.

Permits to work are required for the following types of High Risk Activities:

- Confined Spaces
- Hot Works
- Ground Breaking / Penetration
- Work in Isolation
- Working at Heights

In addition to these, where the contractor is working within an area covered by or near power supply lines, or where they may come within 3m of power lines, it is the Contractors responsibility to inform Western Power of the time and date they will be undertaking this work and request assistance to locate power cables.

#### 4.19 Visitors to Work Sites

The Contractor is required to induct and maintain a record of all visitors to the site.

This must be documented on the induction checklist or visitors sign-on register.

### 5. Incident/Injury Notification

Under the terms of the contract, Council is to be notified by the Contractor of any incident, injury, damage to property or plant, and near misses associated with the provision of the contract.

It is also the responsibility of the contractor to inform WorkSafe of any matter required under the *Occupational Safety and Health Act 1984*, *Occupational Safety and Health Regulations 1996* and the *Workers' Compensation and Injury Management Act 1981* and within the specified time frames. Contractors are to report any incidents to the Council Officer responsible for the contract.

Contractors are required to have an incident reporting system whereby all incidents, accidents and near misses are recorded. This system must include an accident investigation procedure.

At the completion of the contract, the Contractor is to sign a statement declaring that no incidents occurred whilst completing the contract work. Or, in the case where incidents/injuries/near misses/dangerous occurrences occurred, the Contractor is required to provide Council with copies of all Incidents Reports and accident investigations undertaken.

It is the responsibility of the Council Officer to ensure that the contractor has signed this declaration.

**NOTE:** *The Incident Declaration is an important document in regards to Workers' Compensation and Council's possible exposure to liability. This must be signed **before** the contractor receives final payment for the contract.*

Contractors shall use their own reporting procedures for OSH compliance. If any harm occurs to the Contractor, their employee, or subcontractor, or any other person, Contractors shall use their own procedures to record, report and investigate the event as legally required.

**NOTE: It is the Contractors responsibility to ensure that no person/s disturb the scene of a serious incident until permission to do so have been obtained from the Worksafe Inspector, and/or Police. The only exception is when it is necessary to render aid and prevent further harm to the injured person/s.**

## 6. Occupations Safety and Health Questionnaire (Appendix 1)

Council is committed to ensuring a high standard of safety within the workplace. To assist Council in evaluating the tender or contract, an OSH questionnaire must be completed and submitted with the tender/contract works officer for all medium and high risk contracts.

The initial objective of the questionnaire is to provide Council with information on the Contractor's management of OSH and their level of commitment to an OSH system. All information provided within the questionnaire is confidential and will not be used for any other purpose other than the intended verification purposes and not made available to any other party.

Please complete **Pre-Qualification Occupational Safety and Health Questionnaire – Appendix 1**

## 7. OSH Responsibilities for Contractors (Appendix 2)

Contractors that require annual or repeat access to Council worksites, where the work is of a low risk nature, and where contractors are working autonomously, or where the contractor has not been previously inducted into the worksite, shall be required to complete an OSH Responsibilities for Contractors record in conjunction with General Induction.

Contractors and their workers must complete individual OSH Responsibilities Records and sign in acknowledgement of their understanding and commitment to Occupational Safety and Health Management Practices.

The OSH Responsibilities for Contractors Record must be counter signed by the worker's senior manager in recognition of the worker's commitment and involvement of Councils OSH responsibilities for contractors' process.

**A copy of the OSH Responsibilities for Contractors Record is found at Appendix 2.**

## 8. Contractor Site Specific Health and Safety Management Plan Content Checklist

Contractors engaged to conduct "Medium" and "High Risk" work activities must provide Council with evidence of a site specific Safety Management Plan (SMP) in line with the requirements of Regulation 3.142 of the *Occupational Safety and Health Regulations 1996* and provide a copy of the SMP to Council for review and verification.

The minimum content elements required for an SMP are provided in Appendix 4.

Contractors are required to complete the site specific SMP checklist and submit the completed checklist with their Pre-Qualification Questionnaire to the OSH Officer.

## 9. Insurance

It is a requirement under the Worker's Compensation Act for Council to ensure that all Contractors have the correct Workers' Compensation Insurance and have paid all Workers' Compensation premiums associated with that work.

Contractors are also to supply evidence to Council of

- current Worker's Compensation, as appropriate
- Public Liability Policy to the value to be determined by Council
- Current Personal Accident Illness Insurance or Income Protection Insurance if a Sole Trader
- current Third Party Motor Vehicle/Machinery insurance of an amount to be determined by Council
- Professional Indemnity Insurance to the value of the project undertaken.

**NOTE: Both the Workers' Compensation and Public Liability Certificates of Currency must be provided to Council before the contract commences. This requirement is also the Council Officer's responsibility to ensure these are provided and must be strictly adhered to. Furthermore, if there should be any changes to coverage or continuation of insurance, then Council must be notified immediately.**

## 10. Contractor Safety Sign-On Checklist (Appendix 5)

All contractors engaged or offered a contract for tender, provided work or service for Council, regardless of their level of risk rating, must complete the Contractor Safety Sign-On Checklist prior to commencing any work activities for the Shire of Gnowangerup.

Sign-On Checklists shall be completed and signed at the end of the final induction process undertaken by the Contractor's senior manager or business owner/proprietor.

A copy of the Contractor Safety Sign-On Checklist is contained in Appendix 5 of this document.

## 11. Disability Considerations

In planning the safety procedure for any work on Council premises, Contractors are required to consider the special needs of people with disabilities.

For example:

- a warning sign may not be sufficient to protect people with sight impairments against danger (fencing or barricades may be necessary)
- parking across a path or other access route, even for a few minutes, could cause difficulties for people in wheelchairs or mobility scooters

Contractors should consult with the Council Representative if they require any further information regarding disability issues.

In addition to the above, Contractors will be required to complete the DAIP Contractors Progress Report, on completion of their contract. An example of the Progress Report can be found as Appendix 8 at the back of this document. Additional information can also be obtained at [www.disability.wa.gov.au](http://www.disability.wa.gov.au)

## APPENDIX 1: PRE-QUALIFICATION OCCUPATIONAL SAFETY AND HEALTH QUESTIONNAIRE

This form used to assess a contractor's ability to work in a safe manner when undertaking contracted works.

CONTRACT DETAILS			
DATE OF EVALUATION		DURATION OF THE WORKS:	
BUSINESS NAME		CONTRACT SCOPE OF WORKS:	
CONTRACTOR NAME		CONTACT NUMBER:	
CURRENT POSITION		CONTRACT MANAGER	

Contractor requirement	Evaluation Outcome		Local government response	
	Yes	No	Accepted	Rejected
<b>1. Do you have a Safety Policy that demonstrates a commitment to safety?</b> <ul style="list-style-type: none"> <li>It is subject to regular reviews?</li> <li>Encourage corporation at all levels</li> </ul>				
<b>Contractor response:</b>				
<b>2. Do you have a Safety Plan?</b> <ul style="list-style-type: none"> <li>Are roles and responsibilities outlined?</li> <li>Does it demonstrate how you manage OSH and ensure compliance with the legislation?</li> </ul>				
<b>Contractor response:</b>				
<b>3. Do you have Public Liability Insurance?</b> <ul style="list-style-type: none"> <li>Is it current and relevant to the scope of work?</li> </ul>				
<b>Contractor response:</b>				
<b>4. Do you have workers' compensation insurance?</b> <b>(Note: Sole traders require Personal Accident Illness Insurance or Income Protection Insurance)</b> <ul style="list-style-type: none"> <li>Is it current and relevant to the scope of work?</li> </ul>				
<b>Contractor response:</b>				
<b>5. Have all training qualifications been submitted?</b> <ul style="list-style-type: none"> <li>Are all qualifications current and relevant to the scope of work?</li> <li>Is there a formal Induction training program in place that outlines OSH responsibilities?</li> </ul>				
<b>Contractor response:</b>				

Contractor requirement	Evaluation Outcome		Local government response	
	Yes	No	Accepted	Rejected
<b>6. Do you have relevant experience to undertake the scope of works?</b> <ul style="list-style-type: none"> <li>How long have you worked in the industry</li> </ul>				
<b>Contractor response:</b>				
<b>7. What is your previous 12-month work history?</b> <ul style="list-style-type: none"> <li>Were there any workplace injuries/workers' compensation claims?</li> <li>How many workplace incidents occurred?</li> <li>Were any incidents required to be reported to WorkSafe?</li> </ul>				
<b>Contractor response:</b>				
<b>8. Do you have systems in place to identify and manage workplace hazards?</b> <ul style="list-style-type: none"> <li>A workplace inspection program?</li> <li>A safety management system that tracks hazard management?</li> </ul>				
<b>Contractor response:</b>				
<b>9. Do you have safe work procedures /JSA's/SWMS to manage potential workplace hazards and risks?</b> <ul style="list-style-type: none"> <li>Manual tasks, fatigue, work at height, plant movement etc.?</li> </ul>				
<b>Contractor response:</b>				
<b>10. Is there a formalised process in reference to the reporting of incidents and injuries?</b> <ul style="list-style-type: none"> <li>An incident and injury management form?</li> <li>An incident and injury management procedure?</li> </ul>				
<b>Contractor response:</b>				

Contractor requirement	Evaluation Outcome		Local government response	
	Yes	No	Accepted	Rejected
<b>11. Do you have trained first aiders and adequate first aid kits?</b> <ul style="list-style-type: none"> <li>All first aid kit products present and in date?</li> <li>Current first aid competency?</li> </ul>				
<b>Contractor response:</b>				
<b>12. Do you have an Emergency Response Plan and Procedure?</b> <ul style="list-style-type: none"> <li>Are procedures specific to the scope of works?</li> <li>Is the emergency response plan current, inclusive of contact details and identified wardens?</li> </ul>				
<b>Contractor response:</b>				
<b>13. Do you have a Traffic Management Plan?</b> <ul style="list-style-type: none"> <li>Does it outline required speed limits?</li> <li>Is there adequate signage to manage traffic flow? (Stop and give way signs etc.)</li> <li>Is there mandatory signage clearly visible? (PPE requirements etc.)</li> <li>Is there dedicated pedestrian zones to segregate traffic, plant and people etc,?</li> </ul>				
<b>Contractor response:</b>				
<p>I certify that the information provided in this questionnaire is true and correct and agree to comply with the Shire of Gnowangerup's Safety, Quality and Environmental requirements.</p> <p><b>Signed:</b> _____ <b>Date:</b> _____</p> <p><b>Contractor Company Representative</b></p>				
<b>Shire of Gnowangerup use only</b>		<b>Signed:</b> _____ <b>Date</b> _____		
Is approval recommended?		<b>Name:</b> _____ <b>Position:</b> _____		

CONTRACTOR EVALUATION OUTCOME	
Contractor safety plan and other submitted documentation approved?	Yes/No
EVALUATORS COMMENTS	
Date:	Evaluator signature:



## APPENDIX 2: OSH RESPONSIBILITIES FOR CONTRACTORS

<b>Name of Employee</b>			
<b>Position/Job Title</b>		<b>Company</b>	
<b>Signature</b>		<b>Date</b>	
<b>Department</b>		<b>Location</b>	

### Responsibilities:

1. Take reasonable care for your own safety and health.
2. Take reasonable care that you do not adversely affect the safety and health of other persons.
3. Comply with the Shire of Gnowangerup's OSH policy, procedures and rules and follow safe work practices.
4. Comply with your employer's OSH policy, procedures and rules and follow safe work practices.
5. Carry out work in compliance with relevant OSH legislation and safe work methods and demonstrate an acceptable level of safety performance.
6. Ensure that the right person is engaged in each job, taking into account the type of work to be performed, the licenses, certificates and qualifications required.
7. Conduct relevant job safety analyses whenever it is appropriate to do so.
8. Provide OSH Risk Assessments for the work to be completed as requested by the Shire of Gnowangerup.
9. Prepare and follow authorised Safe Work Method Statements for all High Risk Construction Work work that has risk and provide signed and dated copies to the Shire of Gnowangerup Council.
10. Conduct and provide site specific risk assessments as requested by the Shire of Gnowangerup.
11. Participate in OSH consultation meetings to discuss workplace safety in the workplace.
12. Ensure appropriate equipment is used for the job and it has been tested, maintained, calibrated where required, and is safe to use.
13. Ensure that approved PPE has been provided and is used whilst on site.
14. Ensure the MSDS's are complied with and made available for hazardous substances used on site.
15. Report any new or arising hazards to the Shire of Gnowangerup Council as soon as you notice them.
16. Report all incidents (including near misses) to the Shire of Gnowangerup Council, whether or not someone was injured or not.
17. Report any incidents of bullying and/or harassment in the workplace to the Shire Council.
18. Assist in the identification of control measures to eliminate or minimise the risk of injury.
19. Correctly use tools and equipment.
20. Report any worn out or defective tools or equipment or problems you have with tools and equipment provided by the Shire.
21. Wear PPE as required.
22. Operate equipment and machinery with guards and safety controls operating and, in place at all times.
23. Report all problems with manual tasks, including signs of discomfort, in the provision of the services immediately.
24. Participate in OSH activities such as inspections, investigations, evacuations drills, OSH meetings and risk assessments as required.

