

Kojonup



SHIRE OF KOJONUP

MINUTES

Ordinary Council Meeting

20 November 2018

MINUTES FOR THE COUNCIL MEETING TO BE HELD ON 20 NOVEMBER 2018

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MINUTES

1 **DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS**

The Shire President declared the meeting open at 3.02pm and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points and draw the meeting's attention to the disclaimer below:

Disclaimer

No person should rely on or act on the basis of any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

The Shire of Kojonup expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the meeting.

Where an application for an approval, a license or the like is discussed or determined during the meeting, the Shire warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the Shire.

Acknowledgement of Country

The Shire of Kojonup acknowledges the first nations people of Australia as the Traditional custodians of this land and in particular the Keneang people of the Noongar nation upon whose land we meet.

We pay our respect to their Elders past, present and emerging

Prayer led by Cr S Pedler

Gracious Father, we acknowledge you as our Maker and Judge. We ask for wisdom for our reigning monarch Queen Elisabeth. Grant to her good health and strength in the executing of her duties.

We pray for all Ministers and Cabinet members of the Australian Federal and State Government. Grant to them wisdom in the welfare of Australia, so that truth and justice is established for all Australians.

Lastly Gracious Father, we pray for ourselves. We ask that you might grant to us the ability to speak with integrity and to work with uncompromising diligence. Grant to us the wisdom to make good decisions, remembering that we are one community. Grant to us the good humour to keep things in perspective in a community that is a diverse population.

We ask that we might always be mindful of the safety and welfare of the people of Kojonup. Grant to all who serve on Public Committees the ability to listen and work together with mutual respect for one another. Bless us with the personal joy of knowing that we have done our best.

2 ATTENDANCE and APOLOGIES

| | |
|-------------------|------------------|
| Cr Ronnie Fleay | President |
| Cr Ned Radford | Deputy President |
| Cr John Benn | |
| Cr Graeme Hobbs | |
| Cr Jill Mathwin | |
| Cr Ian Pedler | |
| Cr Sandra Pedler | |
| Cr Judith Warland | |

STAFF

| | |
|-----------------------|---|
| Rick Mitchell-Collins | Chief Executive Officer |
| Anthony Middleton | Manager of Corporate and Community Services |
| Heather Marland | Senior Finance Officer |
| Judy Stewart | Senior Administration Officer |
| Lorraine Wyatt | Executive Assistant |

LEAVE OF ABSENCE

Nil

APOLOGIES

| | |
|-----------------|----------------------------------|
| Michelle Dennis | Development Services Coordinator |
|-----------------|----------------------------------|

3 SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

4 PUBLIC QUESTION TIME

Nil

5 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 CONFIRMATION OF MINUTES

7.1 ORDINARY MEETING 16 OCTOBER 2018

Minutes of the previous Ordinary Council Meeting which was held on 16 October 2018 were previously circulated under separate cover and are at **Attachment 7.1.1**

OFFICER RECOMMENDATION/COUNCIL DECISION

132/18 Moved Cr Radford seconded Cr Warland that the Minutes of the Ordinary Meeting of Council held on 16 October 2018 be confirmed as a true record.

CARRIED 8/0

8 ANNOUNCEMENTS by the Presiding Member without discussion

Council would like to congratulate Julie Sullivan who is the most worthy winner of the 2018 Grandparent of the Year Community Service Award. Julie was nominated for her role in bringing together grandparents who care for their grandchildren in Kojonup.

9 DECLARATIONS OF INTEREST

Nil

10 KEY PILLAR 1 – ‘PLACE’ REPORTS

10.1 GREAT SOUTHERN OUTDOOR RECREATION STRATEGY

| | |
|----------------------|--|
| AUTHOR | Rick Mitchell-Collins – Chief Executive Officer |
| DATE | Wednesday, 24 October 2018 |
| FILE NO | CP.DAC.12 |
| ATTACHMENT(S) | 10.1.1 – Great Southern Outdoor Recreation Strategy 2018 - 2021 |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|---|---|--|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2021 +” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP – 1 Place | 1.2 – Be a happy, healthy, connected and inclusive community driven by the provision of high standard sport, recreation and open space facilities and programs. | 1.2.3 - Provide community infrastructure that attracts outsourced or privately run facilities and programs. 1.2.4 - Plan and develop appropriate passive recreation facilities (S2.2.3) |

DECLARATION OF INTEREST

Nil

SUMMARY

To receive the Great Southern Outdoor Recreation Strategy (GSORS) and seek Council support with the Department of Local Government, Sport and Cultural Industries (DLGSC) and the Great Southern Centre for Outdoor Recreation Excellence (GSCORE), to partner a community engagement strategy for the release of the plan for public review and comment in November 2018.

BACKGROUND

GSCORE works collaboratively with local governments across the region with the aim of supporting the growth and development of the outdoor recreation sector.

The purpose of the GSORS is to encourage collaboration to improve the provision of outdoor infrastructure and increase levels of participation in outdoor recreation activities. The Strategy delivers an integrated, whole-of-region approach to outdoor recreation across the Great Southern over a three-year period. It will enable stakeholders to plan, develop, manage and promote outdoor recreation in the Great Southern into the future.

The objectives of the Strategy are to:

- Establish strong partnerships that will guide infrastructure development and management.
- Build and manage world-class trails and facilities.
- Promote the Great Southern as an adventure tourism destination.
- Build capacity and capability amongst outdoor recreation providers.
- Ensure all people have more opportunities to participate in outdoor recreation.

Successful implementation of this Strategy will result in a strong and connected outdoor recreation system that helps make residents healthier, stimulates economic growth and jobs, encourages environmental stewardship, and contributes to all residents and visitors enjoying lives enriched through their participation in high quality, diverse, safe outdoor recreational pursuits.

COMMENT

Each of the local governments across the Great Southern region has various strategic objectives based on location and corporate objectives. It was revealed through this project there are geographic alignments based on communities of interest and economic and social objectives.

Discussions with all the participating local governments have revealed a strong sense of collaboration and a commitment to align across the region to maximise the opportunity to attain future trails development and resources for other forms of outdoor recreation infrastructure.

Throughout the extensive collaboration in the development of the GSORS, the region has demonstrated its recognition that outdoor recreation is an integral part of creating a liveable region with thriving communities.

The Strategy is an agreement to collaborate, rather than a prescription as to what any one individual, organisation, jurisdiction or sphere of government should do. It aims to minimise the duplication of initiatives and maximise efforts to reach common goals by establishing shared priorities across the transport, planning, environment, education, health, sport and recreation and tourism sectors.

This planning process is now at a pivotal point whereby each member local government within the Great Southern region needs to receive the GSORS. Support is also requested to continue the collaborative approach in the form of a partnered community engagement strategy. This will facilitate a community and stakeholder public review and comment testing and acceptance of the GSORS.

The proposed public review and comment period proposed will allow each local government to refer the GSORS back to community for a final review.

The community and stakeholder review and comment period is scheduled for November 2018. Local government will collate feedback from their respective communities. This information will be referred to the GSRAG for consideration.

CONSULTATION

Consultation was undertaken by GSCORE as evidenced in the documentation provided.

STATUTORY REQUIREMENTS

Nil.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

Financial considerations are limited to any print advertising the local government might consider in promoting public review and feedback from their respective communities.

ASSET MANAGEMENT IMPLICATIONS

This is a strategic plan for the provision of infrastructure in the region, and as such, aims to utilise assets in the most efficient manner.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

All VROC members are part of the Great Southern Recreation Advisory Committee. The Plan will provide a regional strategy for the development and maintenance of outdoor recreation infrastructure for the Great Southern.

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COUNCIL DECISION

133/18 Moved Cr Mathwin seconded Cr Warland that Council receive the Great Southern Outdoor Recreation Strategy (GSORS) and release the plan for public review and comment during November 2018.

CARRIED 8/0

10.2 VOLUNTEER MANAGEMENT POLICY – REVIEW OF VOLUNTEER MANAGEMENT HANDBOOK

| | |
|----------------------|--|
| AUTHOR | Judy Stewart – Senior Administration Officer |
| DATE | 09 November 2018 |
| FILE NO | CM.POL.1 |
| ATTACHMENT(S) | 10.2.1 - Volunteer Management Handbook 2017 10.2.2 - Volunteer Handbook – November 2018 |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|---|---|---|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2021 +” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP1 - Place | 1.2 – Be a happy, healthy, connected and inclusive community driven by the provision of high standard sport, recreation and open space facilities and programs. | 1.1.3 – Grow the Kodja Place to become an iconic WA attraction. |
| KP3 – Performance | 3.1 – Be a continually engaged and strategic community which leads and organises throughout the entire stakeholder group. | 3.1.3 – Encourage interaction and input to the Shire of Kojonup, particularly through contemporary working party teams. |

DECLARATION OF INTEREST

Nil

SUMMARY

This report reviews the Volunteer Management Handbook in accordance with Council’s Volunteer Management Policy 2.3.8; in particular, the role of Council and Volunteers’ Rights and Responsibilities.

BACKGROUND

Council’s Volunteer Management Handbook (Handbook) was produced in 2016, in line with Council’s adoption of its Volunteer Management Policy. The Handbook represents a detailed point of reference that recognises volunteers as an integral part of our organisation and provides guidance to managers overseeing volunteer programmes. The provision of such a Handbook for volunteers is also in keeping with Occupational Safety and Health best practice principles, working to protect the employer and the volunteer.

The Shire of Kojonup has many different activities that volunteers engage in, working alongside staff to deliver and enhance services and initiatives offered by the Shire; without the support and contribution provided by volunteers, some of these services and initiatives would be difficult to sustain into the future.

