

Shire of Tammin

ORDINARY COUNCIL MEETING

AGENDA



NOTICE OF MEETING

Dear Elected Member

The next ordinary meeting of the Shire of Tammin will be held on **Thursday 25 July 2019** in the Council Chambers, 1 Donnan St, Tammin, commencing at **5:00pm**.

Neville Hale
Chief Executive Officer
19 July 2019

MISSION STATEMENT

"Together with the people of Tammin we will provide leadership, vision and progress to achieve sustainability and growth"

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AGENDA

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Shire President will declare the meeting open at _____ pm.

2. PRESENT / IN ATTENDANCE / LEAVE OF ABSENCE PREVIOUSLY GRANTED / APOLOGIES

Present:

Cr M Greenwood	Shire President
Cr D Thomson	Deputy President
Cr G Batchelor	Member
Cr N Caffell	Member
Cr Daniels	Member

In Attendance:

Neville Hale	Chief Executive Officer
Kelsey Pryer	Manager of Finance & Administration

Leave of Absence previously granted:

Nil

Apologies:

Fabian Houbrechts	Acting Manager of Works & Services
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3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4. PUBLIC QUESTION TIME

5. APPLICATIONS FOR LEAVE OF ABSENCE

6. DECLARATION OF MEMBER'S INTERESTS IN AGENDA ITEMS

7. DECLARATION OF RELATED PARTY DISCLOSURE IN AGENDA ITEMS

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

8.1 Ordinary Council Meeting Minutes – 27 June 2019

Recommendation

That the Minutes of the Ordinary Council Meeting held on 27 June 2019 be confirmed as a true record of proceedings.

Moved: Cr _____ Seconded: Cr _____

Vote: Simple Majority Carried/Lost: ___/___

9. ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

10. PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

11. MATTERS FOR CONSIDERATION – FINANCE

11.1 List of Payments for June 2019

Location:	Shire of Tammin
Applicant:	Administration & Finance Officer
Date:	05 July 2019
Author:	Keira Wirth
Item Approved by:	Chief Executive Officer – Neville Hale
Disclosure of Interest:	Nil
File Reference:	FIN05
Attachment/s:	Attachment Item 11.1 – June Payment List Attachment Item 11.1 - Credit Card Statement 30/04/2019 – 28/05/2019

Background

Accounts paid for June 2019 totaling \$857,993.37 are listed below:

Cheque numbers	6732 - 6734	\$15,008.77
Direct debit payments	01/06/19 – 30/06/19	\$4,629.39
Licensing transfers	01/06/19 – 30/06/19	\$10,291.65
Bank fees	01/06/19 – 30/06/19	\$210.15
VISA payments	01/06/19 – 30/06/19	\$1,340.39
EFT payments	EFT3027 – EFT3110	\$797,480.35
Salaries and wages	01/06/19 – 30/06/19	\$29,032.56
Total payments	01/06/19 – 30/06/19	\$857,993.37

Comment

Nil

Financial Implications

Directly impacts the Shire of Tammin 2018/2019 Operating Budget

Policy Implications

Nil

Statutory Implications

Local Government (Financial Management) Regulations 1996

11. Payment of accounts

Ordinary Council Meeting Agenda – 25 July 2019

- (1) A local government is to develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of —
 - a) cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained; and
 - b) Petty cash systems.
- (1) A local government is to develop procedures for the approval of accounts to ensure that before payment of an account a determination is made that the relevant debt was incurred by a person who was properly authorised to do so.
- (2) Payments made by a local government —
 - a) Subject to sub-regulation (4), are not to be made in cash; and
 - b) Are to be made in a manner which allows identification of —
 - (i) The method of payment;
 - (ii) The authority for the payment; and
 - (iii) The identity of the person who authorised the payment.
- (3) Nothing in sub-regulation (3) (a) prevents a local government from making payments in cash from a petty cash system.

[Regulation 11 amended in Gazette 31 Mar 2005 p. 1048.]

12. Payments from municipal fund or trust fund

- (1) A payment may only be made from the municipal fund or the trust fund —
 - a) If the local government has delegated to the CEO the exercise of its power to make payments from those funds — by the CEO; or
 - b) Otherwise, if the payment is authorised in advance by a resolution of the council.
- (2) The council must not authorise a payment from those funds until a list prepared under regulation 13(2) containing details of the accounts to be paid has been presented to the council.

[Regulation 12 inserted in Gazette 20 Jun 1997 p. 2838.]

13. Lists of accounts

- (1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —
 - a) The payee's name;
 - b) The amount of the payment;
 - c) The date of the payment; and
 - d) Sufficient information to identify the transaction.
- (2) A list of accounts for approval to be paid is to be prepared each month showing —
 - a) For each account which requires council authorisation in that month —
 - (i) The payee's name;
 - (ii) The amount of the payment; and
 - (iii) Sufficient information to identify the transaction; and
 - b) The date of the meeting of the council to which the list is to be presented.
- (3) A list prepared under sub-regulation (1) or (2) is to be —

- a) *Presented to the council at the next ordinary meeting of the council after the list is prepared; and*
- b) *Recorded in the minutes of that meeting.*

Strategic Plan Implications

Nil

Community Consultation

Nil

Recommendation

That Council notes that during the month of June 2019, the Chief Executive Officer has made the following payments.

Municipal Fund payments totaling \$857,993.37 on licensing transactions, bank fees, EFT, Cheques, Visa, Direct Debit and salaries and wages payments.