25. Report any physical or psychological conditions that may affect your ability to safely provide services.
26. Demonstrate respect, courtesy and special attention to hazards arising from your work that may affect the public or community.
27. Consult, cooperate and coordinate with the Shire of Gnowangerup's Council in respect of work safety and health issues.

<b>Contractor Company Name:</b>		<b>ABN</b>	
<b>Manager/Supervisors Name:</b>			
<b>Position</b>			
<b>Signature</b>		<b>Date</b>	

APPENDIX 3: CONTRACT DEFINITION AND RISK CLASSIFICATION FORM

CONTRACT DEFINITION	
Contract Name:	
Contract scope of works:	
Approximate contract cost:	
Contract Manager	
Contract duration:	Contract evaluation date:
Contract hazards  E.g. construction works, hazardous processes, contractor type, duration of work, amount of contractors, safety hazards	Risk hazard poses  (refer to your risk management framework or risk matrix provided in this document)
Contract risk classification	
Low <input type="checkbox"/> Medium <input type="checkbox"/> High <input type="checkbox"/>	
Comments:	

APPENDIX 4: CONTRACTOR SAFETY AND HEALTH MANAGEMENT PLAN CONTENT CHECKLIST FOR MEDIUM AND HIGH RISK ACTIVITIES

No.	Description	Requirement	Provided/Not Provided
1	Document Control Process	Preferred	
2	Project Details & Introduction	Mandatory	
3	OSH Policy	Mandatory	
4	Hazard Identification & Risk Assessment & Control	Mandatory	
5	Hazard Categories	Mandatory	
6	Risk Matrix	Mandatory	
7	Site Specific Safe Work Method Statements	Mandatory	
8	Objectives and Targets	Preferred	
9	Personal Protective Equipment (PPE)	Mandatory	
10	Roles and Responsibilities	Mandatory	
11	Training and Competency Register	Mandatory	
12	Consultation	Mandatory	
13	Toolbox/Pore-Start Talks	Mandatory	
14	Workplace Inspections	Mandatory	
15	Plant & Equipment	Mandatory	
16	Plant & Equipment Register	Mandatory	
17	Plant & Equipment Pre-Start Checklist	Mandatory	
18	Plant & Equipment Regular Checklist	Mandatory	
19	Hazardous Substance/Dangerous Goods	Mandatory	
20	Hazardous Substance/Dangerous Goods Register	Mandatory	
21	Electrical Equipment	Mandatory	
22	Electrical Equipment Register	Mandatory	
23	Hazard Reporting	Mandatory	
24	Hazard Report Form	Mandatory	
25	Injury and Incident Investigation	Mandatory	
26	Register of Injuries	Mandatory	
27	Incident Investigation	Mandatory	
28	OSH Management Plan Checklist	Preferred	
29	Injury Management & Return to Work Policy	Preferred	
30	Environmental Management Policy	Preferred	
31	Quality Management Policy and Procedures	Preferred	

## APPENDIX 5: CONTRACTOR SAFETY SIGN-ON CHECKLIST

The Shire of Gnowangerup is committed to maintaining the safety and health of all persons on the premises, in compliance with the *Occupational Safety and Health Act 1984* and the *Occupational Safety and Health Regulations 1996*.

Your support in complying with Shire safety practices and rules are required to promote and maintain our safety standards. Therefore, you agree that:

- The Safety of all persons will have the highest priority whilst working at the Shire of Gnowangerup.
- You will supply a Safety Data Sheet if any chemicals are to be used, transported or stored at the Shire.
- Personal protective equipment is to be worn at appropriate times. All appropriate signage is to be displayed and in place before commencement of work.
- The use of warning and safety signs in hazardous areas at all times is obligatory. This includes barriers around scaffolding, holes, excavations or other structures needed in the construction phase.
- You will apply safe work practices at all times. This will include discussing the safety plan for the task with the relevant manager and seeking approval before commencement of any works. Where necessary a Safe Work Method Statement is to be provided for approval **prior** to commencement of work.
- You are to ensure that you are aware of emergency routines and where to obtain first aid if required.
- All electrical equipment i.e. power tools etc. must have been tested & tagged and in date as per legislative requirements.
- Fibreglass or timber ladders are to be used when carrying out electrical work.
- All relevant licenses are to be sighted and recorded by the relevant department
- When burning, welding or grinding is to take place, a hot work permit is to be completed and approved by the Senior Contract Manager.

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Signed: Contractor

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Signed: Shire of Gnowangerup

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Date

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Date

## APPENDIX 6: CONTRACTOR OCCUPATIONAL SAFETY AND HEALTH ASSESSMENT

<b>Date of assessment:</b>	
<b>Site location:</b>	
<b>Contractor:</b>	
<b>Auditor:</b>	

Audit Assessment		Verification of Compliance	Yes	No	Observations/Action Comments
<b>1</b>	Have all personnel been inducted to the site?	Sighted Induction Record.			
<b>2</b>	Are there safe work procedures/JSA/SWMS for the tasks conducted?	Sighted safe work procedure/JSA/SWMS reflect the task/s conducted.			
<b>3</b>	Have all the hazards been identified, assessed and controlled?	All associated hazards are identified within the safe work procedure/JSA			
<b>4</b>	Are emergency procedures in place and communicated?	Emergency procedures on display that consider all potential emergency situations			
<b>5</b>	Are plant hazards assessments (PHA's) available for all items of plant?	Each item of plant has a plant hazard assessment that identifies associated hazards and controls.			
<b>6</b>	Are plant inspections conducted on a regular basis?	Each plant has a complete plant inspection			
<b>7</b>	Is plant regularly maintained?	Plant maintenance records available			
<b>8</b>	Is there adequate segregation between plant and people?	Communication methods and plant movements observed on site?			

<b>9</b>	Are lifting chains/slings inspected and tagged within date?	Lifting chains/slings are tagged within date.			
<b>10</b>	Are electrical cords and equipment inspected and tagged within date?	Electrical cords and equipment are tagged within date.			
<b>11</b>	Are incidents, near misses and hazards being reported?	Documented incident, near misses and hazard reports.			
<b>12</b>	Are corrective actions being closed out within the specified time frame?	Documented action closeout within the specified timeframe			
<b>13</b>	Are regular meetings held with the Contractors?	Documented regular meetings conducted.			
<b>14</b>	Are site inspections being undertaken by the Contractor?	Documented evidence of completed site inspections.			
<b>15</b>	Are MSDS's available for all hazardous substances?	Sighted MSDS's coincide with kept hazardous substances.			
<b>16</b>	Are PPE requirements being adhered to?	Required PPE being worn by site personnel/visitors			
<b>17</b>	Is housekeeping on site of a high standard?	Work site is clean and tidy.			
<b>18</b>	Are first aid kits available on site?	Sighted first aid kits.			
<b>19</b>	Are first aid kits adequately stocked? Items within date?	All first aid kit items within date and available if required.			
<b>20</b>	Are all personnel trained in the tasks conducted?	Sighted tickets/qualifications.			

APPENDIX 7: POST CONTRACT EVALUATION

<b>Job Reference Number:</b>			
<b>Scope of Works:</b>			
<b>Work Supervisor:</b>			
<b>Contractor:</b>			
<b>Contractor Contact:</b>			
<b>Work Start Date:</b>			
<b>Work Finish Date:</b>			
<b>Review Questions</b>	<b>Yes</b>	<b>No</b>	<b>Comments</b>
Was the work completed as per the terms and conditions?			
Was there any incidents?			
Was there any safety breaches observed?			
Was there any WorkSafe notices issued?			
Did the contractor appear to comply with our safety policy and procedures?			
Was there any other issues?			
Should we consider engaging the contractor to undertake other work?			
<b>Comments:</b>			
<b>Person completing form:</b>			
<b>Date:</b>			



APPENDIX 8: DISABILITY ACCESS AND INCLUSION PLAN (DAIP) CONTRACTOR PROGRESS REPORTS

**Name of contracted service:** \_\_\_\_\_

**Name of contact person:** \_\_\_\_\_

**Phone number:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Purpose**

This reporting sheet assists contractors to show how they have contributed to a public authority’s DAIP. It is noted that the services you provide may not be applicable to all seven DAIP outcomes.

On completion please forward this progress report back to the public authority that you are contracted to by requested return date.

**Actions by contractors consistent with DAIP outcome areas:**

DAIP Outcome	Example of actions (Please mark if appropriate)	
1. People with disability have the same opportunities as other people to <b>access services and events.</b>	Ensured contracting and procurement staff were aware of DAIP responsibilities	<input type="checkbox"/>
	Ensured events organised and or promoted were accessible for people with disability	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable	<input type="checkbox"/>
2. People with disability have the same opportunities as other people to <b>access buildings and other facilities</b>	When carrying out work on public buildings or facilities we ensure public access is not obstructed	<input type="checkbox"/>
	Ensured entry and exit ways remain obstruction free	<input type="checkbox"/>
	Ensured the correct signage was displayed when work was being undertaken	<input type="checkbox"/>
	Other actions (please describe):	

	Not applicable	<input type="checkbox"/>
3. People with disability receive information in a format that will enable them to <b>access information</b> as readily as other people are able to access it	Comply with the State Government Access Guidelines for Information, Services and Facilities to ensure information is delivered in an accessible format.	<input type="checkbox"/>
	Ensured information was made available in alternative formats upon request.	<input type="checkbox"/>
	Reviewed our website to ensure it was accessible	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable	<input type="checkbox"/>
4. People with disability receive the <b>same level and quality of service</b> from staff as other people receive.	Improved staff awareness of disability and access issues and improve skills to provide a good service to people with disability.	<input type="checkbox"/>
	Staff was provided with training to assist with customer service.	<input type="checkbox"/>
	Accessibility information is regularly reviewed and readily available to staff.	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable	<input type="checkbox"/>
5. People with disability have the same opportunities as other people to <b>make complaints</b> .	Accept complaints in a variety of formats such as by telephone, email, written or in person.	<input type="checkbox"/>
	Have grievance mechanism processes available to meet the needs of people with disability.	<input type="checkbox"/>
	Ensured that complaints policy and procedure are accessible for people with disability.	
	Other actions implemented (please describe):	<input type="checkbox"/>

	Not applicable	<input type="checkbox"/>
6. People with disability have the same opportunities as other people to <b>participate in any public consultation.</b>	Making sure the consultation process is held in an accessible venue	<input type="checkbox"/>
	Ensure information is available in alternative formats (if required) including Auslan interpreters.	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable	<input type="checkbox"/>
7. People with disability have the same opportunities as other people <b>to obtain and maintain employment</b> with a public authority.	Providing job related information in alternative formats upon request.	<input type="checkbox"/>
	Holding the interview in an accessible venue.	<input type="checkbox"/>
	Continue to improve the attraction, recruitment and retention of employees with disability.	<input type="checkbox"/>
	Other actions implemented (please describe):	
	Not applicable.	<input type="checkbox"/>

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<b>12.5</b>	<b>DISPOSAL OF LOT 517 VAUX/CARPENTER STREETS, ONGERUP (OLD ONGERUP POLICE STATION &amp; COURTHOUSE)</b>
<b>Location:</b>	Lot 517 Carpenter/Vaux Streets, Ongerup
<b>Proponent:</b>	Shire of Gnowangerup
<b>File Ref:</b>	A6304
<b>Date of Report:</b>	14 September 2018
<b>Business Unit:</b>	Strategy & Governance
<b>Officer:</b>	Vin Fordham Lamont, Deputy Chief Executive Officer Shelley Pike, Chief Executive Officer Phil Shephard, Planning Officer
<b>Disclosure of Interest:</b>	Nil

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#### ATTACHMENTS

Nil.