COMMENT

In line with the intentions stated in the 2017 item to Council wherein the first review of Council's Volunteer Management Handbook was undertaken, this report relates to forming a document that contains content succinct to volunteers, using excerpts from the overarching management Handbook.

In the revised Volunteer Handbook, emphasis has been placed on appreciation of volunteers and the varied tasks that volunteers undertake whilst also recognising Council's legislative obligations; particularly, in relation to Occupational Safety and Health requirements and appropriate checks and balances required of people working in specific areas.

CONSULTATION

Manager of Corporate and Community Services

STATUTORY REQUIREMENTS

Occupational Safety and Health Act 1984

Local Government Act 1995

POLICY IMPLICATIONS

Policy 2.3.8 – Volunteer Management

FINANCIAL IMPLICATIONS

In addition to the social and community benefits associated with volunteering, the value adding that occurs without incurring wage expenses, contributes to the ongoing provision of services and initiatives that otherwise may not occur.

RISK MANAGEMENT IMPLICATIONS

Volunteer management documentation ensures that the Shire's volunteers, and the managers of volunteers, are provided with the necessary information to ensure volunteering duties are undertaken in a safe manner and volunteers are informed as to their rights and obligations.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

134/18 Moved Cr Benn seconded Cr Hobbs that Council adopts the Volunteer Handbook 2018, as presented.

CARRIED 8/0

10.3 KEVIN O’HALLORAN MEMORIAL SWIMMING POOL – OPENING HOURS 2018/2019

| | |
|----------------------|--|
| AUTHOR | Anthony Middleton – Manager Corporate & Community Services |
| DATE | Monday, 12 November 2018 |
| FILE NO | CP.DAC.13 |
| ATTACHMENT(S) | Nil. |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|---|---|---|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2021 +” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP – 1 Place | 1.2 – Be a happy, healthy, connected and inclusive community driven by the provision of high standard sport, recreation and open space facilities and programs. | 1.2.3 - Provide community infrastructure that attracts outsourced or privately run facilities and programs. |

DECLARATION OF INTEREST

Nil.

SUMMARY

To consider amending the Swimming Pool opening hours to allow for both early morning swimmers and staff time off duty.

BACKGROUND

The opening hours of the pool for the 2017/2018 season were as follows:

7 days – 12:00pm – 6:30pm (total 45.5 hours per week)

The Shire has received four (4) written requests in the past month for the possibility of opening for early morning swimming classes. Numerous other verbal requests have also been made.

COMMENT

The opening of the pool seven (7) days per week for six (6) months of the year does not allow any staff time away from their duties. The Shire has an obvious duty of care to provide a safe working environment and this includes time away from the facility to refresh and relax. Ideally, additional staff can be sourced to enable the Swimming Pool Manager time off, however, this is more achievable during holiday periods as work can be offered during University holidays. It is envisaged that additional staff will be engaged in 2018/2019 during December and January.

Average entry statistics for each day during school term 4 2017 and term 1 2018 were as follows.

| | |
|-----------|---------------|
| Monday | 90.9 entries |
| Tuesday | 55.8 entries |
| Wednesday | 113.3 entries |
| Thursday | 69.6 entries |
| Friday | 102.4 entries |

| | |
|----------|--------------|
| Saturday | 75.6 entries |
| Sunday | 66.2 entries |

Whilst it is acknowledged that these figures are heavily weather dependent, anecdotally Tuesday's are the quietest day at the swimming pool. This is supported by the figures above.

To achieve both the duty of care to Shire employees, and provide a service to those residents interested in early morning swimming, it is recommended that the opening hours of the Kevin O'Halloran Memorial Swimming Pool for 2018/2019 be as follows:

School Terms:

Morning Lap Swimming:

Monday, Wednesday & Friday - 6.00am to 8.00am

General Entry:

Monday, Wednesday & Thursday - 12.00pm to 6.30pm

Friday, Saturday & Sunday - 12.00pm to 6.00pm

Tuesday - Closed

(Total 43.5 hours)

School Holidays:

Morning Lap Swimming:

Monday, Wednesday & Friday - 6.00am to 8.00am

General Entry:

Monday to Thursday - 12.00pm to 6.30pm

Friday, Saturday & Sunday - 12.00pm to 6.00pm

(Total 50 hours)

The recommended opening hours above sees an additional service being provided to the community in the form of early morning swimming, whilst only forgoing the opening of the pool on a Tuesday during school terms.

CONSULTATION

Swimming Pool Manager

Chief Executive Officer

STATUTORY REQUIREMENTS

There are no statutory requirements for this report.

POLICY IMPLICATIONS

There are no policy Implications for this report.

FINANCIAL IMPLICATIONS

This item details the opening hours of the swimming pool to the general public. It does not allow for times that the pool is open for swimming lessons or times worked by pool staff outside of opening times. As such, there is additional financial costs over and above the opening times of the pool. However, there is an obvious correlation between staff costs and opening hours, i.e. the longer the pool is open, the higher the staff costs will be.

For the 2017/2018 season, the pool was open to the general public for 45.5 hours per week. This agenda item proposes the pool be open for 43.5 hours per week during school terms and 50 hours during school holidays. As such, there will be very minimal impact on staff costs as

a result of this proposal yet an additional service being provided to the community in the form of early morning swimming.

For the 2017/2018 financial year, Swimming Pool salaries (account 6352) had a budget of \$75,000 and an actual expenditure of \$81,467. The budget for 2018/2019 is \$77,250.

RISK MANAGEMENT IMPLICATIONS

A major reason for this proposed change in opening hours is to minimize the risk associated with staff working for very long periods without a day off. Historically this has been normal practice in single operator country swimming pools, however it is the Authors belief that this risk is beyond the risk appetite of the Shire of Kojonup and a very simple solution can assist in reducing the associated possible consequences.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

The only VROC partner with a swimming pool, the Shire of Plantagenet, was approached to share staff resources, however, they do not have the capacity to assist on a weekly or regular basis.

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COUNCIL DECISION

135/18 Moved Cr Radford seconded Cr Warland that the opening times of the Kevin O'Halloran Memorial Swimming Pool for the 2018/2019 season be set as follows:

School Terms:

Morning Lap Swimming:

Monday, Wednesday & Friday - 6.00am to 8.00am

General Entry:

Monday, Wednesday & Thursday - 12.00pm to 6.30pm

Friday, Saturday & Sunday - 12.00pm to 6.00pm

Tuesday - Closed

School Holidays:

Morning Lap Swimming:

Monday, Wednesday & Friday - 6.00am to 8.00am

General Entry:

Monday to Thursday - 12.00pm to 6.30pm

Friday, Saturday & Sunday - 12.00pm to 6.00pm

CARRIED 8/0

10.4 SPORTING COMPLEX – DECK, ACCESS AND CAR PARK

| | |
|----------------------|---|
| AUTHOR(S) | Michelle Dennis – Development Services Coordinator Anthony Middleton – Manager Corporate & Community Services |
| DATE | Thursday, 8 November 2018 |
| FILE NO | CP.DAC.12 |
| ATTACHMENT(S) | 10.4.1 – Site Plan (Upper level) and Swimming Pool Carpark Design 10.4.2 - Photos of current work site showing proposed paving areas |

STRATEGIC/CORPORATE IMPLICATIONS

| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2021 +” |
|---------------------------------------|---|---|
| Key Pillar | Community Outcomes | Corporate Actions |
| KP – 1 Place | 1.2 – Be a happy, healthy, connected and inclusive community driven by the provision of high standard sport, recreation and open space facilities and programs. | 1.2.2 – Implement and action a Sport, Recreation and Open Space Master Plan. 1.2.5 – Improve disability access to infrastructure and services. 1.2.11 – Sporting Infrastructure Upgrades – Sports Complex Building Defects/Building Compliance/Service Area for bins; Oval drainage/collection of storm water; West Access Upgrade. |
| KP – 3 Performance | 3.3 – Use a Building Assessment Framework and control our investment in building maintenance. | 3.3.1 – Implement an asset rationalisation process based on the Building Assessment Framework. 3.3.2 – Maximise usage of community facilities whilst reducing the financial obligation on the Shire and its people. |

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to:

1. Consider budget allocations for:
 - a. Retaining wall and pedestrian ramp construction (Account C110); and
 - b. Replacing balustrade on sporting complex deck (Account C203)
2. Finalise scope of retaining wall project with regards to extent of paving and road access design; and
3. Consider Swimming Pool Car Park design for adoption for community comment.

BACKGROUND

At its meeting held 20 March 2018, the Council resolved to (motion 26/18):

1. *Adopt the preliminary pedestrian access ramp and retaining wall design for the Kojonup Sporting Complex as illustrated in Attachment 16.1.1, subject to the following changes:*
 - a. *Double the width of the access stairs adjacent to (western side of) the deck area;*
 - b. *Increase the width of the new access ramp to 2.1m and alter the width of the landing at the change in direction to facilitate the turning circle of a 2.2m long stretcher;*
 - c. *Align the western leg of the new access ramp with the existing hockey room access (angle toward the north);*
 - d. *Relocate the bulk gas bottles away from the work area toward the change rooms in a location that ensures gas truck access;*
 - e. *Ensure that the eastern retaining wall is sufficiently designed to facilitate future deck and/or paved viewing area design options; and;*
 - f. *Reposition the western cul-de-sac to the area adjacent to the wind sock (towards the west of its current position).*
2. *Instruct the Chief Executive Officer to progress construction of the ramp and retaining wall by formalising the preliminary design as illustrated in Attachment 16.1.1 and calling for quotations for construction; and*
3. *Acknowledge that a Building Permit will be required to be obtained before works for the construction of a pedestrian access ramp and retaining wall may commence on site at the Sporting Complex.*

At its Ordinary May 2018 meeting Council resolved to (motion 45/18):

1. *Accept the tender offer from Civil Kerbing Contracting Pty Ltd for a total of \$319,722.44 (including GST) for the construction of the retaining wall, ramp and stairs at the Sporting Complex in accordance with Shire of Kojonup tender specification 06/2017.*
2. *Acknowledge that the gas bottles are to be retained in their current position.*
3. *Allocate any unspent portion of accounts C203 and C278 to be transferred to the Sporting Facilities Reserve Account at the end of the 2017/018 financial year.*

Following acceptance of the tender, site measurements were obtained by a licensed surveyor that confirmed an issue with the ramp termination at the hockey building. The site visit also identified the presence of a new stormwater pit, necessitating a redesign of the ramp. The Building Certifier engaged to undertake the requisite Certificate of Design Compliance identified an issue with the nominated handrails, necessitating a product substitution. These changes were assessed by the nominated contractor, resulting in an increase in the tender price to \$341,309.75 (including GST). As these changes were within the budget allocated for the project, the Chief Executive Officer, under Delegation ADMIN 002, issued a purchase order and contract based on the redesign and updated price.