Moved: Cr _____

Seconded: Cr _____

Vote: Simple Majority

Carried/Lost: ___/___

Payment list for June 2019

Ref	Date	Creditors Name	Description	Amount
Licensing				
48	06/06/2019	Department of Transport	Daily Licensing transactions	\$ 691.85
48	07/06/2019	Department of Transport	Daily Licensing transactions	\$ 817.45
48	10/06/2019	Department of Transport	Daily Licensing transactions	\$ 422.00
48	11/06/2019	Department of Transport	Daily Licensing transactions	\$ 3,371.30
48	13/06/2019	Department of Transport	Daily Licensing transactions	\$ 988.30
48	14/06/2019	Department of Transport	Daily Licensing transactions	\$ 68.90
48	14/06/2019	Department of Transport	Daily Licensing transactions	\$ 879.45
48	18/06/2019	Department of Transport	Daily Licensing transactions	\$ 1,224.90
48	19/06/2019	Department of Transport	Daily Licensing transactions	\$ 26.85
48	20/06/2019	Department of Transport	Daily Licensing transactions	\$ 23.70
48	21/06/2019	Department of Transport	Daily Licensing transactions	\$ 445.30
48	25/06/2019	Department of Transport	Daily Licensing transactions	\$ 187.60
48	27/06/2019	Department of Transport	Daily Licensing transactions	\$ 1,115.25
48	28/06/2019	Department of Transport	Daily Licensing transactions	\$ 28.80
			Subtotal	\$ 10,291.65
Bank fees				
48	03/06/2019	MERCHANT FEES	MERCHANT FEES	\$ 67.31
48	06/06/2019	BANK FEES	MERCHANT FEES	\$ 4.90
48	27/06/2019	BANK FEES	NAB CONNECT FEE	\$ 53.74
48	28/06/2019	MERCHANT FEES	MERCHANT FEES	\$ 22.00
48	28/06/2019	BANK FEES	ACCOUNT FEES	\$ 42.20
48	28/06/2019	BANK FEES	ACCOUNT FEES	\$ 20.00
			Subtotal	\$ 210.15
EFT Payment				
EFT3027	06/06/2019	AMPAC Debt Recovery (WA) Pty Ltd	Debt Recovery	\$ 63.04
EFT3028	06/06/2019	Conway Highbury Pty Ltd	Review of Local Laws	\$ 357.50
EFT3029	06/06/2019	Courier Australia	Freight charges	\$ 231.72
EFT3030	06/06/2019	Cunderdin Farmers Cooperative Company Ltd	Wheel C.O. Masonry - McLaren Street	\$ 17.85
EFT3031	06/06/2019	Cunderdin Medical Centre	Pre-employment medical	\$ 132.00
EFT3032	06/06/2019	Earthstyle Contracting Pty Ltd	Float Hire - Move Shire Loader	\$ 250.25
EFT3033	06/06/2019	Farmways Kellerberrin	LGP town Hall and Pavilion, Retic supplies	\$ 378.57
EFT3034	06/06/2019	IT Vision	Monthly SynergySoft fee for May	\$ 2,065.80
EFT3035	06/06/2019	Jason Signmakers	Road to Recovery Sign Standard	\$ 135.74
EFT3036	06/06/2019	LGRCEU	Payroll deductions	\$ 61.50
EFT3037	06/06/2019	Marketforce	Notice of adoption of local laws	\$ 747.08
EFT3038	06/06/2019	PV Spark	6.6KW Solar System fully installed at 14 Russel Street	\$ 4,400.00
EFT3039	06/06/2019	Perfect Computer Solutions	Purchase new server and software	\$ 9,025.00
EFT3040	06/06/2019	Rylan Concrete	Mountable kerb on McLaren Street	\$ 8,171.90
EFT3041	06/06/2019	Shire of Cunderdin	Hire of OHS Rep to complete Chemical	\$ 695.60
EFT3042	06/06/2019	Synergy	Electricity charges	\$ 692.55
EFT3043	06/06/2019	T & T Wilkins	Supply and Fit Screen Pavilion	\$ 1,650.00
EFT3044	06/06/2019	Tammin Glass and Auto	Repair windows on Ammann Roller	\$ 1,100.00
EFT3045	06/06/2019	Telstra	Phone usage charges 18/05/2019 - 17/06/2019	\$ 434.36
EFT3046	06/06/2019	Toodyay Home Traders	Two Stroke Oil 5ltr	\$ 164.75
EFT3047	06/06/2019	Wright Express Australia Pty Ltd (Puma)	Fuel for the month of May	\$ 6,974.65
EFT3048	13/06/2019	Adapt Electrical Solutions	lights on top of the Pavilion	\$ 6,655.65
EFT3049	13/06/2019	Australia Post	Postage charges and office supplies	\$ 223.84
EFT3050	13/06/2019	COLAS West Australia Pty Ltd	Bitumen Sealing work - Tammin Wyalkatchem Rd	\$ 306,878.92
EFT3051	13/06/2019	Combined Tyres Cunderdin	TN 1 new tyres	\$ 1,047.20
EFT3052	13/06/2019	Cunderdin Pub	Meals and accommodation for server set up by PCS	\$ 149.00
EFT3053	13/06/2019	DKT Rural Agencies	Optimax Roundup 20ltr	\$ 803.95
EFT3054	13/06/2019	Earthstyle Contracting Pty Ltd	Watercart Hire - Maintenance Bungulla North Road	\$ 7,441.50
EFT3055	13/06/2019	Farmways Kellerberrin	Sprinklers and batteries for timers	\$ 143.00
EFT3056	13/06/2019	Hills Concrete Products	1200 x 600 Tank	\$ 780.00
EFT3057	13/06/2019	Kellerberrin Farmers Co-Operative	refreshments for Council meeting 23/05/2019	\$ 107.74
EFT3058	13/06/2019	LGRCEU	Payroll deductions	\$ 61.50
EFT3059	13/06/2019	Mayday Earthmoving	Hire of Posi Track Skid Steer	\$ 2,200.00
EFT3060	13/06/2019	Pommy Agricultural Labour	Supply of gravel	\$ 2,017.95
EFT3061	13/06/2019	Ransberg Pty Ltd	Aggregate Tammin-Wyalkatchem Road Tammin	\$ 38,929.91
EFT3062	13/06/2019	Samantha Pimlott	Reimbursement for PAYG training on the 22/05/2019	\$ 293.21
EFT3063	13/06/2019	Shire of Cunderdin	Road Reseal and Kerbing, McLaren Street	\$ 156,951.77
EFT3064	13/06/2019	Synergy	Electricity charges Street lights	\$ 1,656.40
EFT3065	13/06/2019	Telstra	Telstra phone charges	\$ 989.36
EFT3066	13/06/2019	Western Lockservice	Additional Keys for Tammin Pavilion MK1.6	\$ 69.30
EFT3067	20/06/2019	Baxters Rural Centre	Replace Batteries on Luigong Loader, inspect electricals	\$ 1,826.85
EFT3068	20/06/2019	Direct Fasteners	Concrete Cutting Disks for Grader	\$ 274.45
EFT3069	20/06/2019	Earthstyle Contracting Pty Ltd	Gravel Supply (\$2.50 per tonne excl. GST) 4,878.7 tonnes	\$ 13,416.43
EFT3070	20/06/2019	Hills Concrete Products	Turon Road - Culvert drainage road maintenance	\$ 2,360.00
EFT3071	20/06/2019	IT Vision	Monthly Synergysoft fee for June 2019	\$ 2,065.80
EFT3072	20/06/2019	Komatsu Australia Pty Ltd	Spare Parts for TN 6 Grader	\$ 2,839.99
EFT3073	20/06/2019	MB Power & AirCon	Locate cable at Netball courts	\$ 220.00