#### PURPOSE OF THE REPORT

The purpose of this report is for Council to consider the submission received following public notification of the proposed disposal of Lot 517 in the Great Southern Weekender in accordance with s3.58 of the *Local Government Act 1995* and whether to accept or reject the original offer of \$22,500 made by Mr G Hart to purchase the land.

#### BACKGROUND

Mr G Hart expressed an interest in purchasing Lot 517 Carpenter/Vaux Streets, Ongerup to the Chief Executive Officer by email on 13 June 2018 and offered \$22,500 (inc. GST).

The Shire of Gnowangerup owns Lot 517 and Council at its 25 July 2018 meeting (Resolution 0718.73) resolved as follows:

*That Council:*

- 1) In accordance with c.(4)(c)(ii) of Section 3.58 of the Local Government Act 1995, the Council considers the valuation of \$50,000 completed on 26 June 2017 for Lot 517 cnr. Carpenter/Vaux Streets, Ongerup by Opteon Property Group to be a true indication of the value of the property.*
- 2) Authorise the Chief Executive Officer to commence the consultation period (21-days minimum) to dispose of Lot 517 for the sum of \$22,500 (inc. GST) to G Hart in accordance with Section 3.58 of the Local Government Act 1995.*

#### COMMENTS

The lot was valued at \$50,000 (ex-GST) by Opteon Property Group on 26 June 2017 and the offer received from Mr Hart is \$22,500 (inc. GST).

Following Council's July decision, the proposed disposal of the lot was advertised in the Great Southern Herald on Thursday 9 August 2018 with the closing date for submissions being Thursday 30 August 2018 (21-days) which exceeds the 14-day minimum period specified in s3.58 'Disposing of property' of the *Local Government Act 1995*.

One (1) submission was received during the public advertising period. The submission from Mr D Naisbitt contains an offer of \$51,000 (inc. GST) for the lot and Council must now consider the submission and proceed to accept or reject the offer for the purchase of the land.

Lot 517 Carpenter/Vaux Streets, Ongerup (Deposited Plan 68552 Volume 2934 Folio 805) is shown in the aerial image below and contains the former police station and courthouse buildings. The lot is 1,285m<sup>2</sup> in area slightly irregular in shape with frontage to Carpenter and Vaux Streets.

The land is in the final stages of being rezoned from Public Purpose (Police) reserve to Residential with a density code of R15 and is now awaiting the Minister for Planning's approval and gazettal of the change.



*Lot 517 bordered in red (Image Landgate Map Viewer Plus)*

Both submitters advise their intention is to convert the buildings to residential.

Mr Hart was contacted by Shire staff and did not seek to change his original offer.

The submission contains a superior monetary offer to the original offer and is considered reasonable and acceptable and consistent with the valuation for the land completed in June 2017.

#### CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

The proposed disposal of Lot 517 was advertised in the Great Southern Herald newspaper as required by s.3.58 of the *Local Government Act 1995*. One (1) submission was received.

#### LEGAL AND STATUTORY REQUIREMENTS

*Local Government Act 1995* – Section 3.58 ‘Disposing of Property’ sets out the process and procedure for a local government disposing of land which states as follows:

- 3.58. *Disposing of property*  
(1) *In this section -*

**dispose** includes to sell, lease, or otherwise dispose of, whether absolutely or not;

**property** includes the whole or any part of the interest of a local government in property, but does not include money.

- (2) Except as stated in this section, a local government can only dispose of property to -
  - (a) the highest bidder at public auction; or
  - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.
- (3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property -
  - (a) it gives local public notice of the proposed disposition -
    - (i) describing the property concerned; and
    - (ii) giving details of the proposed disposition; and
    - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;and
  - (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.
- (4) The details of a proposed disposition that are required by subsection (3)(a)(ii) include -
  - (a) the names of all other parties concerned; and
  - (b) the consideration to be received by the local government for the disposition; and
  - (c) the market value of the disposition -
    - (i) as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or
    - (ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.
- (5) This section does not apply to -
  - (a) a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or
  - (b) a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or
  - (c) anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or
  - (d) any other disposition that is excluded by regulations from the application of this section.

#### POLICY IMPLICATIONS

There are no Local Planning Policies that apply to this report.

#### IMPACT ON CAPACITY

Nil.

**RISK MANAGEMENT CONSIDERATIONS**

<b>Strategic Risk Category</b>	Financial
<b>Consequence Rating</b>	Moderate (3)
<b>Likelihood Rating</b>	Unlikely (2)
<b>Acceptance Rating</b>	Moderate (6)
<b>Risk Acceptance Criteria</b>	Monitor. Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring

**FINANCIAL IMPLICATIONS**

The \$51,000 (inc. GST) will be income to the Shire. The proceeds from the sale are recommended to be allocated to the Land Development Reserve Account 91025.

There was a cost of \$273.53 (inc. GST) to advertise the proposed sale of the land.

The purchaser will be required to meet any transfer/legal costs associated with the purchase of the land. The owner of the lot will also be responsible to pay the rates and other applicable charges and therefore some additional income would be received by the Shire in the future.

**STRATEGIC IMPLICATIONS**

The report impacts on the following item in the Strategic Community Plan 2017 – 2027 as follows:

<b>THEME 6</b>	<b>QUALITY BUILT FORM</b>
Objectives	Strategic Initiatives
4. Manage current and future assets and infrastructure.	4.1 Continue to improve asset management practices.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The Council has a number of options available to it, which are discussed below:

*1 Not accept the offer*

*The Local Government can choose to reject the offers. The land would remain owned by the Shire and the building maintenance would continue to be a Shire responsibility.*

*2 Accept the offer*

*The Local Government can choose to accept either of the offer(s) and proceed with the sale.*

*3 Defer the proposal*

*The Local Government can defer the matter for a period and seek additional information or comment before proceeding to make a decision.*

*4 Readvertise or auction the property*

*The Local Government can decide to readvertise and/or auction the property.*

CONCLUSION

The proposed disposal of Lot 517 was advertised for submissions as required under s.3.58 of the *Local Government Act 1995* and the submission received contained a superior monetary offer.

The disposal of Lot 517 is consistent with the Shire's intent to dispose of unnecessary land assets and the offer of \$51,000 from Mr D Naisbitt is superior to the original offer and should be accepted.

VOTING REQUIREMENTS

Simple Majority.

COUNCIL RESOLUTION:

Moved: Cr F Hmeljak

Seconded: Cr G Stewart

**1018.117 That Council:**

- 1. Reject the \$22,500 (inc. GST) offer from Mr G Hart.**
- 2. Accept the \$51,000 (inc. GST) offer from Mr D Naisbitt and authorise the Chief Executive Officer to commence the consultation period (21-days minimum) to dispose of Lot 517 Carpenter/Vaux Streets, Ongerup (Deposited Plan 68552 Volume 2934 Folio 805) for the sum of \$51,000 (inc. GST) to Mr D Naisbitt in accordance with s.3.58 of the *Local Government Act 1995*. The purchaser is required to meet any transfer/legal costs associated with the purchase of the land.**
- 3. Allocates the net proceeds from the sale of Lot 517 to the Land Development Reserve Account 91025.**

**UNANIMOUSLY CARRIED: 8/0**



**13. CORPORATE SERVICES & COMMUNITY DEVELOPMENT**

Nil

**14. INFRASTRUCTURE AND ASSET MANAGEMENT**

Nil

**15. STATUTORY COMPLIANCE**

Nil

## 16. FINANCE

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### 16.1 ACCOUNTS FOR PAYMENT AND AUTHORISATION – SEPTEMBER 2018

<b>Location:</b>	Shire of Gnowangerup
<b>Proponent:</b>	N/A
<b>File Ref:</b>	ADM0451
<b>Date of Report:</b>	12 October 2018
<b>Business Unit:</b>	Corporate and Community Services
<b>Officer:</b>	CA Shaddick – Senior Finance Officer
<b>Disclosure of Interest:</b>	Nil

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#### ATTACHMENTS

- September 2018 Cheque Listing

#### PURPOSE OF THE REPORT

To provide Council with a list of payments processed in the month of September 2018.

#### BACKGROUND

Nil

#### COMMENTS

Regulations 12 of the Local Government (Financial Management) Regulations 1996 states that:

- (1) A payment may only be made from the municipal fund or the trust fund —
  - (a) if the local government has delegated to the CEO the exercise of its power to make payments from those funds — by the CEO; or
  - (b) otherwise, if the payment is authorised in advance by a resolution of the council.
- (2) The council must not authorise a payment from those funds until a list prepared under regulation 13(2) containing details of the accounts to be paid has been presented to the council.

#### CONSULTATION

Nil

#### LEGAL AND STATUTORY REQUIREMENTS

Local Government (Financial Management) Regulations 1996  
Reg 12 Payments from municipal fund or trust fund, restrictions on making

#### POLICY IMPLICATIONS

Purchasing Policy 4.1  
Corporate Credit Card Policy 4.7

**FINANCIAL IMPLICATIONS**

All payments are in line with the Adopted Budget or have been approved by Council as a Budget Amendment.

**STRATEGIC IMPLICATIONS**

Strategic Community Plan

Theme: Sustainable and Capable Council

Objective: Provide accountable and sustainable leadership

Strategic Initiative: Nil

**STRATEGIC RISK MANAGEMENT CONSIDERATIONS:**

<b>Strategic Risk Category</b>	Financial Sustainability
<b>Consequence Rating</b>	Catastrophic
<b>Likelihood Rating</b>	Unlikely
<b>Acceptance Rating</b>	Acceptable
<b>Risk Acceptance Criteria</b>	Risk Acceptable with adequate controls

**IMPACT ON CAPACITY**

Nil

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Nil

**CONCLUSION**

This is a standard item in the Ordinary Council Meeting Agenda.

