

## Audit & Risk Committee Notice of Meeting | 7<sup>th</sup> June 2022

Dear Councillors

I respectfully advise that the AUDIT & RISK COMMITTEE MEETING will be held in the Shire Council Chambers, 10 Jennaberring Road, Quairading, WA on Tuesday 7<sup>th</sup> June 2022 commencing at 5.00pm.

MEETING AGENDA ATTACHED



**Nicole Gibbs**  
Chief Executive Officer

Date: 3<sup>rd</sup> June 2022

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### Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire of Quairading during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Quairading. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received.

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## SHIRE OF QUAIRADING

### Audit & Risk Committee

#### ITEM 1                    OPENING & ANNOUNCEMENTS

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The Chairperson opened the Meeting at \_\_\_\_\_ pm.

“Before we start our Meeting, I would like to acknowledge that we are meeting on Noongar land and we pay respect to the original custodians...past, present and future and welcome you all here today for this Meeting”.

#### ITEM 2                    ATTENDANCE AND APOLOGIES

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##### **Councillors**

Cr JN Haythornthwaite	Chairperson
Cr PD Smith	Shire President
Cr TJ Stacey	Deputy Shire President
Cr E Cheang	
Cr BR Cowcill	
Cr JC Hayes	
Cr JR Hippisley	
Cr B McGuinness	

##### **Council Officers**

Ms NJ Gibbs	Chief Executive Officer
Mrs LM Horton	Executive Manager, Corporate Services
Mr DR Mastin	Acting Executive Manager, Works & Services
Miss BJ Hadlow	Executive Officer

##### **Observers/Visitor**

##### **Apologies**

##### **Approved Leave of Absence**

#### ITEM 3                    DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

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## ITEM 4 DECLARATIONS OF INTEREST

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Elected Members in accordance with section 5.61 and 5.65 of the Local Government Act 1995 and the Local Government (Model Code of Conduct) Regulations 2021 Schedule 1 Division 4 regulation 22:

A member who has an interest in any matter to be discussed at a Council or Committee meeting that will be attended by the member must disclose the nature of the interest:

- a. In a written notice given to the CEO before the meeting; or
- b. At the meeting immediately before the matter is discussed.

Local Government employees in accordance with section 5.70 or 5.71 of the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996* Part 4A Division 2, regulation 19AD:

An employee who has an interest in any matter to be discussed at a council or committee meeting attended by the local government employee disclose the nature of the interest —

- a. In a written notice given to the CEO before the meeting; or
- b. At the meeting immediately before the matter is discussed.

## ITEM 5 CONFIRMATION OF MINUTES AND BUSINESS ARISING

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### 5.1 Confirmation of Minutes – 15th March 2022

#### RECOMMENDATION

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#### OFFICER RECOMMENDATION

**MOVED** \_\_\_\_\_ **SECONDED** \_\_\_\_\_

That the Minutes of the Audit & Risk Committee Meeting held on the 15<sup>th</sup> March 2022 be confirmed as a true and accurate record.

\_\_\_\_/\_\_\_\_

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**VOTING REQUIREMENTS – Simple Majority**

### 5.2 Business Arising

## SHIRE OF QUAIRADING

### Audit & Risk Committee

The Audit & Risk committee meeting minutes from the 15<sup>th</sup> March 2022 at 6.39pm.

#### ITEM 1                    OPENING & ANNOUNCEMENTS

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The Chairperson opened the Meeting at 6.39 pm.

“Before we commence our meeting, I would like to acknowledge that we are meeting on Noongar land. We pay respect to the original custodians of the land, past, present and future and welcome you all to this meeting today.”