EFT3074	20/06/2019	Officeworks	Administration refreshments and stationary	\$ 154.31
EFT3075	20/06/2019	Shire of Cunderdin	Shared CEO Quarterly payment	\$ 66,837.86
EFT3076	20/06/2019	Shire of Quairading	Share C.E.S.M Officer	\$ 3,347.21
EFT3077	20/06/2019	Synergy	Electricity charges 09/04/2019 - 12/06/2019	\$ 2,257.85
EFT3078	20/06/2019	WA Contract Ranger Services Pty Ltd	Rangers services 27/05/2019 & 14/06/2019	\$ 654.50
EFT3079	20/06/2019	Westrac CAT	Remove and install new engine	\$ 25,877.64
EFT3080	20/06/2019	Wheatbelt Office and Business Machines	Photo copier usage 01/05/2019 - 17/06/2019	\$ 939.46
EFT3081	27/06/2019	AIT Specialists Pty Ltd	Review of Fuel Tax Credits from 1/06/15 to 31/05/19	\$ 2,706.83
EFT3082	27/06/2019	Angos Handyman Service	Gutter cleaning repairs to eaves	\$ 1,590.00
EFT3083	27/06/2019	CAI Fences	Fence and gates at Tammin Netball/Basketball Court	\$ 25,300.00
EFT3084	27/06/2019	Combined Tyres Cunderdin	Supply, install and align 2 new tyres for TN2	\$ 572.00
EFT3085	27/06/2019	Dennis Heppell	Concrete supplied and delivered to McLaren Street	\$ 1,075.20
EFT3086	27/06/2019	Farmways Kellerberrin	Dyson Small Ball Multi Floor Compact Upright Vacuum	\$ 1,168.00
EFT3087	27/06/2019	LGIS Broking (Local Government Insurance Services)	wage adjustment for the period	\$ 3,615.17
EFT3088	27/06/2019	LGIS Risk Management	LGISWA Risk Coordination Programme 2nd Instalment	\$ 1,502.60
EFT3089	27/06/2019	LGRCEU	Payroll deductions	\$ 61.50
EFT3090	27/06/2019	Michael Greenwood	Travel expenses & meals reimbursements	\$ 244.51
EFT3091	27/06/2019	Moore Stephens	Financial reporting 2019 - Manual only	\$ 1,045.00
EFT3092	27/06/2019	Officeworks	Administration & Depot printer cartridges	\$ 1,144.77
EFT3093	27/06/2019	Plastic Card Customization	Customized plastic cards tip passes 2019/2020	\$ 581.90
EFT3094	27/06/2019	Tammin Glass and Auto	Supply and install window on Amman Roller	\$ 540.00
EFT3095	27/06/2019	Telstra	Mobile phone charges and tablet charges	\$ 463.10
EFT3096	27/06/2019	WA Hino Sales & Service	disc brake for rear axle on TN15	\$ 220.00
EFT3097	27/06/2019	Western Lockservice	Additional Master keys	\$ 70.40
EFT3098	27/06/2019	Wheatbelt Plumbing & Gas	Install hot Rinnai hot water unit	\$ 2,064.56
EFT3099	27/06/2019	Wheatbelt Renovations	Tamma Village fix roof leak to unit 6	\$ 82.50
EFT3100	28/06/2019	Adapt Electrical Solutions	Second stage of new footy oval lighting upgrade	\$ 2,339.15
EFT3101	28/06/2019	Glenice Batchelor	Council meeting 27/06/2019 sitting and travel fee	\$ 105.00
EFT3102	28/06/2019	Kiamia Pty Ltd T/as G.J & J.L. Jasper	Gravel Extraction at Simon' York's Pit	\$ 2,774.75
EFT3103	28/06/2019	Marketforce	Manager of Works & Services Job Advert	\$ 912.22
EFT3104	28/06/2019	Michael Greenwood	Council meeting 27/06/2019 sitting and travel fee	\$ 236.49
EFT3105	28/06/2019	Nicholas Caffell	Council meeting 27/06/2019 sitting & travel fee	\$ 123.88
EFT3106	28/06/2019	Party Higher	Hire of 40 additional headsets	\$ 660.00
EFT3107	28/06/2019	Perfect Computer Solutions	Purchase new server software and labour	\$ 17,595.00
EFT3108	28/06/2019	Shire of Cunderdin	Private works Gravel and resheeting Turon Road	\$ 36,761.64
EFT3109	28/06/2019	Tania Daniels	Council meeting 27/06/2019 sitting and travel fee	\$ 123.88
EFT3110	28/06/2019	WA Contract Ranger Services Pty Ltd	Ranger services 24/06/2019	\$ 280.50
DD1218.1	30/06/2019	Avon Waste	Domestic Refuse - Refuse collection	\$ 3,297.39
			Subtotal	\$ 797,480.35

Cheque Payments				
6732	06/06/2019	Shire of Tammin	Department of transport vehicle registration	\$ 3,201.35
6733	13/06/2019	Water Corporation	Water charges from the 3rd of June - 5th April	\$ 10,729.00
6734	20/06/2019	Water Corporation	water charges 01/05/2019 - 30/06/2019	\$ 1,078.42
			Subtotal	\$ 15,008.77

Direct Debit Payment				
DD1217.1	11/06/2019	WA Local Government Superannuation Plan	Payroll deductions	\$ 1,761.13
DD1217.2	11/06/2019	Australian Super	Superannuation contributions	\$ 93.08
DD1227.2	18/06/2019	Messages on Hold	Interactive Voice Recordings from 18/06/19 - 17/07/19	\$ 169.00
DD1227.1	19/06/2019	Bond Administrator	Bond payment for Unit 3/ 11 Booth Street Tammin	\$ 408.00
DD1230.1	25/06/2019	WA Local Government Superannuation Plan	Payroll deductions	\$ 2,105.10
DD1230.2	25/06/2019	Australian Super	Superannuation contributions	\$ 93.08
			Subtotal	\$ 4,629.39

NAB Visa Payment				
DD1212.1	03/06/2019	NAB Business Visa	Visa card transactions from 30 April 2019 to 28 May 2019	\$ 1,340.50
			Subtotal	\$ 1,340.50

Salaries &Wages				
	11/06/2019	Shire of Tammin	Salary and wages	\$ 13,917.89
	25/06/2019	Shire of Tammin	Salary and wages	\$ 15,114.67
			Subtotal	\$ 29,032.56

Total paid from Municipal Account for the month of June

\$ 857,993.37

11.2 Financial Management Report for the month of June 2019

Location:	Shire of Tammin
Applicant:	Manager of Finance and Administration
Date:	8 July 2019
Author:	Kelsey Pryer
Item Approved by:	Chief Executive Officer – Neville Hale
Disclosure of Interest:	Nil
File Reference:	Nil
Attachment/s:	Attachment 11.2 - June 2019 Monthly Financial Report

Background

Enclosed is the Monthly Financial Report for the month of June 2019.

Financial Implications

Financial Management of 2018/2019

Statutory Implications

Local Government (Financial Management) Regulations 1996

34. Financial activity statement report — s. 6.4

*(1A) In this regulation — **committed assets** means revenue unspent but set aside under the annual budget for a specific purpose.*

(1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —

- a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);*
- b) budget estimates to the end of the month to which the statement relates;*
- c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
- d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
- e) the net current assets at the end of the month to which the statement relates.*

(2) Each statement of financial activity is to be accompanied by documents containing —

- a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;*

- b) *an explanation of each of the material variances referred to in sub regulation (1)(d); and*
- c) *such other supporting information as is considered relevant by the local government.*

(3) *The information in a statement of financial activity December be shown —*

- a) *according to nature and type classification; or*
- b) *by program; or*
- c) *by business unit.*

(4) *A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be —*

- a) *presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and*
- b) *recorded in the minutes of the meeting at which it is presented.*

Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

Comment

Nil

Policy Implications

Council resolved that in accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996* a variance percentage of 10% or \$10,000, whichever is greater, be adopted for reporting material variances.