As part of the tender considerations, there were a number of exclusions from the tender price. These are identified in Table 1, with a status update included since works have progressed.

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| Exclusion | | Officer Comment May | Status Update (GST inc. figures) |
|-----------|---|--|---|
| 1 | No allowance for tip fees associated with disposal of the concrete stairs (Eastern End of building) | While there are no tip fees associated with disposal of Shire waste, materials will need to be transferred to the Shire's landfill site. There will be a cost associated with having an industrial waste bin available for the disposal of the waste. | Warren Blackwood Waste have provided hook lift bins for use by the contractor. Waste charges to date \$396 |
| 2 | No allowance for the supply of scaffolding or props to support platform once stairs are removed | Tender document did not provide a detail for the rectification of the concrete landing that will be left "hanging" once the stairs are removed. Officer to follow up. | Additional engineering detail obtained from the Design Engineer – cost of \$808.50 Additional works required by the engineer detail – value of variation \$1,567.50 |
| 3 | No allowance for the removal and disposal of trees | As for 1. | Tree Clearing and disposal was undertaken by the contractor – value of variation \$1,276 |
| 4 | No allowance for replacing existing concrete retaining to existing ramp | This refers to the current concrete landing at the start of the timber ramp off the deck. The concrete is a landing to the existing stairs and will be removed as part of the stair removal. The ramp will need to be modified (shortened) due to the increase in ground level. It is envisaged that the landing of the ramp will be part of the road works to be undertaken by the Shire once the retaining wall is complete. | Following concerns raised by the Shire's Manager of Works and Services regarding final levels an additional block was laid on the eastern retaining wall. This resulted in a termination issue with the timber access ramp. Site discussions were held with the Shire's Chief Executive Officer and Manager Corporate and Community Services on 26 July where it was determined to mirror the grand stand from the western end to the eastern end. This enabled the ramp to be removed (with final termination of the remaining portion to be determined). There was a variation of \$6,959.70 that represented the additional blockwork along the eastern wall as well as the additional grand stand. |
| 5 | No allowance for tip fees for the disposal of asbestos pipe | As for 1. | |
| 6 | No allowance for basecourse reinstatement of road | Noted. | Will be carried out by Shire staff once site handed back from the contractor. |
| 7 | No allowance for sand backfill of retaining walls | The design engineer has confirmed that as long as the fill material is not clay, the fill removed from the excavation on site may be used to backfill retaining walls. If unsuitable fill is identified during excavation (see 9) then additional costs will apply. | The fill material removed from the site was clay and unsuitable for reuse. This was replaced with sand and gravel carted and supplied through Russel Watson and Co. Value of variation \$13,750. |
| 8 | No allowance for extending or supporting timber deck and ramp during construction | Timber deck structure is independent of proposed works. Timber ramp will likely be shortened as a result of these works. Once soil is removed from outside ramp area, existing | Refer to item 4. In addition, the wall along the outside edge of the original steep ramp was removed as part of preparatory works – revealing bare reinforcement sitting within natural ground. The wall along the deck side of the ramp was then removed. |

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| | | | |
|----|--|--|--|
| | | supports for ramp will need to be ascertained and appropriate support put in place. | The design was silent on retention of the new stairs, relying on bulk concrete. Given the aesthetics, as well as to assist with final contouring and future landscaping, additional blockwork has been used to form the staircase sides. Value of variation \$2,178. |
| 9 | No allowance for treatment of back fill material | Discussions with the Shires Manager of Works indicates that the area of works is an area of past filled material. There is the possibility of encountering unsuitable fill material. Contingency proposed to account for this possibility. | Refer to item 7. |
| 10 | No allowance for anti-graffiti coatings or water proofing of retaining walls | Given extent of walls and the location of this structure, it is recommended that consideration for the use of anti-graffiti coatings to be applied to the exposed surfaces of the new walls. These coatings make the cleaning of any graffiti easier and should prevent permanent staining of the blockwork. | It is recommended, on completion of the overall project, that the extent of anti-graffiti coatings, if required, be considered. This might be limited to areas of high visibility only. Costings have not been obtained for this element. |
| 11 | No allowance for compaction testing | Noted. | On one of their site visits, the Design Engineer checked compaction along the edge of the footpath. This cost has been included in item 2. |
| 12 | Other – Subsoil drainage Eastern end | | The sewer was located below the proposed Eastern stairs. These stairs were deleted in consultation with the contractor, at no additional cost to the Shire. This represents a “savings” of \$10,680.27. The deletion of the stairs created a change to the termination of the sub soil drain. The sub soil drainage was unable to “fall” into the existing storm water drain immediately adjacent to the building; requiring additional works to drain the subsoil drainage into the network towards the pool plant room. Value of variation \$3,420.56. |
| 13 | Other – Ticket booth | | A ticket booth, that was unbudgeted, has been installed at a cost of \$3,920 |

Table 1 – Exclusions and Variations

COMMENT

Budget Position Account C203

The existing timber deck balustrade has been identified as not meeting required load ratings for public buildings. In addition, the timber supports are regularly being kicked out or damaged, leaving exposed nails protruding under the hand rail. Children are regularly seen swinging under the hand rails; at risk of injury due to the protruding nails as well as a potential falls risk. To address these items, during the preparation of the 2018/2019 budget, a budget estimate of \$14,000, based on previous quotes for galvanized balustrade, was included for new deck balustrade. This is represented in account C203.

There are options available for the installation of the balustrade:

1. A quote of \$24,000 has been obtained for the supply and installation of powder coated balustrade to all three (3) sides of the deck, plus the ramp and stairs (the building being the fourth side). With the removal of the concrete landing at the top of the stairs, the entry door to the squash court no longer had access to the deck. This glass panel was removed and reversed by local glaziers so that it now has an access point onto the deck area and the works allocated to account C203. Additional engineering for the deck support, additional survey work as well as the unbudgeted ticketing booth, have also been allocated to account C203 – representing a budget shortfall of approximately \$22,000 for this option when considering these additional costs incurred. Although more expensive, this option is recommended that to finalise the project, improve aesthetics and ensure user safety.
2. Within the constraints of the financial budget, an alternative option exists to only install balustrade to two (2) sides of the decking (east and west) and the stairs and ramp. With the installation of limestone block tiered seating on the south side of the decking, balustrade is no longer a requirement in this area under the building code. While this option would represent some savings to the quote, additional works between the deck and grandstand level would be required to ensure safe stepping from timber decking to retaining wall. This reduced cost option has not been recommended however, as it is considered a reduced user experience when the decking is used to view sport on the oval as this area of decking would be used as a leaning area/bar.

Budget Position Account C110

The accumulated effect of redesigns, additional works on site and encountering unsuitable soil, will, once the final invoice from the lead Contractor is submitted, result in a budget overrun of approximately \$12,000 (as outlined in the table above).

With the changes to the extent of works on site as well as the proposed road works, it is considered timely for the Council to review the scope of the project in respect to the extent of paving and road access as well as to consider a Swimming Pool Car Park design for adoption to enable wider community consultation. This will ensure that the facility is finished to an acceptable user standard.

Attachment 10.4.2 illustrates the extent of works undertaken with the retaining walls, access ramp and stairs now shown with reference to the building. Proposed elements are shown as outlined below, with indicative costings outlined in the Financial Implications section of this report:

- **Oval Level (Attachment 10.4.1)**

Following consultation with User group representatives, the cul-de-sac head has been shifted by the Council further west, towards the wind sock, to further delineate and segregate the front of the Sporting Complex during events. It is proposed to further identify the access road in front of the pavilion via a reduced width roadway and the installation of coloured hot mix. This change also facilitates inclusion of an outdoor activity/playground space between the newly created retaining wall and modified access road as adopted by the Council at the 16 October 2018 Council Meeting. It is proposed to retain the existing Ambulance access to the oval playing surface.

Paving is proposed to be installed in the level area created in front of the Squash Court retaining wall (refer attachment 10.4.2). As the height of the wall was increased mid-way through construction, vehicles are not permitted to approach within 1.5m of the wall. To achieve this, bollards and kerbing will likely be used to segregate this area from vehicles. Given the ground conditions, landscaping is not recommended in this area. In time, this space may be able to be used for interpretative signage of our local Sporting Heroes; noting that any “climbable” installations should be positioned well away from the new safety balustrade.

It is proposed that the new 2m dual use pathway be extended from the ticket booth around the eastern cul-de-sac to meet up with the new road surface and ultimately, provide level access to the existing deck ramp.