**VOTING REQUIREMENTS**

Simple Majority

**COUNCIL RESOLUTION:**

**Moved: Cr F Gaze**

**Seconded: Cr G Stewart**

**1018.118 That Council:**

**Approve the Schedule of Accounts:**

**Municipal Fund Cheques 27336 – 27351, EFT 13914 – EFT 14003, Superannuation and Direct Deposits totalling \$485,538.94 and Trust Fund Cheques 891–892 totalling \$123.30 and Corporate Credit Card totalling \$2304.50.**

**UNANIMOUSLY CARRIED: 8/0**

Chq/EFT	Date	Name	Description	Amount
891	4/09/2018	BUILDING COMMISSION	BUILDING APPLICATIONS FOR AUGUST 2018	\$ 113.30
892	4/09/2018	SHIRE OF GNOWANGERUP	BUILDING COMMISSIONS FOR AUGUST 2018	\$ 10.00
<b>TOTAL TRUST ACCOUNT</b>				<b>\$ 123.30</b>
EFT13914	5/09/2018	AFGRI EQUIPMENT AUSTRALIA PTY LTD	PARTS FOR REPAIRS TO JOHN DEERE GNP MOWER GN.0029 SPRING, CHUTE, IDLER, WHEEL, BOLTS AND AXLE	\$ 550.95
EFT13915	5/09/2018	AIR LIQUIDE	CYLINDER HIRE FEE	\$ 149.68
EFT13916	5/09/2018	BARRETTS MINI EARTHMOVING & CHIPPING	TREE PRUNING UNDER POWER LINES IN ONGERUP REMOVAL OF A SUGAR GUM FROM FENCE LINE AT REAR OF CWA BUILDING	\$ 2,288.00
EFT13917	5/09/2018	COURIER AUSTRALIA	FREIGHT	\$ 356.75
EFT13918	5/09/2018	CS LEGAL	LEGAL CHARGES COLLECTION COSTS	\$ 1,003.49 R
EFT13919	5/09/2018	ENERGY AND WATER OMBUDSMAN (WA) LIMITED	ANNUAL LEVY 2018-19	\$ 54.00
EFT13920	5/09/2018	GNOWANGERUP CRC	ELECTRICITY, CLEANING & INTERNET - AUGUST	\$ 928.54
EFT13921	5/09/2018	GNOWANGERUP FUEL SUPPLIES	FUEL FOR ADMIN FLEET	\$ 1,288.80
EFT13922	5/09/2018	GNOWANGERUP NEWSAGENCY	NEWSPAPERS FOR AUGUST	\$ 68.99
EFT13923	5/09/2018	GNOWANGERUP SMASH REPAIRS	REMOVAL OF ABANDONED VEHICLE ON CHESTER PASS ROAD MAIN ROADS LEANNE RIDLEY 9892 0527 PO# OJ669175	\$ 550.00 R

EFT13924	5/09/2018	GNOWANGERUP TYRE SERVICE	2 X NEW TYRES FOR HOLDEN COLORADO TRAILBLAZER GN.002 BRIDGESTONE EP850 FIT AND BALANCE / TYRE DISPOSAL	\$	730.00
EFT13925	5/09/2018	I SWEEP TOWN & COUNTRY	GNOWANGERUP, ONGERUP & BORDEN STREET SWEEPING 13/8/2018	\$	3,861.00
EFT13926	5/09/2018	IT VISION	BACK UP FOR RATES RAISING	\$	412.50
EFT13927	5/09/2018	JASON SIGN MAKERS	WARNING SIGNS ALL SIZE B" 750MM X 750MM 2 X W1-3(R) CURVE RIGHT 2 X W1-3(L) CURVE LEFT 2 X W2-3 T JUNCTION 2 X W5-22 TRUCKS SYMBOL 4 X W2-1 CROSS ROAD SIGN WITHOUT ARROW PLEASE SEE IMAGE ATTACHED "	\$	1,438.83
EFT13928	5/09/2018	LANDGATE	LAND ENQUIRY	\$	102.80
EFT13929	5/09/2018	MARKETFORCE	ADVERTISING IN GREAT SOUTHERN HEARLD 30/08/2018 PROPOSAL TO CLOSE ROAD	\$	393.37
EFT13930	5/09/2018	MESSAGEMEDIA	3020 MESSAGES SENT	\$	531.52
EFT13931	5/09/2018	OLUMAYOKUN OLUYEDE	CASH SUBSIDY AS PER CONTRACT - AUGUST 2018	\$	11,000.00
EFT13932	5/09/2018	SADLERS BUTCHERS	CATERING COUNCIL MEETINGS AUGUST 2018	\$	348.50
EFT13933	5/09/2018	SHIRE OF CUBALLING	BUILDING SURVEYOR SERVICES AUGUST 2018	\$	3,510.85
EFT13934	5/09/2018	WINC. (WORK INCORPORATED)	STATIONERY	\$	211.65
EFT13935	5/09/2018	WURTH AUSTRALIA PTY LTD	ULTRA 2040 LUBRICANT 500ML FOR USE IN WORKSHOP	\$	100.63
EFT13936	5/09/2018	YONGERGNOW - ONGERUP CRC	ADVERTISING GRAPEVINE JOB POSITIONS & COUNCIL MEETING DATES	\$	90.00
EFT13937	13/09/2018	ADMIN SOCIAL CLUB	PAYROLL DEDUCTIONS	\$	70.00

EFT13938	13/09/2018	ADRIENNE JOYCE	RENT 26 JAEKEL ST 19/09/2018-16/10/2018 ONGERUP GRADER DRIVER	\$	520.00
EFT13939	13/09/2018	AFGRI EQUIPMENT AUSTRALIA PTY LTD	PARTS FOR REPAIRS TO JD MOWER IDLER SCREW WHEEL AXLE	\$	262.80
EFT13940	13/09/2018	ALBANY MAPPING & SURVEYING SERVICES	REPORT AND RECOMMENDATIONS ON TAKING GNOWANGERUP TAMBELLUP ROAD FROM LOTS 1 AND 3049 (M LANCE) AS DISCUSSED WITH PLANNER (P SHEPHARD)	\$	600.00
EFT13941	13/09/2018	ARMADILLO GROUP	REPAIR HOSE REEL	\$	62.09
EFT13942	13/09/2018	ASHLEIGH ANNE NUTTALL	RENT 22 GROCOCK ST 24/09/2018-21/10/2018 GNP GRADER DRIVER	\$	1,000.00
EFT13943	13/09/2018	AUSTRALIA POST	POSTAGE FOR AUGUST	\$	1,045.72
EFT13944	13/09/2018	B P HARRIS & SON	STEP FOR TRAY OF UTE	\$	66.00
EFT13945	13/09/2018	BEST OFFICE SYSTEMS	DEPOT PHOTOCOPIER CHARGE COLOUR 28/7/18 - 28/8/18	\$	101.44
EFT13946	13/09/2018	BGL SOLUTIONS	CONTRACT GARDENING FOR AUGUST 2018	\$	10,429.53
EFT13947	13/09/2018	BLACK AND GOLD SOCIAL CLUB	PAYROLL DEDUCTIONS	\$	130.00
EFT13948	13/09/2018	BUNNINGS ALBANY	TAPWARE FOR ENSUITE 20 MCDONALD STREET	\$	58.90
EFT13949	13/09/2018	COURIER AUSTRALIA	FREIGHT	\$	15.40
EFT13950	13/09/2018	GCM AGENCIES PTY.LTD	YL25C RADIATOR FOR MULTI PACK ROLLER FOR MULTI ROLLER GN.0030	\$	6,009.30
EFT13951	13/09/2018	GNOWANGERUP FUEL SUPPLIES	20,000LTS FUEL @ \$1.44P/LT FOR GNOWANGERUP DEPOT	\$	28,700.00
EFT13952	13/09/2018	HOLY COW CREATIONS	RATES BROCHURES, BUDGET COVERS 18-19 & ANNUAL REPORT 17-18	\$	835.60
EFT13953	13/09/2018	IAN DAVID BEATON	CLEAR BLOCKAGE IN SEWER DRAIN AT 4 GROCOCK STREET	\$	154.00

EFT13954	13/09/2018	LANDGATE	RURAL UV CHARGEABLE SCHD R2018/5	\$	66.50	
EFT13955	13/09/2018	LGRCEU	PAYROLL DEDUCTIONS	\$	184.50	
EFT13956	13/09/2018	METROCOUNT	PURCHASE OF 4 VT 5900 METROCOUNTS	\$	17,239.20	
EFT13957	13/09/2018	OFFICEWORKS	IPAD COVER - CEO	\$	103.95	
EFT13958	13/09/2018	ONLINE SAFETY SYSTEMS PTY LTD	PLANT ASSESSOR MONTHLY ACCESS FEE SEPTEMBER 2018	\$	528.00	
EFT13959	13/09/2018	PRIMARIES GNOWANGERUP	VARIOUS HARDWARE ITEMS	\$	269.10	
EFT13960	13/09/2018	SHORT STAY VILLA	ACCOMMODATION CEO REVIEW CONSULTANT	\$	120.00	
EFT13961	13/09/2018	SPOTLIGHT ALBANY	WINDOW TREATMENT RENEWALS 20 MCDONALD STREET	\$	4,099.73	
EFT13962	13/09/2018	TRUCKLINE	BRAKE BOOSTER DIAPHRAGM FOR SIDE TIPPER	\$	225.50	
EFT13963	13/09/2018	WA CONTRACT RANGER SERVICES	RANGER SERVICES 29/08, 30/08, 05/09, 06/09	\$	2,116.12	
EFT13964	13/09/2018	WARREN BLACKWOOD WASTE	BIN PICK UP 02/08, 09/08, 16/08, 23/08, 30/08	\$	8,646.00	
EFT13965	13/09/2018	WESTRAC EQUIPMENT PTY LTD	WIRING HARNESS FOR COLD PLANER - MODEL PC 206 CAT S/N DDG00955	\$	745.68	
EFT13966	20/09/2018	AA CONTRACTORS	AGRN743 RESTORATION WORKS HIGHDENUP ROAD 29/08/2018 - 07/09/2018	\$	125,006.75	W
EFT13967	20/09/2018	ADMIN SOCIAL CLUB	PAYROLL DEDUCTIONS	\$	80.00	
EFT13968	20/09/2018	ARROW BRONZE	NICHE WALL PLAQUE CHAPMAN - ONGERUP	\$	203.88	R
EFT13969	20/09/2018	B P HARRIS & SON	SQUARE TUBING FOR ERECTING SHED AT GNOWANGERUP DEPOT	\$	666.60	

EFT13970	20/09/2018 BLACK AND GOLD SOCIAL CLUB	PAYROLL DEDUCTIONS	\$ 130.00
EFT13971	20/09/2018 BUNNINGS ALBANY	SCANDIA STACKER 300 (3171535)SCANDIA FLUE KIT(3171234)ROOF FLASHING(4829521) 20 MCDONALD STREET	\$ 2,121.06
EFT13972	20/09/2018 COURIER AUSTRALIA	FREIGHT	\$ 150.11
EFT13973	20/09/2018 EDWARDS MOTORS PTY LTD	REPAIR DAMAGED SUSPENSION GN.00	\$ 479.10
EFT13974	20/09/2018 GEOFABRICS	GEOFABRIC ROLL 2M X 50M FOR AGRN743 RESOTRATION WORKS	\$ 264.00 W
EFT13975	20/09/2018 GNOWANGERUP PHARMACY	PANADOL FOR GNOWANGERUP DEPOT	\$ 11.90
EFT13976	20/09/2018 HAULMORE TRAILER SALES PTY LTD	2 X 18MM WIRE ROPES FOR SIDE TIPPER GN.0050	\$ 495.00
EFT13977	20/09/2018 IAN DAVID BEATON	SERVICE GAS LINE FOR HOT WATER SYSTEM 25 MCDONALD ST	\$ 88.00
EFT13978	20/09/2018 J. BLACKWOOD & SON PTY LIMITED	BOSCH GLM 100C PROFESIONAL RANGE FINDER	\$ 284.00
EFT13979	20/09/2018 J.E. & K.N. DAVIS	AGRN743 STOCKPILING GRAVEL AT PEAKALLS PIT	\$ 25,718.22 W
EFT13980	20/09/2018 JASON SIGN MAKERS	2 X T JUNCTION ROAD SIGNS 750MM X 750MM	\$ 108.17
EFT13981	20/09/2018 JH COMPUTER SERVICES PTY LTD	LABOUR SUPPORT PACK (10 HOURS PLUS FREE BONUS HOUR)	\$ 1,760.00
EFT13982	20/09/2018 LANDGATE	MINING TENEMENT CSCHD M2018/3	\$ 39.00
EFT13983	20/09/2018 LEISURE INSTITUTE OF WESTERN AUSTRALIA AQUATICS	ANDRE TION - LIWA AQUATICS COUNTRY SEMINAR - GNOWANGERUP REGISTRATION - LIWA MEMBER	\$ 180.00
EFT13984	20/09/2018 LGRCEU	PAYROLL DEDUCTIONS	\$ 184.50