Strategic Plan Implications

Nil

Community Consultation

Nil

Recommendation

That Council adopt the Financial Report for the month of June 2019 comprising;

- a) Statement of Financial Activity
- b) Note 1 to Note 12

Moved: Cr _____

Seconded: Cr _____

Vote: Simple Majority

Carried/Lost: ___/___

11.3 Interim Audit Findings for period ended 30 June 2019

Location:	Shire of Tammin
Applicant:	Audit Committee
Date:	13 June 2019
Author:	Manager Finance & Administration
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Nil
File Reference:	FIN 02 - Audit
Attachment/s:	Attachment 11.3 – Interim Management Letter 30 June 2019

Proposal/Summary

The Audit Committee has reviewed the attached Interim Audit Findings for period ended 30 June 2019 following their visit to Tammin which it now presents to Council for its information and action.

Background

RSM was appointed as the Council's Auditors for 2018/19. RSM visited the Shire of Tammin from Monday 6 May to Friday 10 May 2019 to review revenue and expenditure cycles for the 9 months ended 31 March 2019.

The Interim Audit findings have been reviewed by the Audit Committee. The Audit Committee recommends to Council that:

"The Audit Committee, having reviewed the Auditors comments and discussed with these with staff, recommend to Council that the Interim Audit Findings for period ended 30 June 2019 for the Shire of Tammin be actioned by staff and addressed prior to the End of Year Audit in October 2019."

Comment

There were five areas of concern identified in the Management Letter. Staff have commented on each finding and will complete these tasks prior to the End of Year Audit in October 2019.

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Non-compliance with internal purchasing policy	✓		
2. Review of property values input into SynergySoft		✓	
3. Fixed asset and attractive items register		✓	

4. Changes to employee and supplier master file		✓	
5. Capitalisation threshold review			✓

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

1. Non-compliance with internal purchasing policy (Significant)

Findings:

“During the procurement testing, from a sample of 30 purchases made during the period 1 July 2018 to 31 March 2019, RSM noted 17 instances (57%) where there was insufficient documentation to indicate that the requisite number of quotations had been obtained and evaluated. Staff has been made aware of the Purchasing Policy and verbal and written quotes will be obtained prior to purchases orders being created and approved by Management. Being limited to suppliers in the Wheatbelt area, it can be difficult for staff to obtain the quotes required in accordance to the Shire’s Purchasing Policy.”

“Non-compliance with internal purchasing policy” being rated as “significant” is subject to a separate report to this Committee and Council.

In respect to other matters raised, the finding and response, as detailed in attachment 7.1, are summarised as:

2. Review of property values (Moderate)

Findings: In August 2018, the Shire issued rate notices for the 30 June 2019 financial year based on valuation reports received from Landgate. Rates are calculated, in part, by referring to the property values manually input by Property and Rates Officer in the Shire’s SynergySoft financial management platform. During our audit we noted that the Shire failed to independently review the property values manually input into SynergySoft.

Management Comment:

Valuations uploaded into Synergy by the Property & Rates Officer will be checked and authorised by the Manager of Finance and Admin.

3. Fixed asset and attractive items register (Moderate)

Findings: During our audit, we noted the following matters in relation to the Shire’s fixed assets register and attractive items register:

- The fixed assets register is not maintained during the year and is not reconciled to the general ledger on a periodic basis. As at date of the interim audit, we noted a variance between the fixed assets register and general ledger of \$632,000. We understand the differences are recorded by the Shire on a monthly basis, before being reconciled at financial year-end.

- Effective from 1 July 2018, regulation 17A(5) of the Local Government (Financial Management) Regulations 1996 (Financial Management Regulations) provides that an asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5,000. As at date of audit, 39 assets were recorded on the fixed assets register with a cost of less than \$5,000.
- As at date of audit, the Shire has not established an 'attractive items register' to help control and maintain important assets under \$5,000 which have been excluded from the fixed asset register as required under regulation 17A(5) of the Financial Management Regulations.

Management Comment:

Reconciliations will be completed quarterly to make sure the fixed asset register balances to the general ledger. Assets under \$5k will be removed from the asset register and an attractive items register will be put in place prior to the final audit in October 2019.

4. Changes to employee and supplier master file (Moderate)

Findings: There is no evidence retained to demonstrate whether changes to supplier details, including bank account details, are being authorised by an officer other than the person making the amendment.

Management Comment:

The payroll officer will run an audit trail report after each payroll and attach it to the other reports. This will show any changes made to employee records. The creditors officer will also run the same report after each payment run which will show if any changes have been made to the supplier details.

5. Capitalisation threshold review (Minor)

Findings: The WA Local Government Accounting Manual (Accounting Manual), issued by the Department of Local Government, Sport and Cultural Industries, recommends that the Shire should establish a minimum threshold amount for the recognition of any non-current assets in the statement of financial position. Section 9.1.3 of the Accounting Manual recommends that the capitalisation threshold amounts should be reviewed annually to ensure they remain effective in the face of inflation. During our audit, we noted that the Shire does not have a policy that requires the annual review of the capitalisation threshold amounts to ensure they remain effective in the face of inflation.

Management Comment:

The Shire of Tammin will adopt a policy in regards to this requirement prior to 30th June 2019. (Policy has been adopted)

Consultation

Manager of Finance & Administration
RSM – Lewis Lowe

Statutory Environment

Local Government Act 1995 – Section 7.9

7.9. Audit to be conducted

- (1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
 - (a) *the mayor or president; and*
 - (b) *the CEO of the local government; and*
 - (c) *the Minister.*

- (2) *Without limiting the generality of subsection (1), where the auditor considers that —*
 - (a) *there is any error or deficiency in an account or financial report submitted for audit; or*
 - (b) *any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or*
 - (c) *there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,*
details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.

- (3) *The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —*
 - (a) *prepare a report thereon; and*
 - (b) *forward a copy of that report to the Minister,*
and that direction has effect according to its terms.

- (4) *If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.*

7.12A. Duties of local government with respect to audits

- (4) A local government must —
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

Policy Implications

Policy Manual – Schedule 3.1(b) – Purchasing Thresholds and Requirements.

Financial Implications

Nil

Strategic Implications

Civic Leadership Strategies

Outcome 6.1 Strong governance and leadership, demonstrating fair and equitable community values

6.1.1 Deliver sustainable governance through transparent and robust policy and processes

6.1.2 Undertake the civic duties of Council with the highest degree of ethics

Recommendation

That Council:

- (2) notes the Interim Audit Findings received from its auditors, RSM, for period ended 30 June 2019 for and the matters to be actioned by staff and addressed prior to the End of Year Audit in October 2019; and,
- (3) will address separately the significant non-compliance with Internal Purchasing Policy by way of a section 7.12A Report.