- **Swimming Pool Level (Attachment 10.4.1)**

To facilitate drainage and minimize maintenance requirements between the new retaining wall and the Squash Courts, paving is proposed to be installed to the area shown.

In July 2018 a hand drawn draft car park layout for the Swimming Pool level entry was circulated to User Group representatives, Shire staff and Council. The purpose for the preliminary consultation was to assist with the resultant termination of the access ramp between the Swimming Pool level and the Oval. Feedback on the proposed changes were mixed, with many requesting no change to the existing arrangements. Given the extent of service upgrades and works undertaken in the past 12 months, it is considered that works are required to tidy up this space, particularly the termination between the new ramp and new access stairs. Greater definition, particularly near the new stairs and ramp, will assist in wayfinding for those persons that require it.

The attached plan shows more clearly a design in order to seek wider community feedback. Key features of this design include:

- Continuation and connection of the proposed 2m dual use pathway connecting the stairs/ramp to the swimming pool and Ben Parade.
- Three rows of angle parking, reducing the intrusion into the existing grassed area to approximately 8m (instead of the initial 18.8m, with the four bay original design).
- Facilitate space for an Ambulance bay at the Northern end of the access ramp – this area will double as a loading bay, particularly for gas delivery to the fixed refill point.
- Position of accessible bays with reference to the Swimming Pool and ramp entries.
- Removal of trees that currently cause disturbances to road surfaces. It is proposed to plant more appropriately selected trees along the western edge of the new parking area.
- Installation of car park lighting.
- Appropriate landscaping of the space between the ramp retaining walls

CONSULTATION

Manager of Works & Services
Chief Executive Officer

STATUTORY REQUIREMENTS

There are no statutory requirements for this item.

The recommendation suggests the Council make a budget amendment to ensure good financial management, although not technically being required under the *Local Government Act 1995*.

POLICY IMPLICATIONS

Council Policy 2.3.4 “Asset Management” incorporates a Building Assessment Framework when considering new infrastructure or renewal and maintenance of existing infrastructure. This is a qualitative assessment that considers how a building meets the Community Strategic Plan commitments, level of efficiency with regards to operational and maintenance costs, how fit for purpose the building is and its historical and cultural value; applying a weighting and a score out of 100. In July 2017 the Sporting Complex was assessed and achieved a score of 79 out of 100 – the second highest score of all Shire buildings.

Formalizing the extent of remaining works provides clear direction for staff and assists to manage community expectations of the overall precinct.

FINANCIAL IMPLICATIONS

Based on the preferred options listed above, the components as contained within the Officer’s Recommendation can be funded as per the table below:

| Components to Finalise Project: | GST exc. |
|---|------------------|
| Additional Expenditure incurred on project (C110) | \$12,000 |
| DECKING BALUSTRADE as per preferred option 1 (additional to Budget) and cost overruns | \$22,000 |
| PAVING - Upper level east of Decking - Lower level South of Squash Courts | \$10,000 |
| CONCRETE FOOTPATH (From ticket booth to pavillion) | \$15,000 |
| New Access & Parking (Account C278) | |
| SERVICE ROAD | |
| - Kerbing | \$10,000 |
| - Hotmix | \$45,000 |
| - Drainage | \$10,000 |
| - Earth works and Cul-de-sac | \$60,000 |
| | \$125,000 |
| Total | \$184,000 |
| Funded From: | |
| C174 - Footpaths - Budget of \$66,000 of which \$25,000 can be used to cover the Paving and Concrete Footpath components. | \$25,000 |
| C278 - Sporting complex Access and Parking – Budget Provision | \$100,000 |
| Transfer from Building Renewal & Improvement Reserve (to fund C110 additional and Decking balustrade) | \$34,000 |
| Transfer from Building Renewal & Improvement Reserve (to fund hotmix and kerbing) | \$25,000 |
| Total | \$184,000 |

RISK MANAGEMENT IMPLICATIONS

The Complex Car park area and areas of construction are very much a construction site, with areas that require works to remove trip hazards for both staff and the general community. The extent of works is determined by the budget available. Enabling completion of the project to a high standard will benefit the users of the facility and limit future disruptions.

ASSET MANAGEMENT IMPLICATIONS

The Council's Building Assessment Framework and indeed *Smart Implementation* has a heavy focus on rationalising assets of little value whilst maximise usage of other important community facilities. The recent assessment against the Building Assessment Framework ranks the Sporting Complex second of all Shire buildings.

It is important to ensure where possible that funds are set aside for future maintenance and renewals at the Sports Complex in accordance with the Long Term Financial Plan projections so as not to place an unrealistic financial burden or unrealistic expectations on ratepayers or Council.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority (if amending budget)

OFFICER RECOMMENDATION/COUNCIL DECISION

136/18 Moved Cr S Pedler seconded Cr Radford that:

- 1. Budget amounts be amended as follows:**
 - a. Transfers from *Building Renewal & Improvement Reserve* be increased by \$59,000;**
 - b. Account *C174 – Footpaths* be reduced by \$25,000;**
 - c. *C110 – Sporting Complex Retaining Wall & Access Ramp* be increased by \$22,000;**
 - d. *C278 - Sporting Complex Access and Parking* be increased by \$40,000; and**
 - e. *C203 – Sporting Complex Refurbish/Upgrade (Balustrade)* be increased by \$22,000.**
- 2. The site plan and swimming pool carpark design as attached (Attachment 10.4.1) be endorsed;**
- 3. The Chief Executive Officer be authorised to progress the oval level works as presented on page one of attachment 10.4.1 in accordance with dot point 1 above; and**
- 4. The Chief Executive Officer be authorised to advertise the attached Swimming Pool Car park Plan (page two of attachment 10.4.1) for public comment and to the Sporting Precinct Advisory Committee for a period of four (4) months, following which provide a further report to the Council be prepared for consideration into the 2019/2020 budget.**

CARRIED 8/0

11 KEY PILLAR 2 – ‘CONNECTED’ REPORTS

Nil

10 KEY PILLAR 3 – ‘PERFORMANCE’ REPORTS

12.1 FINANCIAL MANAGEMENT – MONTHLY STATEMENT OF FINANCIAL ACTIVITY (OCTOBER 2018)

| | |
|----------------------|--|
| AUTHOR | Anthony Middleton – Manager Corporate & Community Services |
| DATE | Monday, 12 November 2018 |
| FILE NO | FM.FNR.2 |
| ATTACHMENT(S) | 12.1.1 – October 2018 Monthly Financial Statements |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|---|---|--|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2021 +” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP – 3 Performance | 3.4 – Be organised and transparent with our financial management. | 3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money. |

DECLARATION OF INTEREST

Nil.

SUMMARY

The purpose of this report is to note the Monthly Financial Statements for the period ending 31 October 2018.

BACKGROUND

In addition to good governance, the presentation to the Council of monthly financial reports is a statutory requirement, with these to be presented at an ordinary meeting of the Council within two (2) months after the end of the period to which the statements relate.

COMMENT

The attached Statement of Financial Activity for the period 1 July 2018 to 31 October 2018 represents four (4) months, or 33% of the year.

The following items are worthy of noting:

- Closing surplus position of \$2.58m;
- Operating results:
 - 55% of budgeted operating revenue has been received; and
 - 28% of budgeted operating expenditure spent;
- Capital expenditure achieved 11% of budgeted projects;
- The value of outstanding rates equates to 17.9% of 2018/2019 rates raised (includes instalments);
- Cash holdings of \$5.99m of which \$3.59m is held in cash backed reserve accounts; and

- Page 10 & 11 of the statements detail major variations from year to date (amended) budgets in accordance with Council Policy 2.1.6;

CONSULTATION

Nil.

STATUTORY REQUIREMENTS

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* sets out the basic information which must be included in the monthly reports to Council.

POLICY IMPLICATIONS

Council Policy 2.1.6 defines the content of the financial reports.

FINANCIAL IMPLICATIONS

This item reports on the current financial position of the Shire. The recommendation does not in itself have a financial implication.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COUNCIL DECISION

137/18 Moved Cr S Pedler seconded Cr Warland that the monthly financial statements for the period 1 July 2018 to 31 October 2018, as attached, be noted.

CARRIED 8/0

12.2 MONTHLY PAYMENTS LISTING

| | |
|-------------------|--|
| AUTHOR | Melissa Binning – Finance Officer |
| DATE | Friday, 9 November 2018 |
| FILE NO | FM.AUT.1 |
| ATTACHMENT | 12.2.1 – Monthly Payment Listing 01/10/2018 to 31/10/2018 |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|---|---|--|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2021 +” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP 3 - Performance | 3.4 – Be organised and transparent with our financial management. | 3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money. |

DECLARATION OF INTEREST

Nil

SUMMARY

To receive the list of payments covering the month of October 2018.

BACKGROUND

Not applicable.

COMMENT

The attached list of payments is submitted for receipt by the Council.

Any comments or queries regarding the list of payments is to be directed to the Manager of Corporate Services prior to the meeting.

CONSULTATION

No consultation was required.

STATUTORY REQUIREMENTS

Regulation 12(1)(a) of the *Local Government (Financial Management) Regulations 1996* provides that payment may only be made from the municipal fund or trust fund if the Local Government has delegated the function to the Chief Executive Officer.

The Chief Executive Officer has delegated authority to authorise payments. Relevant staff have also been issued with delegated authority to issue orders for the supply of goods and services subject to budget limitations.

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides that if the function of authorising payments is delegated to the Chief Executive Officer then a list of payments is to be presented to the Council at the next ordinary meeting and recorded in the minutes.

POLICY IMPLICATIONS

Council's Policy 2.1.2 provides authorisations and restrictions relative to purchasing commitments.

FINANCIAL IMPLICATIONS

All payments made in line with Council Policy.