EFT13985	20/09/2018	MCINTOSH & SON	BOLTS FOR VIBE ROLLER GN.0051	\$	44.79
EFT13986	20/09/2018	ONGERUP & NEEDILUP MUSEUM	COMMUNITY GRANT AS PER BUDGET 2018/19	\$	500.00
EFT13987	20/09/2018	ONGERUP FARM SUPPLIES - MICK CREAGH	AIR FRESHNER AND TOILET CLEANER FOR ONGERUP TOILETS	\$	28.90
EFT13988	20/09/2018	SOUTHERN TOOL AND FASTENER CO	BOLTS FOR VIBE ROLLER GN.0051	\$	16.00
EFT13989	20/09/2018	THE BORDEN DEVELOPEMENT GROUP	COMMUNITY GRANT AS PER 2018/19 BUDGET	\$	2,871.00
EFT13990	20/09/2018	WESTRAC EQUIPMENT PTY LTD	WESTRAC MECHANIC TO CARRY OUT RECALL REPAIRS TO CAT GRADER GN.0020	\$	909.81
EFT13991	20/09/2018	WINC. (WORK INCORPORATED)	GNP TOILETS CLEANING PRODUCTS AND TOILET TISSUE	\$	938.69
EFT13992	28/09/2018	COURIER AUSTRALIA	FREIGHT	\$	114.79
EFT13993	28/09/2018	DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION	TRACKING FORM FOR SETPICS SEPTEMBER	\$	88.00
EFT13994	28/09/2018	EDWARDS MOTORS PTY LTD	SERVICE PARTS FOR 50,000KM SERVICE DRS CAR GN.006	\$	287.70
EFT13995	28/09/2018	GNOWANGERUP TYRE SERVICE	2 X NEW TYRES FOR DOLLY GN.17067	\$	1,126.00
EFT13996	28/09/2018	JETBLACK CREATIVE MEDIA	UPDATE WEBSITE AND DNS RECORDS	\$	148.50
EFT13997	28/09/2018	JOHN PHILLIPS CONSULTING	CEO REVIEW 2018	\$	3,300.00
EFT13998	28/09/2018	PHOENIX CIVIL & EARTHMOVING PTY LTD	AGRN743 RESTORATION ROADWORKS BOXWOOD HILL ONGERUP ROAD 11/9/18 - 14/9/18	\$	92,936.09 W
EFT13999	28/09/2018	RIVER HILL CONTRACTING	AGRN743 RESTORATION WORKS DRAINAGE TIE LINE ROAD 4/9/18 - 13/9/18	\$	40,584.50 W

EFT14000	28/09/2018	TOBRUK TRADERS	CATERING SUPPLY FOR TRAFFIC AND CHAINSAW TRAINING 17TH SEPTEMBER X3 18TH SEPTEMBER X 5	\$	136.00
EFT14001	28/09/2018	WA CONTRACT RANGER SERVICES	RANGER SERVICES 12/09, 13/09, 18/09, 19/09	\$	2,029.50
EFT14002	28/09/2018	WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	PROCUREMENT TRAINING	\$	7,461.69
EFT14003	28/09/2018	WURTH AUSTRALIA PTY LTD	MOLLY DRY (DRY LUBE) FOR USE ON GRADERS	\$	713.64
27336	5/09/2018	A SMART START- CENTRAL GREAT SOUTHERN	COMMUNITY GRANT AS PER BUDGET 2018/19	\$	2,000.00
27337	5/09/2018	GNOWANGERUP IGA	CONSUMABLES	\$	336.17
27338	5/09/2018	SHIRE OF GNOWANGERUP	RECYCLING & RUBBISH COLLECTION FEES 2018/19 GNP, ONGERUP & BORDEN BFB BUILDINGS AND GNP SES BUILDING	\$	720.00 F
27339	5/09/2018	SYNERGY	SUPPLY PERIOD 34 DAYS TO 03/09/2018	\$	3,740.95
27340	5/09/2018	AUSTRALIAN TAXATION OFFICE	BAS PAYMENT FOR AUGUST 2018	\$	14,926.00
27341	13/09/2018	MY PLACE COLONIAL ACCOMODATION	ACCOMMODATION FOR VISITING AUTHOR	\$	130.00
27342	13/09/2018	SYNERGY	SUPPLY PERIOD 59 DAYS TO 05/09/2018	\$	3,441.80
27343	13/09/2018	TELSTRA	USAGE, SERVICE, EQUIPMENT AND DIRECTORY CHARGES	\$	1,413.08
27344	13/09/2018	WATER CORPORATION	WATER USAGE AND SERVICE CHARGES	\$	3,901.07
27345	20/09/2018	SYNERGY	SUPPLY PERIOD 61 DAYS	\$	106.55
27346	20/09/2018	TELSTRA	SHIRE MOBILE PLANS AND DATA PACKS	\$	713.77

27347	20/09/2018	WATER CORPORATION	SERVICE CHARGES	\$	210.86
27348	28/09/2018	CLASSIC BOOK BINDERS	BINDING OF COUNCIL MINUTES FEBRUARY TO DECEMBER 2017	\$	374.88
27349	28/09/2018	DOWN TO EARTH TRAINING & ASSESSING	TRAINING FOR DEPOT STAFF 17TH & 18TH SEPTEMBER TRAFFIC CONTROL REFRESHER 1 DAY CHAINSAW REFRESHER 1 DAY	\$	2,239.65
27350	28/09/2018	GNOWANGERUP BOWLING CLUB	REFRESHMENTS FOR COUNCIL	\$	65.00
27351	28/09/2018	SHIRE OF GNOWANGERUP	COUNCIL APPROVAL AS PER BUDGET 2018/2019 RATES WAIVER A1341	\$	1,034.78
DD4152.1	5/09/2018	WALGS PLAN	PAYROLL DEDUCTIONS	\$	7,261.52
DD4152.2	5/09/2018	SMSF	SUPERANNUATION DEDUCTIONS	\$	927.48
DD4152.3	5/09/2018	WEALTH PERSONAL SUPERANNUATION	SUPERANNUATION DEDUCTIONS	\$	382.44
DD4152.4	5/09/2018	COLONIAL FIRSTWRAP PLUS	SUPERANNUATION DEDUCTIONS	\$	758.16
DD4152.5	5/09/2018	AUSTRALIAN SUPER	SUPERANNUATION DEDUCTIONS	\$	518.79
DD4152.6	5/09/2018	HOST PLUS SUPERANNUATION FUND	SUPERANNUATION DEDUCTIONS	\$	440.78
DD4152.7	5/09/2018	MTAA SUPERANNUATION FUND	SUPERANNUATION DEDUCTIONS	\$	607.11
DD4152.8	5/09/2018	PRIME SUPER	SUPERANNUATION DEDUCTIONS	\$	219.92
DD4152.9	5/09/2018	BENDIGO SMARTOPTIONS SUPER	SUPERANNUATION DEDUCTIONS	\$	126.20
DD4155.1	19/09/2018	WALGS PLAN	PAYROLL DEDUCTIONS	\$	7,234.99
DD4155.2	19/09/2018	SMSF	SUPERANNUATION CONTRIBUTIONS	\$	927.48

DD4155.3	19/09/2018 WEALTH PERSONAL SUPERANNUATION	SUPERANNUATION CONTRIBUTIONS	\$ 314.94
DD4155.4	19/09/2018 COLONIAL FIRSTWRAP PLUS	SUPERANNUATION CONTRIBUTIONS	\$ 758.16
DD4155.5	19/09/2018 AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	\$ 521.55
DD4155.6	19/09/2018 HOST PLUS SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	\$ 448.65
DD4155.7	19/09/2018 MTAA SUPERANNUATION FUND	SUPERANNUATION CONTRIBUTIONS	\$ 610.66
DD4155.8	19/09/2018 PRIME SUPER	SUPERANNUATION CONTRIBUTIONS	\$ 219.92
DD4155.9	19/09/2018 BENDIGO SMARTOPTIONS SUPER	SUPERANNUATION CONTRIBUTIONS	\$ 127.58
DD4159.1	30/09/2018 LEASEIT LTD	PHOTOCOPIER LEASE	\$ 1,196.25
DD4159.2	30/09/2018 NATIONAL AUSTRALIA BANK	ITEMISED BELOW	\$ 0.00
		<b>TOTAL MUNICIPAL ACCOUNT</b>	<b>\$ 485,538.94</b>
DCEO	3/09/2018 SINK WAREHOUSE	VANITY UNIT FOR 20 MCDONALD STREET	\$ 808.00
	10/09/2018 TELSTRA	DCEO HOME INTERNET - REIMBURSE TO SHIRE \$139.00	\$ 209.00
	10/09/2018 NAB	CORPORATE CREDIT CARD FEE	\$ 18.00
CEO	14/08/2018 QANTAS	FLIGHTS FOR R.SENEVIRATNE	\$ 486.50
	14/08/2018 DENMARK FARM CHEESE	REFRESHMENTS FOR COUNCIL MEETINGS	\$ 354.85
	17/08/2018 SAFETY CULTURE	IAUDITORS LICENSE	\$ 158.40

4/09/2018 WESTNET	SHIRE INTERNET	\$ 232.83
10/09/2018 BAKERS FOOD & FUEL	FUEL GN.00	\$ 36.92
	<b>TOTAL CORPORATE CREDIT CARD</b>	<b>\$ 2,304.50</b>

**CERTIFICATE OF SENIOR FINANCE OFFICER**

**I HEREBY CERTIFY THE FOLLOWING SCHEDULE OF ACCOUNTS:**

TOTAL FOR MUNICIPAL FUND: EFT 13914 -14003, Cheque 27336 - 27351, DD Super Clearing House = \$485,538.94  
TOTAL FOR TRUST FUND: Cheque 891 - 892 \$123.30  
TOTAL FOR CREDIT CARD: \$2304.50

**CHIEF EXECUTIVE OFFICER**

- F Fully Grant Funded
- P Partial Grant Funded
- R Other Funding (Reimbursements)
- W Main Roads Flood Damage

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<b>16.2</b>	<b>SEPTEMBER 2018 MONTHLY FINANCIAL REPORT</b>
<b>Location:</b>	Shire of Gnowangerup
<b>Proponent:</b>	N/A
<b>File Ref:</b>	ADM0451
<b>Date of Report:</b>	15 October 2018
<b>Business Unit:</b>	Corporate and Community Services
<b>Officer:</b>	D. Long – Finance Consultant C. Shaddick – Senior Finance Officer
<b>Disclosure of Interest:</b>	NIL

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#### ATTACHMENTS

Monthly Financial Statements for period 30 September 2018 including:

- Statement of Financial Activity
- Report on Material Differences
- Comprehensive Income by Program and Nature & Type
- Statement of Cash Flows
- Current Assets and Liabilities

#### PURPOSE OF THE REPORT

For Council to receive and accept the Monthly Financial Report to 30 September 2018. Note that figures are subject to change as a result of end of year procedures and the audit process.