Moved: Cr _____

Seconded: Cr _____

Vote: Simple Majority

Carried/Lost: ___/___

11.4 2019/20 Annual Budget

Location:	Shire of Tammin
Applicant:	Manager of Finance and Administration
Date:	8 July 2019
Author:	Kelsey Pryer
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Nil
File Reference:	Nil
Attachment/s:	Attachment Item 11.4 – 2019/20 Statutory Budget Attachment Item 11.4 - Fees and Charges 2019-20

Proposal/Summary

To consider and adopt the Annual Budget included rate in the dollar, minimum rates, discounts, interim charges and interest and penalty interest rate for the 2019/20 financial year.

Background

A copy of the draft 2019/20 Budget, prepared in accordance with the requirements of the local government (finance) regulations is attached.

On the 27 June 2019 & 17 July 2019, Council agreed with income and expenditure to be placed in the budget during a budget workshop. This has now been presented in a statutory format for formal adoption.

Comment

The Budget allows for an increase of 4.0% in the general rates for both GRV and UV valued properties and an increase of 4.0% to the minimum rates.

The projected net current assets for the financial year ended 30 June 2020 will total \$0.00.

Consultation

Megan Shirt – Navsdron Pty Ltd
Celeste Smith - Navsdron Pty Ltd

Statutory Implications

Local Government Act 1995 - Sect 6.2

6.2 . *Local government to prepare annual budget*

(1) *During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt*, in the*

form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.

** Absolute majority required.*

(2) In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of —

(a) the expenditure by the local government; and

(b) the revenue and income, independent of general rates, of the local government; and

(c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.

(3) For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.

(4) The annual budget is to incorporate —

(a) particulars of the estimated expenditure proposed to be incurred by the local government; and

(b) detailed information relating to the rates and service charges which will apply to land within the district including —

(i) the amount it is estimated will be yielded by the general rate; and

(ii) the rate of interest (if any) to be charged by the local government on unpaid rates and service charges;

and

(c) the fees and charges proposed to be imposed by the local government; and

(d) the particulars of borrowings and other financial accommodation proposed to be entered into by the local government; and

(e) details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used; and

(f) particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and

(g) such other matters as are prescribed.

(5) Regulations may provide for —

(a) the form of the annual budget; and

(b) the contents of the annual budget; and

(c) the information to be contained in or to accompany the annual budget.

Policy Implications

Nil

Financial Implications

Will establish the revenue and expenditures for the financial year ended 30 June 2020.

Strategic Implications

Nil

Recommendation

That Council adopts the Shire of Tammin 2019/20 Annual Budget as presented:

1. Adopt a minimum rate for the 2019/20 year at:

Unimproved Value \$573.00
Gross Rental Value \$573.00

2. Adopt a rate increase of 4.00%
3. Adopt a rate in the dollar of 0.015720 cents for the Unimproved Valuation rating in 2019/20
4. Adopt a rate in the dollar of 0.124434 cents for the Gross Rental Valuation rating in 2019/20
5. Adopt the Schedule Fees & Charges for 2019/20.
6. Late payment penalty interest to be levied at 11% for Rates and Emergency Services Levy for all outstanding rates from the applicable due date
7. Instalment interest to be levied at 5.50%
8. Council offers ratepayers the following payment options for 2019/20 and an administration charge of \$4.00 be applied to each rate reminder notice:

Payment in Full: 9 September 2019

Four instalments:

1 st Instalment	25% due 9 September 2019
2 nd Instalment	25% due 11 November 2019
3 rd Instalment	25% due 13 January 2020
4 th Instalment	25% due 16 March 2020

9. That a 2.00% discount for prompt payment be applied, if all rates and charges appearing on the rates notice, including arrears are paid in full within 35 days of issue of the rates assessment notice.
10. That rate incentives prizes be offered to ratepayers for early payment of rates within 35 days at no cost to Council.
11. That in accordance with Regulation section 34(5) of the Local Government (Financial Management) Regulations 1996 a variance percentage of 10% or \$10,000, whichever is greater, to be used to report material variances in the statement of financial activity for the 2019/20 financial reporting period.

Continued to next page.

Recommendation

12. That Council, pursuant to section 5.98(1)(b) of the Local Government Act 1995 and within the range determined by the Salaries and Allowances Tribunal, adopt the following meeting attendance fees for elected members:

President	\$200.00 per meeting attended
Councillors	\$100.00 per meeting attended
Councillors	\$45.00 per committee meeting attended
Travel	1600cc & under at 56.69c/km
	1601cc to 2600cc at 68.66c/km
	2601 & over at 95.54c/km
	\$5.00 within town site

That Council, pursuant to section 5.98(5) of the Local Government Act 1995 and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual local government allowance to be paid in addition to the meeting attendance fees:

President	\$2,400.00
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That Council, pursuant to section 5.98A of the Local Government Act 1995 and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual local government allowance to be paid in addition to the meeting attendance fees:

Deputy President	\$600.00
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Moved: Cr _____ Seconded: Cr _____

Vote: Absolute Majority Carried/Lost: ___/___

11.5 Sale of 20 Ridley Street Tammin

Location:	20 Ridley Street, Tammin
Applicant:	Raymond Jefferies
Date:	8 July 2019
Author:	Kelsey Pryer
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Nil
File Reference:	Nil
Attachment/s:	Attachment Item 11.5 - Offer received from Raymond Jefferies Attachment Item 11.5 – LMW Valuation Report Attachment Item 11.5 – Offer received from Raymond Jefferies # 2

Proposal/Summary

Council to consider the offer presented by Raymond Jefferies for the purchase of 20 Ridley Street Tammin.

Background

An offer to purchase 20 Ridley Street, Tammin was received from Raymond Jefferies who is currently renting the property from the Shire of Tammin. Mr Jefferies has made an offer of \$115,000, subject to consideration of the Shire undertaking a number of repairs prior to transfer of ownership.

In particular, Mr Jefferies would like Council to consider a few issues needing attention which are; fencing on the east side needs replacing, kitchen and bathroom ceiling has water damage and cracks, rangehood in kitchen needs replacing, shower recess needs re-grouting, carport needs new flashing and reticulation system needs replacing.

Comment

The property at 20 Ridley Street, Tammin is described as:

Year Built:	Circa 2005
Style:	Conventional
Levels:	Single Level
Main walls & roof:	Hardiplank and corrugated galvanized iron
Window Frames:	Aluminum
Main interior linings:	Plasterboard
Flooring:	Concrete
Parking:	Single carport
Areas:	Living 120sqm
	Patio 118sqm
	Carport 19sqm

Total land area 961sqm

The property is serviced by bottled gas, mains electricity, mains water, telephone and septic are connected.

In accordance with s3.58(4)(c) of the Local Government Act, 1995 LMW National Property Valuers and Consultants, licensed valuers, were engaged to provide the required valuation of the property which they completed on 4 July 2019 valuing the property at \$125,000. It is noted that the valuation would have taken into consideration the maintenance works identified by Mr Jefferies.

The valuation report is attached for Councillor Information.

When considering the possible sale of the property, Council should be mindful of the replacement cost for a similar property should it wish to maintain sufficient property holdings to meet the need for future staff recruitment where locals may not be either available or have the necessary qualifications to fill vacancies as they arise. In this regard, whilst the Shire has land available at 7 Nottage Way, it is noted that the cost for a prefabricated house of similar size, including service connections etc, would be in the order of \$400,000.