STRATEGIC/CORPORATE IMPLICATIONS

There are no strategic/corporate implications involved with presentation of the list of payments.

RISK MANAGEMENT IMPLICATIONS

A control measure to ensure transparency of financial systems and controls regarding creditor payments.

ASSET MANAGEMENT PLAN IMPLICATIONS

There are no asset management implications for this report.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Refer to the VROC Strategic Plan

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

138/18 Moved Cr Benn seconded Cr I Pedler that in accordance with Regulation 13 (1) of the *Local Government (Financial Management) Regulations 1996*, the list of payments as attached made under delegated authority:

| FROM – 1 October 2018 | | TO – 31 October 2018 |
|------------------------------|----------------------|-----------------------------|
| Municipal Cheques | 14074 – 14084 | \$8,186.49 |
| EFTs | 22255 – 22487 | \$637,733.08 |
| Direct Debits | | \$425,658.61 |
| Total | | \$1,071,578.18 |

be received.

CARRIED 8/0

12.3 RESERVE ACCOUNT APPROPRIATENESS REVIEW – 2018/2019

| | |
|----------------------|--|
| AUTHOR | Anthony Middleton – Manager Corporate & Community Services |
| DATE | Wednesday, 24 October 2018 |
| FILE NO | FM.FNR.2 |
| ATTACHMENT(S) | Nil. |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|---|---|--|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2021 +” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP – 3 Performance | 3.4 – Be organised and transparent with our financial management. | 3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money. |

DECLARATION OF INTEREST

Nil.

SUMMARY

The purpose of this report is to undertake a review of appropriateness of each reserve account in accordance with Council Policy.

BACKGROUND

Council Policy 2.1.8 – ‘Financial Governance’ states that

‘The Manager of Corporate Services will conduct an annual review for the Council addressing the appropriateness of each reserve account purpose, suitability of current balances, and deficiencies for the funding of future projects as identified in adopted forward plans.’

This agenda item undertakes the third such review since this policy was adopted in November 2015.

COMMENT

Reserve Account Purpose:

The purpose for which the reserve accounts have been established are as follows:

Plant Replacement Reserve

To smooth funding allocations over financial years for the purchase of major plant items.

Gravel Pits Reserve

To be used for the purchase and provision of gravel stocks.

Economic Development Reserve

To be used for the advancement of economic development within the Shire of Kojonup, specifically to fund outcomes within Key Pillar 4 - 'Prosperity' and Key Pillar 5 - 'Digital' within 'Smart Possibilities' the Kojonup Community Strategic Plan.

Building Upgrade & Renewal Reserve

To be used for major maintenance, upgrades and renewal of Council owned buildings.

Historical Buildings Reserve

To be used for the purpose of maintaining Historical Buildings and maintaining the Municipal Heritage Inventory.

Employee Leave Reserve

To be used to fund annual and long service leave requirements.

Springhaven Lodge Reserve

To cash back refundable bonds paid by residents of the facility.

Low Income Housing Reserve

To be used for major maintenance of Jean Sullivan Units. All operating profit is to be transferred to this reserve in accordance with the joint venture agreement

Springhaven Building Upgrade & Renewal Reserve

To be used for major upgrade and capital renewal of Springhaven facility buildings

Sporting Facility Reserve

To fund Council contribution to CSRFF Funding grants or to fund construction or renewal of Shire sporting facilities.

Bushfire Communications Reserve

To construct and maintain critical bushfire communication infrastructure.

Landfill Waste Management Reserve

To be used for future upkeep, maintenance, expansion, post closure activities and or reclamation of the Shire's waste management facilities. 10% of rubbish bin charges are to be allocated to this reserve annually.

Kodja Place Tourist Precinct Reserve

To be used for future upkeep, maintenance, renewal and enhancement of IT equipment, communications and interactive and static displays at The Kodja Place. Expenditure from this reserve is to consider advice from the 'Storyplace/Gallery Work Group'.

G&P Church Medical Centre Reserve

Established for the purpose of constructing a medical centre as defined within the existing Shire of Kojonup Town Planning Scheme No.3.

Energy Efficiency Reserve

Established to fund energy efficiency initiatives within the Shire's operations. 50% of any savings resulting from expenditure of this reserve account is to be transferred back into the reserve.

Land Acquisition & Development

To fund the purchase of land, sub-division expenses and receipt sub-division sales revenue.

Community Grant Scheme

To finance community grant scheme rounds and to financially manage larger community grants that may extend over more than one financial year.

Independent Living Units

To transfer operating profits from Loton Close units to this reserve to fund major maintenance and future asset replacement.

Youth

To fund new opportunities for the youth of Kojonup, specifically outcome 1.3 from 'Smart Possibilities', the Kojonup Community Strategic Plan.

Natural Resource Management

For the Shire of Kojonup to progress the following projects:-

1. *Bridal Creeper and tagasaste Eradication program.*
2. *Managing water resources including water harvesting and re-use opportunities in the Shire for the use in Kojonup parks and reserves during summer.*
3. *Undertake weed management and planting of native trees and shrubs in conjunction with Schools, Kojonup Aboriginal Corporation and community groups within identified Reserves such as:*

- a) *Myrtle Benn, Farrar and Quin Quin;*
- b) *Showground's area; and*
- c) *Blackwood Road arboretum.*

to improve bio diversity, fauna habitat and natural resource management outcomes.

Day Care Building Maintenance

For the expenditure of major building maintenance items on the Kojonup Day Care Centre building, corner of Elverd and Honner Streets, Kojonup.

Swimming Pool

To fund major refurbishment and/or asset replacement of the Kevin O'Halloran Memorial Swimming Pool.

Springhaven Equipment

To fund the replacement of major equipment and appliances at Springhaven Frail Aged Lodge.

Saleyards

The profit or loss from annual operations to be transferred to this account to fund major refurbishment and/or asset renewal of the Kojonup Saleyards.

RSL Hall Building Renewal

To fund major refurbishment and/or re-purposing of the Kojonup RSL Hall.

Benn Parade Multi-Facility

To fund the co-location of Historical Society, Men's Shed and Kojonup Tourist Railway facilities to the Benn Parade Railway Precinct.

Townscape

To fund major townscape improvements to the Kojonup Town Centre.

Reserve Account Purpose - Summary:

In the review undertaken last year, the following reserve purposes were all updated in line with the new *Smart Possibilities* strategic plan and other relevant changes:

- Economic Development reserve;
- Kodja Place Tourist Precinct reserve; and
- Youth reserve.

In the adoption of the 2018/2019 Annual Budget, additional minor changes were also made to:

- Building Upgrade and Renewal reserve; and
- Springhaven Building Upgrade and Renewal reserve.

Considering the recent amendments above and the fact that these definitions have been constantly reviewed over the past four financial years, the existing reserve account definitions are all considered appropriate and relevant and therefore no changes are recommended.

Reserve Account Balances:

The following table shows reserve account balances as at 30 June 2018 and 30 June 2019 (budgeted) and a commentary on the appropriateness of these balances in conjunction with major projects planned in *Smart Implementation*. Recommendations within the table are made based on the following key:

- ↑ - More funds required
- ✓ - Currents funds are appropriate; and
- ↓ - Funds are surplus to needs of the account.
- ? – More information required

Recommendations have also been colour coded using a traffic light system.

| Program Number | Name Of Reserve | Actual Balance 30 June 2018 | 2017 Rec. | Budget Balance 30 June 2019 | Officers Comment | 2018 Rec. |
|----------------|----------------------------|-----------------------------|-----------|-----------------------------|---|-----------|
| Various | Employee Leave | \$140,063 | ✓ | \$182,864 | Policy 2.1.8 has set a 4 year plan to increase the level of this reserve in accordance with a set formula of minimum balance. The last analysis showed a growing gap between the level of reserve and the leave liability. <u>CEO Comment:</u> CEO/Managers should be addressing large leave accruals. For example MCDT has been instructed by CEO to take leave. | ↑ |
| Various | Building Upgrade & Renewal | \$124,034 | ✓ | \$96,515 | Current purpose not specific. Note Asset Management Plan requires a quantum shift in funding of building asset renewals and/or disposal of significant existing building assets. <u>CEO Comment:</u> Looking at using funds for Sports Complex and Capital Evaluation Process should include leveraging of grants but in doing so need Council contribution which not always a loan. | ✓ |

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| Program Number | Name Of Reserve | Actual Balance 30 June 2018 | 2017 Rec. | Budget Balance 30 June 2019 | Officers Comment | 2018 Rec. |
|-----------------------|----------------------------------|------------------------------------|------------------|------------------------------------|--|------------------|
| Various | Energy Efficiency | \$40,697 | ✓ | \$6,511 | A start to invest in energy efficiency measures (such as solar panels) that will ultimately save money by reducing power bills, which in turn can then be reinvested. Springhaven Lodge and the Shire Office has been completed and The Kodja Place is budgeted for 2018/2019. Savings from these three installations will fund installs at the Sporting Complex and other Shire facilities. | ✓ |
| Various | Land Acquisition and Development | \$35,828 | ↑ | \$46,545 | Given the shortage in available residential and industrial land, and the opportunities to develop land in John Street, Soldier Road and Thornbury Close, substantially more funds are required in this area. However, it is recommended that developments could be funded by loans and this reserve utilized to deposit sale proceeds and meet loan repayments. | ✓ |
| 5 | Bushfire Communications | \$110,724 | ? | \$12,938 | The requirement for a new bush fire communications tower is currently being planned and the project scoped. The provision of a sum for asset management of this critical infrastructure is sound management and desired outcomes of Key Pillar 5 (Digital) neatly fit within this project. As the project scope evolves, exactly how much funds will be required and when will be known however this is an excellent contribution. | ✓ |