#### BACKGROUND

Nil

#### COMMENTS

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires a local government to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month.

#### CONSULTATION

Nil

#### LEGAL AND STATUTORY REQUIREMENTS

*Local Government (Financial Management) Regulations 1996*  
Reg. 34 Financial activity statement required each month

#### POLICY IMPLICATIONS

Reporting Material Differences Policy 4.2  
Investment Policy 4.5

#### FINANCIAL IMPLICATIONS

Nil

**STRATEGIC IMPLICATIONS**

Strategic Community Plan

Theme: Sustainable and Capable Council

Objective: Provide accountable and sustainable leadership

Strategic Initiative: Nil

**STRATEGIC RISK MANAGEMENT CONSIDERATIONS:**

<b>Strategic Risk Category</b>	Financial Sustainability
<b>Consequence Rating</b>	Catastrophic
<b>Likelihood Rating</b>	Unlikely
<b>Acceptance Rating</b>	Acceptable
<b>Risk Acceptance Criteria</b>	Risk Acceptable with adequate controls

**IMPACT ON CAPACITY**

Nil

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Nil

**CONCLUSION**

This is a standard item in the Ordinary Council Meeting Agenda.

**VOTING REQUIREMENTS**

Simple Majority

**COUNCIL RESOLUTION**

**Moved: Cr R House**

**Seconded: Cr G Stewart**

**1018.119 That Council:**

**Receive and accept the Monthly Financial Report for September 2018.**

**UNANIMOUSLY CARRIED: 8/0**

**SHIRE OF GNOWANGERUP**

**MONTHLY FINANCIAL REPORT**

**30 SEPTEMBER 2018**



**SHIRE OF GNOWANGERUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDING 30 SEPTEMBER 2018**

	NOTES	2018-19 ANNUAL BUDGET	2018-19 JULY - SEPT BUDGET	2018-19 YTD ACTUAL
<b>EXPENDITURE (Excluding Finance Costs)</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
General Purpose Funding		(129,467)	(37,985)	(27,231)
Governance		(1,102,041)	(293,405)	(152,440)
Law, Order, Public Safety		(340,336)	(92,405)	(57,364)
Health		(250,299)	(59,677)	(63,725)
Education and Welfare		(26,524)	(9,524)	(3,069)
Housing		(56,914)	(16,962)	(9,946)
Community Amenities		(598,782)	(168,270)	(76,893)
Recreation and Culture		(1,694,532)	(453,828)	(163,387)
Transport		(6,646,343)	(1,871,643)	(1,081,802)
Economic Services		(343,278)	(76,507)	(21,022)
Other Property and Services		(214,590)	(96,439)	(66,460)
		(11,403,105)	(3,176,647)	(1,723,338)
<b>REVENUE</b>				
General Purpose Funding		4,569,139	232,123	4,022,862
Governance		0	0	27
Law, Order, Public Safety		54,052	909	1,568
Health		300	0	167
Education and Welfare		11,500	2,820	200
Housing		84,280	22,756	21,519
Community Amenities		293,921	256,750	261,927
Recreation and Culture		24,400	337	61
Transport		3,448,829	891,356	140,786
Economic Services		12,372	652	907
Other Property & Services		120,408	33,368	55,673
		8,619,201	1,441,070	4,505,698
<i>Increase(Decrease)</i>		(2,783,904)	(1,735,576)	2,782,359
<b>FINANCE COSTS</b>				
General Purpose Funding		0		0
Housing		(16,874)	0	0
Community Amenities		(221)	0	0
Recreation & Culture		(26,959)	0	0
Transport		(12,000)	0	0
Other Property & Services		0	0	0
Total Finance Costs		(56,054)	0	0
<b>NON-OPERATING REVENUE</b>				
General Purpose Funding		0	0	0
Law, Order & Public Safety		0	0	0
Housing		367,500	0	0
Recreation & Culture		0	0	0
Transport		728,172	0	323,974
Economic Services		0	0	0
Total Non-Operating Revenue		1,095,672	0	323,974
<b>PROFIT/(LOSS) ON SALE OF ASSETS</b>				
Law, Order & Public Safety		0	0	0
Health		0	0	0
Community Amenities		0	0	0
Recreation & Culture Profit		0	0	0
Recreation & Culture Loss		0	0	0
Transport Profit		0	0	0
Transport Loss		0	0	0
Other Property & Services Profit		0	0	0
Other Property & Services Loss		0	0	0
Total Profit/(Loss)		0	0	0
<b>NET RESULT</b>		(1,744,286)	(1,735,576)	3,106,333
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets		0	0	0
Total Abnormal Items		0	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(1,744,286)</b>	<b>(1,735,576)</b>	<b>3,106,333</b>

**SHIRE OF GNOWANGERUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE/TYPE**  
**FOR THE PERIOD ENDING 30 SEPTEMBER 2018**

	<b>2018-19 BUDGET</b>	<b>2018-19 ACTUAL</b>
<b>Expenses</b>		
Employee Costs	(2,157,672)	(502,689)
Materials and Contracts	(5,503,216)	(1,036,947)
Utility Charges	(173,500)	(29,890)
Depreciation on Non-Current Assets	(2,985,960)	0
Interest Expenses	(56,054)	0
Insurance Expenses	(211,068)	(122,120)
Other Expenditure	(371,690)	(31,692)
	<b>(11,459,159)</b>	<b>(1,723,338)</b>
<b>Revenue</b>		
Rates	4,005,853	4,005,102
Operating Grants, Subsidies and Contributions	746,003	305,303
Fees and Charges	346,222	100,768
Service Charges	0	0
Interest Earnings	67,420	17,556
Other Revenue	3,453,703	76,968
	<b>8,619,201</b>	<b>4,505,698</b>
	<b>(2,839,958)</b>	<b>2,782,359</b>
Non-Operating Grants, Subsidies & Contributions	1,095,672	323,974
Fair Value Adjustments to financial assets at fair value through profit/loss	0	0
Profit on Asset Disposals	0	0
Loss on Asset Disposals	0	0
	<b>1,095,672</b>	<b>323,974</b>
<b>Net Result</b>	<b>(1,744,286)</b>	<b>3,106,333</b>
<b>Other Comprehensive Income</b>		
Changes on revaluation of non-current assets	0	0
<b>Total Other Comprehensive Income</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(1,744,286)</b>	<b>3,106,333</b>

**SHIRE OF GNOWANGERUP**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE PERIOD ENDING 30 SEPTEMBER 2018**

	Note	2017-18 ACTUAL \$	2018-19 ACTUAL \$	Variance \$
<b>Current assets</b>				
Unrestricted Cash & Cash Equivalents		584,969	2,957,715	2,372,746
Restricted Cash & Cash Equivalents		1,994,946	2,000,524	5,578
Trade and other receivables		2,485,198	3,285,650	800,451
Inventories		29,548	20,000	-9,548
Other assets		0	0	0
<b>Total current assets</b>		<b>3,079,026</b>	<b>8,263,888</b>	3,169,227
<b>Non-current assets</b>				
Trade and other receivables		207,922	216,796	8,874
LG House Unit Trust		6,186	6,186	0
Property, infrastructure, plant and equipment		29,909,574	30,111,823	202,249
Infrastructure Assets		107,397,157	89,795,844	-17,601,312
<b>Total non-current assets</b>		<b>153,760,701</b>	<b>120,130,649</b>	-17,390,190
<b>Total assets</b>		<b>156,839,727</b>	<b>128,394,538</b>	-14,220,963
<b>Current liabilities</b>				
Trade and other payables		195,776	561,052	-365,276
Interest-bearing loans and borrowings		1,163,537	163,537	1,000,000
Provisions		350,121	345,657	4,464
<b>Total current liabilities</b>		<b>552,116</b>	<b>1,070,245</b>	639,188
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings		749,852	1,749,852	-1,000,000
Provisions		104,800	104,800	0
<b>Total non-current liabilities</b>		<b>1,356,530</b>	<b>1,854,651</b>	-1,000,000
<b>Total liabilities</b>		<b>1,908,646</b>	<b>2,924,897</b>	-360,812
<b>Net assets</b>		<b>154,931,081</b>	<b>125,469,641</b>	-14,581,775
<b>Equity</b>				
Retained surplus		43,252,898	42,273,240	-979,658
Net Result		-923,476	3,106,333	4,029,809
Reserve - asset revaluation		95,731,684	78,094,181	-17,637,503
Reserve - Cash backed		1,990,309	1,995,887	5,578
<b>Total equity</b>		<b>154,931,081</b>	<b>125,469,641</b>	-14,581,775

This statement is to be read in conjunction with the accompanying notes

**SHIRE OF GNOWANGERUP**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDING 30 SEPTEMBER 2018**

Note	2017-18 ACTUAL \$	2018-19 BUDGET \$	2018-19 ACTUAL \$
<b>Cash Flows from operating activities</b>			
<b>Payments</b>			
Employee Costs	(2,322,997)	(2,110,373)	(509,839)
Materials & Contracts	(9,288,820)	(5,497,574)	(637,509)
Utilities (gas, electricity, water, etc)	(152,816)	(173,500)	(29,890)
Insurance	(169,375)	(56,054)	(122,120)
Interest Expense	(47,253)	(211,068)	0
Goods and Services Tax Paid	(300,000)	0	0
Other Expenses	(194,954)	(371,689)	(31,692)
	<b>(12,476,215)</b>	<b>(8,420,258)</b>	<b>(1,331,050)</b>
<b>Receipts</b>			
Rates	3,856,106	4,005,853	955,775
Operating Grants & Subsidies	1,216,396	746,003	305,303
Contributions, Reimbursements & Donations	0	0	0
Fees and Charges	223,463	346,222	100,768
Interest Earnings	103,186	67,420	17,556
Goods and Services Tax	189,811	109,879	86,002
Other	6,759,854	5,591,971	2,218,575
	<b>12,348,816</b>	<b>10,867,348</b>	<b>3,683,979</b>
<b>Net Cash flows from Operating Activities</b>	<b>9 (127,399)</b>	<b>2,447,090</b>	<b>2,352,928</b>
<b>Cash flows from investing activities</b>			
<b>Payments</b>			
Purchase of Land	(250,688)	(510,000)	(233,071)
Purchase of Buildings	(93,045)	(954,930)	(6,636)
Purchase Plant and Equipment	(327,274)	(732,000)	0
Purchase Furniture and Equipment	(18,739)	(5,000)	0
Purchase Road Infrastructure Assets	(1,218,668)	(1,300,381)	(58,871)
Purchase of Footpath Assets	0	(5,000)	0
Purchase Aerodrome Assets	(3,099)	0	0
Purchase Drainage Assets	0	(9,000)	0
Purchase Sewerage Assets	(45,775)	(50,000)	0
Purchase Parks & Ovals Assets	(4,700)	(4,858)	0
Purchase Solid Waste Assets	0	0	0
Purchase Infrastructure Other Assets	0	(8,000)	0
<b>Receipts</b>			
Proceeds from Sale of Assets	77,809	223,000	0
Non-Operating grants used for Development of Assets	654,212	1,095,672	323,974
	<b>(1,229,968)</b>	<b>(2,260,497)</b>	<b>25,396</b>
<b>Cash flows from financing activities</b>			
Repayment of Debentures	(163,109)	(1,163,539)	0
Advances to Community Groups	0	0	0
Revenue from Self Supporting Loans	26,352	27,433	0
Proceeds from New Debentures	1,000,000	367,500	0
<b>Net cash flows from financing activities</b>	<b>863,243</b>	<b>(768,606)</b>	<b>0</b>
<b>Net increase/(decrease) in cash held</b>	<b>(494,124)</b>	<b>(582,013)</b>	<b>2,378,324</b>
<b>Cash at the Beginning of Reporting Period</b>	<b>3,074,039</b>	<b>2,579,916</b>	<b>2,579,916</b>
<b>Cash at the End of Reporting Period</b>	<b>9 2,579,915</b>	<b>1,997,903</b>	<b>4,958,240</b>