Consultation

LMW Valuers
Raymond Jefferies

Statutory Implications

Local Government Act 1995 – Part 3, Division 3

3.58. Disposing of property

- (1) *In this section —*
- dispose** includes to sell, lease, or otherwise dispose of, whether absolutely or not;*
 - property** includes the whole or any part of the interest of a local government in property, but does not include money.*
- (2) *Except as stated in this section, a local government can only dispose of property to —*
- (a) the highest bidder at public auction; or*
 - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
- (a) it gives local public notice of the proposed disposition —*
 - (i) describing the property concerned; and*

- (ii) *giving details of the proposed disposition; and*
 - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*
 - and*
 - (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*
- (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include —*
- (a) *the names of all other parties concerned; and*
 - (b) *the consideration to be received by the local government for the disposition; and*
 - (c) *the market value of the disposition —*
 - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
 - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*
- (5) *This section does not apply to —*
- (a) *a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or*
 - (b) *a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or*
 - (c) *anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or*
 - (d) *any other disposition that is excluded by regulations from the application of this section.*

[Section 3.58 amended: No. 49 of 2004 s. 27; No. 17 of 2009 s. 10.]

Policy Implications

Nil

Financial Implications

The house was originally purchased in 2005 for \$165,000 and has an anticipated written down value of \$158,127 plus \$8,000 for land being \$166,127 at the time of sale, after adjustment for fair value reviews.

The Shire of Tammin’s draft 2019/20 Budget has identified the potential sale of the property at a price of \$115,000 resulting in a loss on disposal of \$51,127.

It is recognized that after 15 years, the building is likely to require increased maintenance costs as suggested by the items specified by Mr Jefferies.

Strategic Implications

Strategic Community Plan

Housing and Facilities Strategies

Our local area will be maintained through the provision of housing and employment choices for all ages, whilst protecting our viable farmland.

The following outcome and strategies have been identified to achieve this vision.

Outcome 3.2 Housing needs are met, and the town’s business capacity improved

Recommendation

That Council:

1. Consider the offer of \$115,000 received from Raymond Jefferies on 18 July 2019 for the purchase of 20 Ridley Street, Tammin; and,
2. Authorise the Chief Executive Officer to give local public notice of the proposed disposition of 20 Ridley Street, Tammin in accordance with the provisions of section 3.58(3) of the Local Government Act, 1995.

Moved: Cr _____

Seconded: Cr _____

Vote: Absolute Majority

Carried/Lost: ___/___

11.6 Section 7.12A(4) - 2017/18 Financial Year – Audit Report

Location:	Shire of Tammin
Applicant:	Department of Local Government, Sport and Cultural Industries (DLGSC)
Date:	18 July 2019
Author:	Neville Hale
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Conditions of contract of employment
File Reference:	FIN02 – Audit
Attachment/s:	Attachment Item 11.6 – Letter received from DLGSC

Purpose/Summary

For the Committee to advise Council of a significant adverse trend identified in the Shire's 2017/18 Audit Report and deficiency in the process of adopting the 2017/18 Annual Report inclusive of the Audit Report and make appropriate recommendation to Council.

Background

The Audit Committee has reviewed the contents of the letter from DLGSC and the Auditors Report for the 2017/18 Financial Year and recommends that Council:

That Council:

- 1. note the adverse Audit finding in respect to the Operating Surplus Ratio for the 2017/18 Financial Year, as reported to the Audit Committee and Council on 31 January 2019, including the additional Management comment provided and the action taken to address this matter ;*
- 2. in accepting this report, authorize the Chief Executive Officer to forward a copy of the Report to the Minister in accordance with section 7.12A(4)(b) of the Local Government Act, 1995; and,*
- 3. publish a copy of this Report on its website in accordance with the provisions of section 7.12A(4)(b).*

The Shire's 2017/18 Annual Report, inclusive of the Audit Report was presented to the Shire's Audit Committee and Council on 31 January 2019 wherein the Agenda included the following attachments:

Attachment Item 3.1.1 - Shire of Tammin - Audit Report 30.06.18

Attachment Item 3.1.2 - Shire of Tammin - Annual Financial Statements 30.06.18

Attachment Item 3.1.3 - Shire of Tammin - Management Letter 30.06.18

Attachment Item 3.1.4 – Shire of Tammin – Annual Report 30.06.18

The Audit Report identified the following matter:

“Significant adverse trend in the financial position: Operating Surplus Ratio below the Department standard for the last three years.”

A copy of the Auditors Report and Council minutes were forwarded to DLGSC on 4 February 2019 in accordance with the requirements of the Act. A copy of the Minutes of the 31 January 2019 Meeting were placed on the Shire's website.

The DLGSC has, on 2 July 2019, advised the Shire, see attached letter, that notwithstanding the above:

"section 7.12A(4) of the Local Government Act 1995 requires a local government to prepare a report a) addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and,

b) Give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

Furthermore, within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website."

Accordingly, the following report is presented in accordance with the format required by the Office of the Auditor General.

REPORT

Section 7.12A(4)(a) of the Local Government Act 1995 Office of the Auditor General (OAG) – Performance Audit

Purpose of Report

To inform Council and community members of a significant adverse trend identified by its Auditors. Moreover, the report, in the required form, was not presented to the Shire's Audit Committee and or Council at the 31 January 2019 Meetings when reviewing the 2017/18 Annual Report inclusive of the Audit Report.

Significant Matter Identified by OAG

"Significant adverse trend in the financial position: Operating Surplus Ratio below the Department standard for the last three years."

Where the Operating Surplus Ratio is calculated as:

Operating revenue (AAS) LESS Contributions to capital outlays LESS operating expense (AAS) DIVIDED BY Own Source Revenue (FR50)

Department Standard - Basic Standard between 0% and 15% and advanced with ratio greater than 15%.

Implication

DLGSC Guidelines on Financial Ratios offers the following comment:

The 'Operating Surplus Ratio' is a measure of the Shire's financial performance. A positive operating surplus ratio indicates the percentage of total own source revenue available to help fund proposed capital expenditure, transfer to cash reserves or to reduce debt. A negative ratio indicates the

percentage increase in total own source revenue (principally rates) that would have been required to achieve a break-even operating result.

Management Comment

It is difficult to quantify the impact of this ratio given that some 110 of 137 local governments failed to meet the required standard for the 2017/18 financial year.

The CEO has sought independent comment on the Operating Surplus Ratio results following a self assessment that identified a number of contributing factors influencing the Ratio outcome. Factors such as recognition of Federal Assistance Grants being inconsistent from year to year and the impact of non-cash depreciation.

Notwithstanding these issues, the CEO discussed the adverse trend with Mr Ron Back, a recognized specialist in the field of local government financial management who has amassed a data base of financial records for almost all shires going back a number of years. Having reviewed data relating to the Shire of Tammin, Mr Back noted:

“Irrespective of the views on the adequacy of this performance indicator, the legislation requires the Shire to calculate and report this ratio in its annual financial report.