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| Program Number | Name Of Reserve | Actual Balance 30 June 2018 | 2017 Rec. | Budget Balance 30 June 2019 | Officers Comment | 2018 Rec. |
|----------------|---|-----------------------------|-----------|-----------------------------|---|-----------|
| 7 | G & P Church Medical Centre (Donation) | \$546,247 | ✓ | \$557,172 | This item is on hold, in accordance with previous Council decisions. This reserve is the segregation of an amazing donation from other Council funds, ensuring that all interest earned remains neatly within the donation. | ? |
| 7 | G & P Church Medical Centre (Shire Funds) | \$18,877 | ✓ | \$0 | This reserve account has been closed in accordance with the 2018/2019 adopted budget. | ✓ |
| 8 | Day Care Building Maintenance | \$5,244 | ✓ | \$7,999 | This newly created reserve will set aside annual rental income for future major maintenance requirements. <u>CEO Comment:</u> Rent review annually | ✓ |
| 8 | Youth | \$10,923 | ✓ | \$11,141 | The youth component of <i>Smart Possibilities</i> will not require vast expenditure of funds, apart from staff and elected member time. <u>CEO Comment:</u> Depends if Council financially support Wirrapunda / Stephen Michaels Foundations. | ✓ |
| 9 | Springhaven Lodge | \$1,580,533 | ✓ | \$1,580,533 | This reserves operates as a trust fund for resident bonds held. | ✓ |
| 9 | Springhaven Building Upgrade & Renewal | \$54,121 | ✓ | \$3,686 | This reserve receives interest earned from the 'Springhaven Lodge' reserve and is used to fund major building items at Springhaven. While it has been nearly fully drawn down in recent years, vast improvements have been made at Springhaven and the reserve will rebuild adequately in the coming years. | ✓ |

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| Program Number | Name Of Reserve | Actual Balance 30 June 2018 | 2017 Rec. | Budget Balance 30 June 2019 | Officers Comment | 2018 Rec. |
|----------------|-----------------------------|-----------------------------|-----------|-----------------------------|---|-----------|
| 9 | Springhaven Equipment | \$16,033 | ✓ | \$1,354 | This newly created reserve will fund urgent laundry or kitchen equipment at Springhaven Lodge. A capital budget has been provided in 2018/2019 and if not required, will be transferred to this reserve account. | ✓ |
| 9 | Independent Living Units | \$66,755 | ✓ | \$140,090 | This reserve was nearly fully withdrawn with the construction of new and upgrade of existing ILU's in Loton Close. Rental returns will improve the reserve over time, importantly from an asset replacement perspective. | ✓ |
| 9 | Low Income Housing | \$25,314 | ✓ | \$31,620 | This reserve 'operates' the Jean Sullivan joint venture, i.e. profit from rent transferred to reserve to fund major maintenance. Rental amounts are set by the State. | ✓ |
| 10 | Benn Parade Multi-Facility | \$0 | n/a | \$10,000 | A new reserve created in this financial year. The scope of any future works in this precinct needs to be defined, however, this seed funding will not achieve what is envisaged. | ↑ |
| 10 | Townscape | \$0 | n/a | \$10,000 | A new reserve created in this financial year. The scope of future works is currently being defined, however, this seed funding will not achieve what is envisaged. The 2018/2019 budget includes \$22,000 for a Townscape Plan and \$30,000 for Town Furniture purchases. <u>CEO Comment:</u> Need reserve funds to leverage grant\external funding. | ↑ |
| 10 | Natural Resource Management | \$167,506 | ✓ | \$90,926 | This reserve account has enabled the employment of a NRM Officer and leveraged approx. 100% additional grant funding. | ✓ |

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| Program Number | Name Of Reserve | Actual Balance 30 June 2018 | 2017 Rec. | Budget Balance 30 June 2019 | Officers Comment | 2018 Rec. |
|----------------|-------------------------------|-----------------------------|-----------|-----------------------------|---|-----------|
| 10 | Historical Buildings | \$41,648 | ✓ | \$13,481 | Current amount adequate, in conjunction with planned annual budgeted maintenance and prioritisation under the asset management plan 2017. Future ownership and responsibility of assets such as Old Barracks and Elverd Cottage needs strategic direction. | ✓ |
| 10 | Landfill Waste Management | \$12,312 | ↑ | \$36,417 | Continual improvements that are required in waste management practices highlights that this will be an area of future expenditure needs. Post closure management expenses need to be saved for the duration of the operation of a facility to ensure appropriate funding of required works following closure. From 1 July 2018, the reserve definition was updated to include 10% of rubbish bin charges being allocated to this account. | ✓ |
| 10 | Community Grant Scheme | \$6,519 | ✓ | \$6,649 | This reserve account is currently holding funds set aside for the Kojonup Theatrical Society (\$6,000) and will be used for future community projects that span multiple financial years. | ✓ |
| 11 | RSL Hall Building Maintenance | \$0 | n/a | \$10,000 | A new reserve created in this financial year. The scope of any future works in this precinct needs to be defined, however, this seed funding will not achieve what is envisaged. <u>CEO Comment:</u> Part of Townscape Strategy. | ↑ |

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| Program Number | Name Of Reserve | Actual Balance 30 June 2018 | 2017 Rec. | Budget Balance 30 June 2019 | Officers Comment | 2018 Rec. |
|-----------------------|------------------------|------------------------------------|------------------|------------------------------------|---|------------------|
| 11 | Sporting Facility | \$189,367 | ↑ | \$23,154 | Having a relatively new master plan with major facility upgrades required and a newly established Sports Precinct Advisory Committee, this area will be a major focus in the coming years. The construction of the ramp and retaining walls has utilised funds saved in recent years. | ↑ |
| 11 | Swimming Pool | \$11,808 | ↑ | \$5,094 | This asset will require upgraded drainage (wet decks) in the short term and possible full asset replacement in the medium to long term future and therefore major funds are required. The 2018/2019 budget contains \$45,000 to repaint the pool as a vital maintenance item. | ↑ |
| 12 | Gravel Pits | \$31,418 | ? | \$32,046 | Direction needed. With current definition no funds required, however more funds could purchase land containing gravel pits thus ensuring supply and providing a self-sustaining investment. | ? |
| 13 | Economic Development | \$45,907 | ↑ | \$56,825 | Establishing a business hub, amending the town planning scheme and creating a state tech-farming epicentre will require an increase in funds - A future 'investment' area of the Council. | ↑ |

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| Program Number | Name Of Reserve | Actual Balance 30 June 2018 | 2017 Rec. | Budget Balance 30 June 2019 | Officers Comment | 2018 Rec. |
|----------------|------------------------------|-----------------------------|-----------|-----------------------------|--|-----------|
| 13 | Saleyards | \$21,240 | ✓ | \$4,485 | This newly created reserve will set aside annual operating profits from the saleyards for future major maintenance and upgrade requirements. LGIS risk plan identifies a worrying amount of work required to the facility. <u>CEO Comment:</u> Council needs to determine if User Pays approach to build up funds to address a non-core facility is sustainable. CEO to prepare a discussion paper. | ✓ |
| 13 | Kodja Place Tourist Precinct | \$925 | ✓ | \$944 | It is envisaged that this reserve account can be used as a holding point for community donations to leverage further funding. It is important that donations can be separated from general funds and set aside for a specific purpose. Promotion of this concept is required. | ✓ |
| 14 | Plant Replacement | \$196,489 | ✓ | \$355,719 | Extra funds required, however this is planned as part of the 12 year Plant Replacement Program. Considerable work has been undertaken for this reserve with regards to passenger vehicles. It is important that the full 12 year cycle of this plant is considered and funds not claimed for other purposes during low expenditure years. | ✓ |

Based on the commentary above, it is recommended that the 2019/2020 draft budget include transfers to the following reserve accounts (in priority order) to increase their balances:

1. Employee Leave
2. Sporting Facility
3. Townscape
4. Swimming Pool
5. Economic Development
6. Benn Parade Multi-Facility
7. RSL Hall Building Maintenance

Closure of Reserve Accounts:

There have been no reserve accounts identified that could be closed and/or reduced in value, however, strategic direction is needed for the following reserves to determine their long term future:

- G & P Church Medical Centre (Donation); and
- Gravel Pits.

The Council is currently reviewing its position on the medical centre issue in accordance with previous Council resolutions and this will provide the guidance required for this reserve account (donation). No further action is required. The future direction of gravel pits however, requires further research and reporting back to the Council.

Additional / New Reserve Accounts:

An analysis of the appropriateness of current reserve accounts does not give consideration to any areas of major future expenditure whereby a reserve account currently does not exist. Consideration has been given to this issue at a senior management team level, especially considering an asset management focus, and the major funding requirements in the long term. A brainstorming session held in 2017 of the major priorities over the longer term identified the projects as listed in the table below:

| PROJECT | APPROX PROJECT FUNDING | COMMENTS – EARLY FUNDING STRATEGY |
|--|--|---|
| Sports Precinct | \$4-5 million | CSRFF Grant Funding and big increases in the Sporting Facilities Reserve |
| RSL Precinct/Apex Park/Library/CRC | \$2-3 million | Current Building Upgrade and Renewal reserve or RSL Hall reserve account, in conjunction with grant funding. |
| The Kodja Place Master Plan | \$9 million (building component - \$2-3 million) | Heavily dependent on grant funding and donations possibly channelled through the Kodja Place Tourist Precinct Reserve Account |
| Memorial Hall/Harrison Place | \$2 million | Grant funding and loan funds. Maybe a contribution from the Building Upgrade and Renewal Reserve |
| Benn Parade / Tourist Railway Precinct | \$2 million | Grant funding, loan funds and the Benn Parade Multi-facility reserve account. |
| Townscape | \$2 million | Grant funding, loan funds and the Townscape reserve. |

| | | |
|--|---|--|
| Great Southern Housing Initiative | \$2.2 million from Building Better Regions Fund | Grant Funded. Loans if required |
| Water – Quin Quin Reserve / Showground | \$500,000 | Grant funding and annual operating budgets |
| Spring / Springhaven Precinct | \$500,000 | Grant funding and annual operating budgets |

Based on the commentary above, it is evident that the required reserve accounts are already in existence, albeit with an increase in their current balances.