**SHIRE OF GNOWANGERUP**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDING 30 SEPTEMBER 2018**

Notes

	2017-18 ACTUAL \$	2018-19 BUDGET \$	2018-19 ACTUAL \$
<b>RECONCILIATION OF CASH</b>			
Cash at Bank	2,578,073	1,996,061	4,956,397
Cash on Hand	1,842	1,842	1,842
<b>TOTAL CASH</b>	<b>2,579,915</b>	<b>1,997,903</b>	<b>4,958,239</b>
<b>RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT</b>			
Net Result (As per Comprehensive Income Statement)	(923,476)	(1,744,286)	3,106,333
Add back Depreciation	2,932,726	2,985,960	0
(Gain)/Loss on Disposal of Assets	23,298	-	0
Self Supporting Loan Principal Reimbursements	0	-	0
Contributions for the Development of Assets	(654,212)	(1,095,672)	(323,974)
<b>Changes in Assets and Liabilities</b>			
(Increase)/Decrease in Inventory	(8,345)	0	9,548
(Increase)/Decrease in Receivables	(1,555,399)	2,248,147	(809,325)
Increase/(Decrease) in Accounts Payable	(28,471)	5,642	365,276
Increase/(Decrease) in Prepayments	0	0	0
Increase/(Decrease) in Employee Provisions	86,480	47,299	5,071
Increase/(Decrease) in Accrued Expenses	0	0	0
Rounding	-	0	0
<b>NET CASH FROM/(USED) IN OPERATING ACTIVITIES</b>	<b>(127,399)</b>	<b>\$2,447,090</b>	<b>2,352,928</b>

**SHIRE OF GNOWANGERUP**  
**FINANCIAL ACTIVITY STATEMENT**  
**FOR THE PERIOD ENDING 30 SEPTEMBER 2018**

	2017-18 ACTUAL	2018-19 ANNUAL BUDGET	2018-19 JULY- SEPT BUDGET	2018-19 JULY- SEPT ACTUAL	MATERIAL VARIANCES %
<b>OPERATING REVENUE</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
General Purpose Funding	1,510,710	771,744	232,123	226,214	Variance within % Threshold
Governance	182	0	0	27	0.00%
Law, Order Public Safety	75,889	54,052	909	1,568	72.64%
Health	395	300	0	167	0.00%
Education and Welfare	12,023	11,500	2,820	200	(92.91%) Variance within % Threshold
Housing	79,729	84,280	22,756	21,519	Variance within % Threshold
Community Amenities	317,181	293,921	256,750	261,927	% Threshold
Recreation and Culture	36,259	24,400	337	61	(81.89%)
Transport	7,721,579	3,448,829	891,356	140,786	(84.21%)
Economic Services	15,524	12,372	652	907	39.05%
Other Property and Services	204,999	120,408	33,368	55,673	66.85%
	<b>9,974,469</b>	<b>4,821,806</b>	<b>1,441,070</b>	<b>709,049</b>	
<b>LESS OPERATING EXPENDITURE</b>					
General Purpose Funding	(164,396)	(129,467)	(37,985)	(27,231)	28.31%
Governance	(679,597)	(1,102,041)	(293,405)	(152,440)	(48.04%)
Law, Order, Public Safety	(289,231)	(340,336)	(92,405)	(57,364)	37.92%
Health	(251,724)	(250,299)	(59,677)	(63,725)	Variance within % Threshold
Education and Welfare	(15,828)	(26,524)	(9,524)	(3,069)	67.78%
Housing	(75,860)	(73,788)	(16,962)	(9,946)	41.36%
Community Amenities	(538,893)	(599,003)	(168,270)	(76,893)	54.30%
Recreation and Culture	(1,676,662)	(1,721,491)	(453,828)	(163,387)	64.00%
Transport	(10,800,247)	(6,658,343)	(1,871,643)	(1,081,802)	42.20%
Economic Services	(92,255)	(343,278)	(76,507)	(21,022)	72.52%
Other Property & Services	(585,174)	(214,590)	(96,439)	(66,460)	31.09%
	<b>(15,169,867)</b>	<b>(11,459,159)</b>	<b>(3,176,647)</b>	<b>(1,723,338)</b>	
<i>Increase(Decrease)</i>	<b>(5,195,398)</b>	<b>(6,637,353)</b>	<b>(1,735,576)</b>	<b>(1,014,289)</b>	
<b>ADD</b>					
Movement in Employee Benefits (Non-current)	60,430	47,299	0	0	0.00%
(Profit)/ Loss on the disposal of assets	23,298	0	0	0	0.00%
Depreciation Written Back	2,932,726	2,985,960	746,191	0	100.00%
	<b>3,016,454</b>	<b>3,033,259</b>	<b>746,191</b>	<b>0</b>	
<i>Sub Total</i>	<b>(2,178,945)</b>	<b>(3,604,094)</b>	<b>(989,385)</b>	<b>(1,014,289)</b>	
<b>LESS CAPITAL PROGRAMME</b>					
Purchase of Land		0			Variance within % Threshold
Purchase Buildings	(343,732)	(1,464,930)	(228,500)	(239,708)	58.88%
Infrastructure Assets - Roads	(1,218,668)	(1,300,381)	(143,172)	(58,871)	0.00%
Infrastructure Assets - Footpaths	0	(5,000)	0	0	0.00%
Infrastructure Assets - Aerodromes	(3,099)	0	0	0	0.00%
Infrastructure Assets - Drainage	0	(9,000)	0	0	0.00%
Infrastructure Assets - Sewerage	(45,775)	(50,000)	(1,155)	0	100.00%
Infrastructure Assets - Parks & Ovals	(4,700)	(4,858)	(4,858)	0	100.00%
Infrastructure Assets - Other	0	(8,000)	0	0	0.00%
Purchase Plant and Equipment	(327,274)	(732,000)	0	0	0.00%
Purchase Furniture and Equipment	(18,739)	(5,000)	0	0	0.00%
Proceeds from Sale of Assets	77,809	223,000	0	0	0.00%
Contributions for the Development of Assets	654,212	1,095,672	180,800	323,974	(79.19%)
Repayment of Debt - Loan Principal	(163,109)	(1,163,539)	0	0	0.00%
Self Supporting Loan Principal Income	26,352	27,433	0	0	0.00%
Transfer to Reserves	(331,600)	(202,500)	(6,747)	(5,578)	17.33%
	<b>(1,698,325)</b>	<b>(3,599,103)</b>	<b>(203,632)</b>	<b>19,817</b>	
Plus Rounding					
<i>Sub Total</i>	<b>(3,877,269)</b>	<b>(7,203,197)</b>	<b>(1,193,017)</b>	<b>(994,471)</b>	
<b>FUNDING FROM</b>					
Transfer from Reserves	237,668	790,302	0	0	0.00%
Loans Raised	1,000,000	367,500	0	0	0.00%
Estimated Opening Surplus at 1 July	1,552,914	2,248,000	2,248,000	2,495,320	11.00%
Amount Raised from General Rates	3,617,710	3,797,395	0	3,796,648	0.00%
Closing Funds	0	0	0	0	
	<b>6,408,292</b>	<b>7,203,197</b>	<b>2,248,000</b>	<b>6,291,968</b>	
<b>NET SURPLUS/(DEFICIT)</b>	<b>2,531,023</b>	<b>(0)</b>	<b>1,054,983</b>	<b>5,297,497</b>	

<b>NOTE 1</b>			
<b>CURRENT RATIO</b>	Current Assets	2,875,577	3.28
	Current Liabilities	877,088	
Ratios greater than one indicate that Council has sufficient current assets to meet it's short term current liabilities.			
<b>NOTE 2 - VARIANCES EXPLAINED</b>			
<b>OPERATING REVENUE</b>		<b>\$ VARIANCE</b>	<b>% VARIANCE</b>
<b>General Purpose Funding</b>			
Variance within 10% Materiality Threshold		(5,909)	Variance
<b>Governance</b>			
Reimbursement income not anticipated for reporting period		27	0.00%
<b>Law Order &amp; Public Safety -</b>			
Pool Inspection Infringements not anticipated for reporting period		660	72.64%
<b>Health</b>			
Medical Centre reimbursement of costs		167	0.00%
<b>Education &amp; Welfare</b>			
Education Dept mowing contract received annually not monthly as anticipated		(2,620)	(92.91%)
<b>Housing</b>			
Variance within 10% Materiality Threshold			Variance within %
		(1,237)	Threshold
<b>Community Amenities</b>			
Variance within 10% Materiality Threshold			Variance within %
		5,177	Threshold
<b>Recreation &amp; Culture</b>			
Hall Hire income less than anticipated for reporting period		(276)	(81.89%)
<b>Transport</b>			
WANDRRA income not received as anticipated		(750,570)	(84.21%)
<b>Economic Service</b>			
Standpipe fees higher than anticipated for reporting period		255	39.05%
<b>Other Property and Services</b>			
Workers Compensation and Insurance Claim reimbursements higher than anticipated		22,305	66.85%
<b>OPERATING EXPENDITURE</b>		<b>\$ VARIANCE</b>	<b>% VARIANCE</b>
<b>General Purpose funding</b>			
Printing and Advertising costs lower than anticipated for reporting period		10,754	28.31%
<b>Governance</b>			
Administration and Conference costs less than anticipated for reporting period		140,965	-48.04%
<b>Law Order &amp; Public Safety -</b>			
Depreciation not applied for reporting period - no monetary impact		35,041	37.92%
<b>Health</b>			
Variance within 10% Materiality Threshold			Variance within %
		(4,048)	
<b>Education &amp; Welfare</b>			
Depreciation not applied for reporting period - no monetary impact		6,455	67.78%
<b>Housing</b>			
Depreciation not applied for reporting period - no monetary impact		7,016	41.36%
<b>Community Amenities</b>			
Depreciation not applied for reporting period - no monetary impact		91,377	54.30%
<b>Recreation &amp; Culture</b>			
Depreciation not applied for reporting period - no monetary impact		290,441	64.00%
<b>Transport</b>			
Depreciation not applied for reporting period - no monetary impact		789,841	42.20%
<b>Economic Service</b>			
Depreciation not applied for reporting period - no monetary impact		55,484	72.52%
<b>Other Property &amp; Services</b>			
Depreciation not applied for reporting period - no monetary impact		29,979	31.09%