In responding to the Departmental enquiry, it should be noted that the trend for this ratio is improving, from -166% to -51% to -50% in the last three years. The operations of the Shire have not materially changed; indeed, the operations of the Shire have not changed over many decades.

Considering the net operating: (before capital contributions and after adjustment for FAG’s) the results over the past three years is \$ (1,221,050), \$(1,136,034) and \$(696,653). The trend is improving and being monitored by the Shire.

When considering the operating results including capital contributions the trend shows a similar improvement, from \$ (476,582) to \$(198,077) in 2017/18.

The Shire has increased its rate revenue by 6.0%, 8.8% and 5.5% over this period which has contributed to the better performance, however it has been mindful of difficult economic climate and the impost on ratepayers. In addition, the results have been achieved despite the substantial increases arising from State charges. The Shire has also experienced a real reduction in its untied grants over the same period.”

Action Taken or Intended to be Taken

The Shire of Tammin has noted that whilst the Ratio has been below the required standard over the past three years, it has been improving.

The Shire will continue to monitor the Ratio results and identify factors within its control that can be addressed with a view to improving the Ratio outcome.

Completion or Proposed Completion Date

Ordinary Council Meeting Agenda – 25 July 2019

Ongoing monitoring. The recognition of Federal Assistance Grants within the year to which they apply will go a long way to reducing the fluctuations currently experienced.

Consultation

Mr Ron Back, Local Government Financial specialist

Statutory Implications

Division 4 — General

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government must —
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

Policy Implications

N/A

Financial Implications

N/A

Strategic Implications

Civic Leadership Strategies

Outcome 6.1 Strong governance and leadership, demonstrating fair and equitable community values

6.1.1 Deliver sustainable governance through transparent and robust policy and processes

6.1.2 Undertake the civic duties of Council with the highest degree of ethics

Recommendation

That Council:

4. note the adverse Audit finding in respect to the Operating Surplus Ratio for the 2017/18 Financial Year, as reported to the Audit Committee and Council on 31 January 2019, including the additional Management comment provided and the action taken to address this matter ;
5. in accepting this report, authorize the Chief Executive Officer to forward a copy of the Report to the Minister in accordance with section 7.12A(4)(b) of the Local Government Act, 1995; and,
6. publish a copy of this Report on its website in accordance with the provisions of section 7.12A(4)(b).

Moved: Cr _____

Seconded: Cr _____

Vote: Simple Majority

Carried/Lost: ___/___

11.7 Section 7.12A(4) – Significant adverse finding - Interim Audit Report - 2018/19 Financial Year

Location:	Shire of Tammin
Applicant:	Shire of Tammin Audit Committee
Date:	18 July 2019
Author:	Neville Hale
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Conditions of contract of employment
File Reference:	FIN02 – Audit
Attachment/s:	Attachment Item 11.6 – Letter received from DLGSC

Purpose/Summary

Audit Committee to inform Council and community members of a significant adverse finding identified by its Auditors RSM during a recent Interim Audit.

Background

The Shire’s Auditors, RSM, recently completed its interim audit for the 2018/19 Financial Year and identified one matter it regards as significant with potential significant risk to the Shire should the finding not be addressed promptly by the entity.

The Audit Committee has reviewed the findings of the Auditors, as detailed in the Interim Audit letter to management, and recommends that Council:

- 1. note the adverse Audit finding in respect to Non-compliance with internal purchasing policy 3.1(b) and the actions proposed to be taken to address the issue;*
- 2. in accepting this report, authorize the Chief Executive Officer to forward a copy of the Report to the Minister in accordance with section 7.12A(4)(b) of the Local Government Act, 1995; and,*
- 3. publish a copy of this Report on its website in accordance with the provisions of section 7.12A(4)(b).*

The following information is provided to Council in respect to the Auditors finding.

Non-compliance with internal purchasing policy

Findings:

Schedule 3.1(b) Purchasing Thresholds and Requirements of the Shire’s purchasing policy requires that purchases, within prescribed threshold amounts, meet certain conditions that must be met to comply with the Local Government Act 1995 and accompanying regulations.

During our procurement testing, from a sample of 30 purchases made during the period 1 July 2018 to 31 March 2019, we noted 17 instances (57%) where there was insufficient documentation to indicate that the requisite number of quotations had been obtained and evaluated.

Rating:

Significant

Implication:

Non-compliance with the internal purchasing policy increases the risk of breaching Part 4 of the Local Government (Functions and General) Regulations 1996 and regulations 11A (3)(b) of the Local Government (Finance and General ledger) Regulations. There is a further risk of not achieving the objectives of 'Value for Money' as stated in Policy 4 Value for Money of the Shire's purchasing policy.

Auditors Recommendation:

The requirement for full compliance with the Shire's purchasing policy must be communicated to all staff and be closely monitored by management. Taking this action should reduce the risk of non-compliance with Local Government Act 1995 and accompanying regulations. If instances arise where the Shire is unable to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.

Management Comment:

In accordance with the Shire's Purchasing Policy, verbal and written quotes will be obtained prior to purchase orders being created. All documentation to be attached to the invoice. Staff to review and understand purchasing policy.

Action Taken or Intended to be Taken

The Shire of Tammin has noted that a number of purchases did not have appropriate documentation attached to the Purchase Order or kept on appropriate files for record. All staff with responsibility for purchasing good or services have been advised of their responsibilities to adhere to the Shire's Purchasing Policy.

The Shire will continue to monitor the performance of staff to meet the required standards.

All staff have been provided with a hard copy of the Purchasing Policy and attended, in June 2019, a briefing session by the Manager of Finance and Administration on its application and requirements.

Completion or Proposed Completion Date

June 2019. However, ongoing monitoring of process will be undertaken.

Responsible Person:

All staff

Consultation

N/A

Statutory Implications

Division 4 — General

7.12A. Duties of local government with respect to audits

- (1) *A local government is to do everything in its power to —*
 - (a) *assist the auditor of the local government to conduct an audit and carry out the auditor’s other duties under this Act in respect of the local government; and*
 - (b) *ensure that audits are conducted successfully and expeditiously.*
- (2) *Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*
- (3) *A local government must —*
 - (aa) *examine an audit report received by the local government; and*
 - (a) *determine if any matters raised by the audit report, require action to be taken by the local government; and*
 - (b) *ensure that appropriate action is taken in respect of those matters.*
- (4) *A local government must —*
 - (a) *prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*
 - (b) *give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*
- (5) *Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government’s official website.*

Policy Implications

Policy 3.1 - Purchasing Framework

Financial Implications

Non-compliance with Policy could result in adverse financial outcomes

Strategic Implications

Civic Leadership Strategies

Outcome 6.1 Strong governance and leadership, demonstrating fair and equitable community values

6.1.1 Deliver sustainable governance through transparent and robust policy and processes

6.1.2 Undertake the civic duties of Council with the highest degree of ethics

Recommendation

That Council:

4. note the adverse Audit finding in respect to Non-compliance with internal purchasing policy 3.1(b) and the actions proposed to be taken to address the issue;
5. in accepting this report, authorize the Chief Executive Officer to forward a copy of the Report to the Minister in accordance with section 7.12A(4)(b) of the Local Government Act, 1995; and,
6. publish a copy of this Report on its website in accordance with the provisions of section 7.12A(4)(b).