CONSULTATION

Senior Management Team.

STATUTORY REQUIREMENTS

Section 6.11 of the *Local Government Act 1995* legislates reserve accounts and states:

- (1) Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.
- (2) Subject to subsection (3), before a local government —
 - (a) changes* the purpose of a reserve account; or
 - (b) uses* the money in a reserve account for another purpose,
 it must give one month’s local public notice of the proposed change of purpose or proposed use.
 * *Absolute majority required.*
- (3) A local government is not required to give local public notice under subsection (2) —
 - (a) where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or
 - (b) in such other circumstances as are prescribed.
- (4) A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.

POLICY IMPLICATIONS

This report has been completed in accordance with Council Policy 2.1.8 – ‘Financial Governance’ as outlined in the background of this report.

FINANCIAL IMPLICATIONS

While the report does not in itself have a financial implication on the ‘bottom line’ of this years’ finances, reserve accounts are one of the major funding sources for major projects and a very important financial tool in managing the finances of the Shire day-to-day.

Cash reserves are established in accordance with the Local Government Act 1995 and maintained to accumulate funds for the following purposes:

- To smooth funding allocations over future years.
- To offset liabilities in respect of previously earned employee entitlements to the extent they require an outflow of funds not allocated in the annual budget.
- To meet statutory obligations.
- To fund renewal of existing physical/built assets.
- To fund future strategic initiatives and the provision of new services and facilities to future residents.

- To buffer against unpredictable events.
- To hold unspent grants and contributions.
- Other purposes as determined by the Council from time to time.

RISK MANAGEMENT IMPLICATIONS

Maintaining a suitable forward planning process that is intrinsically linked to long term financial planning minimizes many risks, including those associated with the funding of major projects or the provision of essential equipment and infrastructure.

ASSET MANAGEMENT IMPLICATIONS

Reserve accounts are one of the major funding sources for major projects and a very important financial tool in managing the finances of the Shire day-to-day, and therefore this review to ensure they remain focussed and appropriate is essential. As such, this item is central to good asset management, and the ability to fund identified major upgrades, renewal and replacement of assets as identified in the asset management plan.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COUNCIL DECISION

139/18 Moved Cr Radford seconded Cr Mathwin that:

- 1) The annual review undertaken addressing the appropriateness of each reserve account purpose, suitability of current balances, and deficiencies for the funding of future projects as identified in adopted forward plans be received;**
- 2) The 2019/2020 draft budget include transfers to the following reserve accounts (in priority order) to increase their balances:**
 - a. Employee Leave**
 - b. Sporting Facility**
 - c. Townscape**
 - d. Swimming Pool**
 - e. Economic Development**
 - f. Benn Parade Multi-Facility**
 - g. RSL Hall Building Maintenance**
- 3) The Manager Works & Services prepare a report for the Council on the future direction of sourcing gravel resources for road construction and the financial resources required.**

CARRIED 8/0

12.4 MINUTES FROM THE AUDIT AND RISK COMMITTEE MEETING HELD 7 AUGUST 2018 AND 6 NOVEMBER 2018

| | |
|-------------------|--|
| AUTHOR | Heather Marland – Senior Finance Officer |
| DATE | Thursday, 8 November 2018 |
| FILE NO | GO.CNM.96 |
| ATTACHMENT | 12.4.1 – Confirmed Minutes from the Audit and Risk Committee Meeting held 7 August 2018 12.4.2 – Unconfirmed Minutes from the Audit and Risk Committee Meeting held 6 November 2018 |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|---|---|---|
| Community Strategic Plan 2017 – 2027 “Smart Possibilities – Kojonup 2027+” | | Corporate Business Plan 2017 – 2021 “Smart Implementation – Kojonup 2021 +” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP 3 - Performance | 3.4 – Be organised and transparent with our financial management. | 3.4.2 – Act with sound long term and transparent financial management and deliver residents considered value for money. . |

DECLARATION OF INTEREST

Nil.

SUMMARY

The Audit and Risk Committee is established under Section 71A of the *Local Government Act 1995* ensuring transparency in Councils financial management and decision making process. The minutes of the Audit and Risk Committee meetings held 7 August 2018 and 6 November 2018 are presented with subsequent recommendations arising, for Council consideration.

BACKGROUND

In accordance with Section 71.A of the *Local Government Act 1995*, the Audit and Risk Committee was established with defined terms of reference and a membership consisting of six (6) committee members being, four (4) Councillors; and two (2) Community Members. A decision of the Audit and Risk Committee is to be made by a simple majority.

COMMENT

The Audit and Risk Committee typically meets approximately 4 times per year (at least quarterly, or as required), and has held four meetings since the commencement of the calendar year being 20 February 2018, 20 March 2018 ,15 May 2018 and 6 November 2018.

The Minutes of 7 August 2018 and 6 November 2018 are now presented for review.

CONSULTATION

Members of the Audit and Risk Committee.

STATUTORY REQUIREMENTS

Sections 71.A to 7.1C of the *Local Government Act 1995*.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil.

RISK MANAGEMENT IMPLICATIONS

Nil.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/COUNCIL DECISION

140/18 Moved Cr Mathwin seconded Cr Hobbs that Council receive the minutes from the Audit and Risk Committee meetings held 7 August 2018 and 6 November 2018.

CARRIED 8/0

12.5 INTERIM AUDIT RECOMMENDATION SYNERGYSOFT AUTOMATION TOOLSET – EMAIL NOTIFICATIONS

| | |
|----------------------|--|
| AUTHOR | Heather Marland SFO |
| DATE | 7 November, 2018 |
| FILE NO | FM.AUD.2 |
| ATTACHMENT(S) | 12.5.1 - Interim Audit Observations and Comments 12.5.2 - Quotation – IT Vision |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|--|---|---|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2018-2022” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP3 - 3 Performance | 3.4 - Be organised and transparent with our financial management. | 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money. |

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to inform the Committee of the steps taken to address the ‘Creditors and Payroll Master File Control Enhancement’ matter raised in the Interim Audit and costs involved in its implementation and annual ongoing costs.

BACKGROUND

The Council’s auditor Lincolns Accountants raised in its 2017/2018 Interim Audit 6 Audit Observations. The one that this report pertains to is:

| Matter | Present Procedure | Recommendation |
|--|--|--|
| Creditors and Payroll Master File Control Enhancement. | Creditor/employee changes are authorised by the Manager of Finance to process by Finance Officer. Risk exists that unauthorised changes may be made resulting in funds being incorrectly transferred to fraudulent recipients. | All pay runs and creditor batches are accompanied by a system generated audit report detailing all changes since the previous report was run. This is reviewed along with all other supporting documentation and signed off by the Manager of Finance. We are also aware that IT Vision have developed a report that will system generate an email to the nominated authoriser. The email will be generated any time bank account details of employees or creditors are changed, added or deleted. We recommend that you investigate this further. |

COMMENT

The Accounts Payable officer has in the past included an audit report highlighting any changes made to the creditor master files since the report was last run. As a cross reference any documentation that initiated the change is attached to the report. The audit report and supporting documents are verified and signed by the SFO prior to authorising/signing, Cheques or EFT runs. This process has been reinitiated.

Payroll also have the ability to run an audit report highlighting any changes to employee details. This report captures any changes made to the employee records including but not limited to bank details, Superannuation changes, next of kin and work classification. It is suggested that this report is included in the fortnightly payroll reports to be verified and signed by the Manager of Corporate and Community Services and filed with each fortnightly payroll reports.

It is envisioned that instilling these practices into our procedures will mitigate any risk of fraudulent behaviour without additional cost to Council.

CONSULTATION

Russel Harrison – Principal Lincolns Accountants

Anthony Middleton – Manager of Corporate and Community Services

Angelo Nardi – Sales – IT Vision

STATUTORY REQUIREMENTS

Nil

POLICY IMPLICATIONS

Policy 2.1.8 – Financial Governance – Management of financial risk prudently, having regard to economic circumstances.

FINANCIAL IMPLICATIONS

IT Vision have provided a quote of \$1629.10 to implement the Synergysoft Automation Toolset- Email Notifications. There will be also be an ongoing Annual License fee of \$424.60

RISK MANAGEMENT IMPLICATIONS

This report is addressing a significant financial risk for the organisation. This risk can be minimized through close monitoring, open communication and documenting information.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COUNCIL DECISION

141/18 Moved Cr Radford Seconded Cr Benn that the recommendation from Councils Auditors - Lincolns Accountants be noted but that Email Notification through IT Vision is not initiated.

CARRIED 8/0

12.6 RISK & LEGISLATIVE COMPLIANCE REVIEW

| | |
|----------------------|--|
| AUTHOR | Judy Stewart – Senior Administration Officer |
| DATE | 09 November 2018 |
| FILE NO | GO.CNM.9 |
| ATTACHMENT(S) | Nil |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|--|---|---|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2018-2022” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP3 - 3 Performance | 3.4 - Be organised and transparent with our financial management. | 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money. 3.4.3 - Commit to future state-wide measurement systems testing local government performance.. |

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to undertake the required review of systems and procedures in relation to risk management, internal control and legislative compliance as required by Regulation 17 of the *Local Government (Audit) Regulations 1996*.