<b>CAPITAL REVENUE</b>			
<b><u>Proceeds on Sale of Assets</u></b>			
Sale of Vehicle GN00		0	
Sale of Vehicle GN002		0	
Sale of Utility (GN0048)		0	
Sale of Utility GN.037		0	
Sale of Utility GN.0004		0	
Sale of Loader GN.0040		0	
Sale of Backhoe GN.0089		0	
Proceeds - Sale of Land		0	
		<u>0</u>	0.00%
<b><u>Non-Operating Revenue</u></b>			
<b><u>Housing</u></b>			
Commonwealth Grants BBR Funding		0	
<b><u>Transport</u></b>			
Regional Road Group Grants		0	
Roads To Recovery Grants	TIMING	143,174	
		<u>143,174</u>	-79.19%
<b><u>Transfers from Reserve</u></b>			
Transfer from Reserve Fund		0	0

<b>CAPITAL EXPENDITURE</b>			
<b><u>Transfers to Reserve</u></b>			
Transfers To Reserve Funds - (Inc Interest Earned) - Offset by interest earned on Reserve Term Deposit	TIMING	<u>1,170</u>	
		<u>1,170</u>	17.33%
<b><u>Furniture &amp; Equipment</u></b>			
Administration - Computers and monitor replacements		0	
	<b>Total (Over)/Under Budget</b>	<u>0</u>	<b>0.00%</b>

<b><u>Land &amp; Buildings</u></b>			
<b><u>Housing</u></b>			
Construction of 2 houses on cnr Quinn & Whitehead Sts		0	
20 McDonald St Renewals	TIMING	(6,636)	
2 Cecil Street Bathroom Renewal		0	
<b><u>Community Amenities</u></b>			
Land Development Cuneo Close - Project expenses higher than anticipated for the reporting period	TIMING	(29,071)	
<b><u>Recreation &amp; Culture</u></b>			
Swimming Pool Capital Expenditure	TIMING	19,500	
Yougenup Community Centre		0	
Gnp Town Hall Capital		0	
Ongerup Town Hall Renewals		0	
Old Swimming Pool Redevelopment		0	
Ongerup Community Centre Capital		0	
Ongerup CWA Building Capital		0	
Ongerup Museum Capital		0	
Gnowangerup Star Building Capital		0	
<b><u>Transport</u></b>			
Gnowangerup Works Depot Capital		0	
Ongerup Works Depot Capital	TIMING	5,000	
<b><u>Other Property &amp; Services</u></b>			
Administration Centre Building Capital		0	
		<u>0</u>	
	<b>Total (Over)/Under Budget</b>	<u>(11,208)</u>	<b>Variance within % Threshold</b>

<b>CAPITAL EXPENDITURE</b>			
<b><u>Plant &amp; Equipment</u></b>			
<b><u>Recreation &amp; Culture</u></b>			
Purchase Pump and Water Tank - Ongerup oval		0	
<b><u>Transport</u></b>			
Purchase Loader GN0040		0	
Purchase Backhoe GN.0089		0	
Minor Plant Purchases		0	
4 Tonne Multi Roller		0	
Purchase of Utility GN.0048		0	
Purchase of Utility GN.037		0	
Purchase of Utility GN.004		0	
Purchase Canopy for Utility (Ranger)		0	
<b><u>Other Property &amp; Services</u></b>			
CEO Vehicle		0	
MCS Vehicle		0	
	<b>Total (Over)/Under Budget</b>	<b>0</b>	<b>0.00%</b>
<b><u>Road Construction</u></b>			
<b><u>Roads to Recovery</u></b>			
Rabbit Proof Fence Rd - Gravel Sheet	TIMING	14,692	
Salt River Road		0	
Gleeson Road Gravel Sheet SLk 5.00 - 9.00	TIMING	87,809	
<b><u>Regional Road Group</u></b>			
Tieline Road Reseal		0	
Borden - Bremer Road		0	
Ongerup-Pingrup Road		0	
<b><u>Municipal Fund Roads</u></b>			
Sandalwood Road Reseal		0	
Borden Bremer Bay Road		0	
Tieline Rd Resheet		0	
Nightwell Rd		0	
Highdenup Rd Gravel Sheet		0	
	<b>Total (Over)/Under Budget</b>	<b>102,501</b>	<b>58.88%</b>
<b><u>Footpath Construction</u></b>			
Footpath Construction		0	
	<b>Total (Over)/Under Budget</b>	<b>0</b>	<b>0.00%</b>
<b><u>Drainage Infrastructure</u></b>			
Drainage Renewals		0	
	<b>Total (Over)/Under Budget</b>	<b>0</b>	<b>0.00%</b>
<b><u>Sewerage Infrastructure</u></b>			
Ongerup Waste Water Ponds	TIMING	1,155	
	<b>Total (Over)/Under Budget</b>	<b>1,155</b>	<b>100.00%</b>
<b><u>Parks, Ovals &amp; Reserves Infrastructure</u></b>			
Community Park Capital	TIMING	4,858	
	<b>Total (Over)/Under Budget</b>	<b>4,858</b>	<b>100.00%</b>
<b><u>Other Infrastructure</u></b>			
Caravan Park Other Infrastructure		0	
Street Banners & Banner Poles		0	
	<b>Total (Over)/Under Budget</b>	<b>0</b>	<b>0.00%</b>
<b>Note: (NB) = No Budget Provision Made</b>			



**SHIRE OF GNOWANGERUP**  
**SUMMARY OF CURRENT ASSETS AND LIABILITIES**  
**FOR THE PERIOD ENDING 30 SEPTEMBER 2018**

<b>CURRENT ASSET</b>	<b>ACTUAL 30 SEPT 2018</b>	<b>ACTUAL 30 JUNE 2018</b>
91000 Municipal Fund Bank Account	\$2,955,873	\$546,763
91003 Gnp Office Till Float	\$200	\$200
91004 Gnp Office Petty Cash	\$300	\$300
91005 Swimming Pool Float	\$200	\$200
91008 SWIMMING POOL VENDING MACHINE	\$142	\$142
91009 CASH ON HAND - BANKING CHANGE	\$1,000	\$1,000
91010 Restricted Cash - Long Service Leave Reserve	\$84,324	\$84,089
91011 Restricted Cash - Plant Reserve	\$886,767	\$884,288
91014 Restricted Cash - Ongerup Effluent Line Reserve	\$54,782	\$54,629
91017 Restricted Cash - Area Promotion Reserve	\$29,703	\$29,619
91020 Restricted Cash - Borden Community Development Reserve	\$0	\$0
91023 Restricted Cash - Swimming Pool Upgrade Reserve	\$150,643	\$150,222
91025 Restricted Cash - Land Development Reserve	\$503,375	\$501,969
91026 Restricted Cash - Unspent Grants Reserve	\$0	\$0
91027 Restricted Cash - Computer Replacement Reserve	\$7,841	\$7,819
91029 Restricted Cash - Waste Disposal Reserve	\$240,993	\$240,319
91030 Restricted Cash - Royalties for Regions Unspent Grant	\$0	\$0
91031 Restricted Cash - Futures Fund Reserve	\$15,961	\$15,917
91034 RESTRICTED CASH - LIQUID WASTE FACILITY	\$21,498	\$21,438
91070 Restricted Cash - Kidz Sports Grant	\$0	\$0
91071 Restricted Cash - Cat Sterilisation Grant (DLG)	\$0	\$0
91072 Restricted Cash - ICCWA Stay on Your Feet Grant	\$476	\$476
91073 Restricted Cash - CSRFF Grant Swim Pool (DSR)	\$0	\$0
91074 Restricted Cash - CLGF Grant Swim Pool (RDL)	\$0	\$0
91075 Restricted Cash - Workforce Planning Grant (DLG)	\$0	\$0
91076 Restricted Cash - Club Development Officer Grant (DSR)	\$0	\$0
91077 RESTRICTED CASH - STATE EMERGENCY SERVICES GRANT	\$1,077	\$1,077
91078 RESTRICTED CASH - BUSH FIRE SERVICES GRANT	\$695	\$695
91079 RESTRICTED CASH - CLGF YOUTH DEV SCHOLAR	\$2,389	\$2,389
91100 Rates Debtor - Rates	\$2,904,296	\$108,758
91101 Rates Debtor - Specified Area Rates	\$57,264	\$5,418
91102 Rates Debtor - Rubbish Collection	\$30,833	\$7,114
91103 Rates Debtor - Health Act Rate	\$100,926	\$17,269
91104 Rates Debtor - Legal Charges	\$16,063	\$17,627
91105 Rates Debtor - Interest/Admin Charges	\$15,242	\$14,757
91106 Rates Debtor - ESL	\$53,316	\$5,317
91107 Rates Debtor - Sundry Charges	\$0	\$0
91108 Rates Debtor - Recycling Charges	\$25,796	\$5,661
91110 Sundry Debtors Control	\$13,597	\$2,155,204
91111 Pensioner Rebate Claims - General Rates	\$15,385	\$1,331
91112 Pensioner Rebate Claims - ESL Levy	\$1,158	\$92
91120 GST Receivable	\$24,251	\$109,879
93040 GST Payable	\$0	\$0
93041 GST Claimable	\$0	\$374
91130 Accrued Interest on SSL's	\$91	\$91
91140 Self Supporting Loans (Current)	\$27,433	\$27,433
55022 Less Allocated To Works	\$0	\$0
55032 Fuel & Oils Purchased	\$53,093	\$166,026
55042 Less Fuel & Oils Allocated	(\$62,641)	(\$157,681)
91200 Stock On Hand - Fuel & Oils	\$29,548	\$21,203
91201 Stock On Hand - Materials	\$0	\$0
92312 BUILDING ASSET DISPOSAL (DUMMY)	(\$36,364)	\$0
	<b>8,227,525</b>	<b>5,049,424</b>
<b>LESS CURRENT LIABILITIES</b>		
93000 Sundry Creditors Control	(\$498,406)	(\$157,938)
93001 ESL Payable	(\$37,172)	\$12,250
93002 ACCRUED EXPENSES	(\$12,660)	(\$12,660)
93010 Accrued Interest On Loans	(\$10,130)	(\$10,130)
93020 Accrued Salaries & Wages	\$0	(\$12,220)
Net Gst Payable/Receivable	\$0	\$0
93030 Rate Payments Received In Advance	(\$2,684)	(\$15,078)
93043 Net Gst Payable/Receivable	\$0	\$0
93050 Net Salaries & Wages	\$0	\$0
93042 GST Liability (Payable)	\$0	\$0
93110 Loan Liability (Current)	(\$163,537)	(\$163,537)
80025 WATC SHORT TERM LOAN	\$0	(\$1,000,000)
93200 Provision For Annual Leave (Current)	(\$156,019)	(\$156,019)
93210 Provision For Long Service Leave (Current)	(\$120,863)	(\$115,792)
93220 Provision for Sick Leave Bonus (Current)	(\$68,776)	(\$68,776)
xxxx1 Suspense - police licensing	\$0	\$0
	<b>-1,070,245</b>	<b>-1,699,899</b>
<b>SUB-TOTAL</b>	<b>7,157,279.38</b>	<b>3,349,525</b>
<b>ADJUSTMENTS</b>		
95100 Reserves Cash backed	(\$1,995,887)	(\$1,990,309)
Add Back Loan Liability	\$163,537	\$1,163,537
Deduct Off Self Supporting Loan Repayments	(\$27,433)	(\$27,433)
	\$0	\$0
Rounding		\$0
<b>SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES</b>	<b>\$ 5,297,497</b>	<b>\$ 2,495,320</b>

**17. CONFIDENTIAL ITEMS**

Nil

**OTHER BUSINESS AND CLOSING PROCEDURES**

**18. URGENT BUSINESS INTRODUCED BY DECISION OF COUNCIL**

Nil

**19. MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**20. DATE OF NEXT MEETING**

That the next Ordinary Council Meeting will be held on the 28 November 2018.

**21. CLOSURE**

The Shire President thanked Council and staff for their time and declared the meeting closed at 4.21 pm.