Moved: Cr _____

Seconded: Cr _____

Vote: Simple Majority

Carried/Lost: ___/___

12. MATTERS FOR CONSIDERATION – ADMINISTRATION

12.1 Equal Employment Opportunity Plan

Location:	Shire of Tammin
Applicant:	Chief Executive Officer
Date:	8 July 2019
Author:	Neville Hale, Chief Executive Officer
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Nil
File Reference:	Nil
Attachment/s:	Attachment Item 12.1 – EO Management Plan 2019 Attachment Item 12.1 – Equal Opportunity Survey

Proposal/Summary

For Council to adopt the Equal Employment Opportunity Management Plan dated 25 July 2019.

Background

Council, at its 18 July 2018 Ordinary Meeting reviewed its Policy Manual and in accordance with Section 145(1) of the Equal Employment Opportunity Act 1984 (*EEO Act*), adopted the required Policy statement but did not adopt the required Equal Employment Opportunity Plan.

Comments

Section 145(1) of the Equal Employment Opportunity Act 1984 (*EEO Act*) requires public authorities to prepare and implement an Equal Employment Opportunity (EEO) Management Plan.

For a range of reasons employees belonging to diversity groups may experience inequitable access to public employment. The preparation and implementation of EEO management plans by public authorities is the means by which this inequitable access is addressed.

In accordance with the *EO Act*, plans must include the following provisions:

- a process for the development of EEO policies and programs [section 145(2)(a)]
- strategies to communicate the EEO policies and programs [section 145(2)(b)]
- methods for the collection and recording of workforce diversity data [section 145(2)(c)]
- processes for the review of personnel practices to identify possible discriminatory practices [section 145(2)(d)]
- the inclusion of goals and targets to determine the success of the EEO management plan [section 145(2)(e)]
- strategies to evaluate the EEO policies and programs [section 145(2)(f)]
- a process to review and amend the EEO management plan [section 145(2)(g)]

- the delegation of implementation, monitoring and review responsibilities. [section 145(2)(h)].

To meet the requirements under the EEO Act public authorities must submit their EEO management plan and any further amendments of the Plan to the Director of Equal Opportunity in Public Employment (DEOPE) as soon as practicable once it has been prepared and endorsed.

Consultation

Shire of Quairading – CEO Secretary
 Shire of Cunderdin - Governance
 Advice on the implementation and structure of the plan.

Statutory Implications

WA Equal Opportunity Act 1984

Policy Implications

Policy 8.6 – Equal Employment Opportunity -implementation of an Associated Management Plan

Financial Implications

Nil

Strategic Implications

Civic Leadership Strategies

Our Councillors and community leaders have vision, are accessible, act with transparency and integrity, and act in good faith on behalf of their constituents.

6.1.1 Deliver sustainable governance through transparent and robust policy and processes

6.1.2 Undertake the civic duties of Council with the highest degree of ethics

Recommendation

That Council:

1. Adopt the Equal Employment Opportunity Management Plan dated 25 July 2019 as an attachment to its existing Policy 8.6; and,
2. Update its Policy Manual accordingly.

Moved: Cr _____

Seconded: Cr _____

Vote: Simple Majority

Carried/Lost: ___/___

13. MATTERS FOR CONSIDERATION – BUILDING & HEALTH

Nil

14. MATTERS FOR CONSIDERATION – TOWN PLANNING

14.1 Proposed Heritage Project – Frearson Park, Tammin

Location:	Lots 12 & 19 Donnan Street, Tammin
Applicant:	Veronica De Vis
Date:	16 July 2019
Author:	Jacky Jurmann – Consultant Planner
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Nil
File Reference:	Nil
Attachment/s:	Attachment Item 14.1 – Proposed Plan Attachment Item 14.1 - Aerial photograph Attachment Item 14.1 – Veronica Devis Timeline for Frearson Park Project

Proposal/Summary

The Applicant has submitted a proposal to Council to construct a Heritage Project at Frearson Park as described in her submission at Appendix 1.

This Report addresses the considerations of the issues relative to the approvals required under the provisions of the Shire of Tammin Town Planning Scheme No. 1 (TPS1).

Background

Frearson Park is situated across the front portions of the subject lots and is owned freehold by the Shire of Tammin. An aerial photograph of the site is attached at Appendix 2.

The site is zoned Town Centre under the provisions of TPS1 and the proposal is most appropriately defined as Public Recreation, which is an AA (advertised) use in the zone. Public recreation is defined by TPS1 as: *“land used for a public park, public gardens, foreshore reserve, playground or other grounds for recreation which are usually open to the public without charge.”*

It is proposed to construct a Heritage Project, consisting of a heritage photo gallery and coffin maker’s workshop constructed of local stone and materials that will have an area of 108m² and 48m² respectively.

Comments

The timeline submitted by the Applicant indicates that the project will be completed over a period of 3 years from August 2019 to August 2021 in 3 stages. It is noted in the 2nd stage, that the Applicant

is proposing to commence works, including collecting rocks and removing trees from Shire reserves, prior to submitting and obtaining relevant development and building approvals.

Consultation

Public Recreation is an 'AA' use in the Town Centre zone and will require advertising in accordance with clause 67 of the Deemed Provisions (*Planning and Development (Local Planning Schemes) Regulations 2015*).

Statutory Implications

As indicated in this Report, development approval is required for the proposed use. The application will be assessed against the provisions of TPS1 and the Deemed Provisions. Landowner's consent (the Shire) will be required to submit the application.

Policy Implications

Public liability insurance from the Applicant may be appropriate in conjunction with any approval granted.

Financial Implications

The Applicant has indicated that she will be responsible for all costs associated with the project.

Strategic Implications

The proposed use is permitted in the zone and therefore there are no strategic implications from a planning viewpoint.

Recommendation

1. That Council advises the Applicant that a development application is required to be submitted and approved prior to the commencement of any works.
2. That the CEO be delegated to provide landowner's consent for the purposes of submitting the development application. (Noting that this consent does not influence the outcome of the development application process.)

Moved: Cr _____

Seconded: Cr _____

Vote: Simple Majority

Carried/Lost: ___/___

15 ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

16 MATTERS FOR WHICH THE MEETING MAY BE CLOSED (S`5.23)

The meeting is closed to discuss matters relating to staff contractual agreements

Recommendation

That the meeting be moved behind closed doors at _____pm.

Moved: Cr _____ Seconded: Cr _____

Vote: Simple Majority Carried/Lost: ___/___

16.1 Appointment of Senior Officer – Manager of Works & Services (PRIVATE & CONFIDENTIAL)

Recommendation

That the meeting move from behind closed doors at _____pm.

Moved: Cr _____ Seconded: Cr _____

Vote: Simple Majority Carried/Lost: ___/___

The President read aloud the resolution pertaining to confidential items.

17 CLOSURE OF MEETING

There being no further business the Shire President declared the meeting closed at _____pm.