BACKGROUND

An amendment (gazetted 26 June 2018) to the *Local Government (Audit) Regulations 1996* now requires local government Chief Executive Officers (CEO) to carry out at least a *triennial* review of legislative compliance, internal control and risk management and present the results of the review to Council’s Audit Committee. To apply this review in 2018, whilst within the previously required *biennial* cycle, will synchronise well with Council’s Financial Management Review which is also due in 2018 and predicted to then occur triennially in the future. At the 06 November 2018 Audit and Risk Committee meeting, the biennial Risk and Legislative Compliance Review, as prepared, was considered and recommended for Council endorsement.

COMMENT

To review the appropriateness and effectiveness of systems and procedures, a set of measurable items is required to enable comparison and/or analysis. The following tables attempt to identify, quantify and track progress of risk management, legislative compliance and internal controls.

| RISK MANAGEMENT | | | |
|--|-------------|-------------|-------------|
| | 2014 | 2016 | 2018 |
| Risk Management Plan: | | | |
| Is there an Adopted Plan in Place? | ✓ | ✓ | ✓ |
| Was it reviewed in the two year period? | n/a | ✓ | ✓ |
| Was the Business Continuity & Disaster Recovery Plan reviewed? | n/a | ✓ | ✓ |
| Was the Asbestos Management Plan reviewed? | ✗ | ✓ | ✓ |
| Risk Register: | | | |
| Number of Extreme & High risk items on the register? | | | |
| - Springhaven | 11 | 3 | 2 |
| - Office | 17 | 7 | 4 |
| - Council | 15 | 15 | 10 |
| - Depot | 23 | 7 | 0 |
| - The Kodja Place | n/a | 25 | 21 |
| - Swimming Pool | n/a | n/a | 17 |
| Is Risk regularly discussed and minuted at staff meetings and various councillor meetings: | | | |
| - Springhaven (operational) | ✗ | ✓ | ✓ |
| - Office | ✗ | ✓ | ✓ |
| - Councillors | ✗ | ✗ | ✓ |
| - Depot | ✗ | ✗ | ✗ |
| - The Kodja Place | ✗ | ✗ | ✗ |

| LEGISLATIVE COMPLIANCE | | | | | |
|--|-------------|-------------|-------------|-------------|------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Compliance Audit Return: | | | | | |
| Was CAR completed by 31 March each year? | ✓ | ✓ | ✓ | ✓ | ✓ |
| Number of negative responses | 3 | 8 | 1 | 0 | 1 |
| Information Statement: | | | | | |
| Was the review undertaken? | ✓ | ✓ | ✓ | ✓ | ✓ |
| Audit Report | | | | | |
| Number of Items Raised | 2 | 1 | 0 | 0 | <i>not avail</i> |

| INTERNAL CONTROLS | | | | | |
|---|--------------|-------------|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Policies & Delegations: | | | | | |
| Was the Delegation Register reviewed (financial year)? | ✓ | ✓ | ✓ | ✓ | ✓ |
| Were all Council Policies reviewed? | ✗ | ✓ | ✓ | ✓ | ✓ |
| Budget & Finance: | | | | | |
| Was Budget adopted prior to 31 August? | ✓ | ✓ | ✓ | ✓ | ✓ |
| Was the Budget reviewed on time (between 01/01 & 31/03)? | ✓ | ✓ | ✓ | ✓ | ✓ |
| When was the Annual Electors Meeting held? | April | April | March | Dec-16 | May |
| Audit Management Letter - Number of Items Raised | 5 | 4 | 4 | 4 | 6 |
| Integrated Planning: | | | | | |
| Was the Long Term Financial Plan reviewed? | n/a | ✓ | n/a | | in progress |
| When was the Strategic Community Plan reviewed? | n/a | ✓ | n/a | Jul-17 | n/a |
| When was the Corporate Business Plan reviewed? | ✓ | ✓ | | Jun-17 | Jun-18 |
| When was the Asset Management Plan reviewed? | n/a | ✓ | n/a | Jul-17 | n/a |
| Was the Workforce Plan reviewed? | ✓ | ✓ | | Feb-17 | Sep-18 |
| Springhaven Lodge: | | | | | |
| Were Springhaven Policies reviewed by the Council? | ✓ | ✗ | ✓ | ✓ | ✓ |
| Springhaven Quality Agency Audit Visits | | | | | |
| - Issues noted (scheduled audit/ <i>unannounced partial audit</i>) - all three yearly (full) audits post 2018 will be unannounced visits | 3 out of 127 | 0 out of 44 | 0 out of 33 | 0 | 0 out of 44 |
| | 2.36% | 0% | 0% | 0% | 0% |

The legislation does not define the actual review process to be undertaken by the CEO. The trends shown in the tables above form a basis for review and enable demonstration of ‘appropriateness and effectiveness’, aiming for improvement and greater accuracy for each review undertaken.

CONSULTATION

Audit Committee

STATUTORY REQUIREMENTS

Local Government (Audit) Regulations 1996

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —
 - (a) risk management; and

- (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.
[Regulation 17 inserted in Gazette 8 Feb 2013 p. 868; amended in Gazette 26 Jun 2018 p. 2387.]

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

There are no known financial implications.

RISK MANAGEMENT IMPLICATIONS

Compliance with regulation 17 of the *Local Government (Audit) Regulations 1996*. This is a primary tool of the risk management process and one that is required by legislation. It is now to be a triennial review of our systems and processes reported to the Council via the Audit Committee and, as such, is available publicly.

ASSET MANAGEMENT PLAN IMPLICATIONS

There are no known Asset Management Plan implications.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

142/18 Moved Cr Mathwin seconded Cr Warland that the 2018 Risk and Legislative Compliance Review, as required under Regulation 17 of the Local Government (Audit) Regulations 1996 on the appropriateness and effectiveness of the Shire of Kojonup's systems and procedures in relation to risk management, internal control and legislative compliance as outlined in this report, be adopted.

CARRIED 8/0

12.7 POLICY MANUAL REVIEW

| | |
|----------------------|---|
| AUTHOR | Judy Stewart – Senior Administration Officer |
| DATE | Monday, 09 November 2018 |
| FILE NO | CM.POL.2 |
| ATTACHMENT(S) | 12.7.1 – Existing Policy Manual Showing Proposed Changes 12.7.2 – Policy Manual with Proposed Changes Incorporated |

| STRATEGIC/CORPORATE IMPLICATIONS | | |
|---|---|--|
| “Smart Possibilities – Kojonup 2027+” | | “Smart Implementation – Kojonup 2021 +” |
| Key Pillar | Community Outcomes | Corporate Actions |
| KP3 - 3 Performance | 3.1 - Be a continually engaged and strategic community which leads and organises throughout the entire stakeholder group. | 3.1.5 – Implement strategies to improve Councillors’ role as community leaders and asset custodians. |

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to conduct an annual review of Council’s Policy Manual.

BACKGROUND

Council’s Policy Manual is reviewed, in its entirety, on an annual basis and was last reviewed in November 2017. Amendments to and formation of individual policies may be presented to Council for its consideration on an as needs basis in the interim, being incorporated into the Policy Manual at the time of amendment or formation.

COMMENT

The annual review of the Policy Manual has been undertaken by staff and proposed amendments are shown (tracked) in the first of the attachments to this item with the resultant document, inclusive of changes, being the second attachment. A summary of policies with recommended, consequential changes is as follows (other inconsequential changes include amendments relating to improved formatting and consistency throughout the document):

- 1.3 Community Organisation Waiving of Development Fees
- 2.1.2 Purchasing and Creditor Control
- 2.1.4 Self Supporting Loans
- 2.1.5 Investments
- 2.2.2 Elimination of Harassment in the Workplace
- 2.2.5 Presentations – Departing Employees
- 2.2.6 Salary Packaging
- 2.2.7 Staff Housing
- 2.2.10 Leave – Community Service
- 2.2.11 Shire Uniforms
- 2.3.8 Volunteer Management
- 2.3.9 Closed Circuit Television (CCTV) Operations and Recording
- 3.2 Economic Development Incentives – Building & Planning Fees & Rates

- 3.5 Use of Council Chambers & Reception Lounge
- 3.6 Certificates of Appreciation
- 3.15 Citizenship Ceremonies
- 3.17 Customer Service Charter

CONSULTATION

Senior Management Team

Administration Staff via Administration Staff Meetings – review of one policy per fortnight to ensure relevance of content

STATUTORY REQUIREMENTS

While policies have no legal status, it is considered best practice for local governments to have a set of policies that provide guidance to staff, effectively negating the need for staff to constantly refer to Council. Council may adopt, amend or waive policies under Section 2.7 (2) of the *Local Government Act 1995*.

POLICY IMPLICATIONS

This item recommends amendments to several existing Council policies, as outlined above.

FINANCIAL IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Robust systems and controls, including guidance documents such as Council's Policy Manual, reduce inconsistencies and risks and associated with Shire operations.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

143/18 Moved Cr Benn seconded Cr Hobbs that the attached Shire of Kojonup Policy Manual, dated November 2018 and including amendments as presented, be adopted.

CARRIED 8/0

13 KEY PILLAR 4 – ‘PROSPERITY’ REPORTS

Nil

14 **KEY PILLAR 5 – ‘DIGITAL’ REPORTS**

Nil

15 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

16 NEW BUSINESS

Nil

17 CONFIDENTIAL REPORTS

Nil

18 NEXT MEETING

Tuesday, 11 December 2018 commencing at 3:00pm.

19 CLOSURE

There being no further business to discuss, the President thanked the members for their attendance and declared the meeting closed at 3.28pm.