#### ITEM 2                    ATTENDANCE & APOLOGIES

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##### **Councillors**

Cr JN Haythornthwaite	Chairperson
Cr PD Smith	Shire President
Cr TJ Stacey	Deputy Shire President
Cr E Cheang	
Cr BR Cowcill	
Cr JR Hippisley	

##### **Council Officers**

Ms NJ Gibbs	Chief Executive Officer
Mr DV Wallace	Executive Manager, Works & Services
Mrs LM Horton	Executive Manager, Corporate Services
Mr RM Bleakley	Executive Manager, Community, Projects & Strategy

##### **Observers/Visitor**

Nil

##### **Apologies**

Cr JC Hayes  
Cr B McGuinness

##### **Approved Leave of Absence**

Nil

#### ITEM 3                    DEPUTATIONS, PRESENTATIONS & SUBMISSIONS

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Nil

#### ITEM 4                    DECLARATIONS OF INTEREST

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Nil

**ITEM 5 CONFIRMATION OF MINUTES & BUSINESS ARISING**

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**5.1 Confirmation of Minutes – 7<sup>th</sup> December 2021****RECOMMENDATION: AR14 – 21/22****MOVED Cr Hippisley SECONDED Cr Stacey**

That the Minutes of the Audit & Risk Committee Meeting held on the 7<sup>th</sup> December 2021 be confirmed as a true and accurate record.

**CARRIED 6/0****5.2 Business Arising**

Nil

**5.3 Confirmation of Special Meeting Minutes – 15<sup>th</sup> February 2022****RECOMMENDATION: AR15 – 21/22****MOVED Cr Smith SECONDED Cr Cowcill**

That the Minutes of the Special Audit & Risk Committee Meeting held on the 15<sup>th</sup> February 2022 be confirmed as a true and accurate record.

**CARRIED 6/0****5.4 Business Arising**

Nil

## ITEM 6 STANDING ITEMS – EXTERNAL AUDIT

### *Audit & Risk Committee - Terms of Reference 7.6*

#### 6.1 Audit Register – Progress Report

<b>Meeting Date</b>	15 <sup>th</sup> March 2022
<b>Responsible Officer</b>	Nicole Gibbs (CEO)
<b>Reporting Officer</b>	Leah Horton (Executive Manager, Corporate Services)
<b>Attachments</b>	(i) Audit Register – Progress Report <b>Confidential</b>
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

#### **RECOMMENDATION: AR16 – 21/22**

#### **MOVED Cr Hippisley SECONDED Cr Smith**

That the Audit and Risk Committee recommends to Council that Council: -

1. Notes the progress recorded against each item within the Audit Register in the Confidential Attachment (i).

**CARRIED 6/0**

#### **IN BRIEF**

1. This report provides an update on the progress of actions included in the Audit Register.
2. The Audit Register includes all open audit findings that have previously been accepted by the Audit & Risk Committee.
3. Reporting through the Audit Register commenced in November 2021 and includes items from the 2020/21 Interim Audit, and all subsequent Audits.

#### **MATTER FOR CONSIDERATION**

Receipt of the Audit Register Progress Report to February 2022.

#### **BACKGROUND**

The External Audit, also known as Financial the Audit or Audit of the Annual Financial Statements, focuses on providing an objective and independent examination of the Financial Statements prepared by the Shire, increasing the value and user confidence in the Financial Statements.

The *Local Government Amendment (Auditing) Act 2017* made legislative changes to the *Local Government Act 1995* to provide for the auditing of local governments by the Auditor General. This Act allows the Auditor General to contract out some or all of the financial audits, but all audits will be the responsibility of the Auditor General.

The changes also allow for the Auditor General to undertake performance audits that focus on the economy, efficiency and effectiveness of any aspect of local government operations. These performance audits are similar to that of an Internal Audit, therefore, the Auditor General may undertake both External and Internal Audits.

The Audit Register lists findings from Audit Reports previously accepted by the Audit & Risk Committee. The Register describes the progress of implementing improvements and percentage completion. Progress on the actions are monitored by management, this Committee and Council.

Reporting through the Audit Register commenced for the 7<sup>th</sup> December 2021 Audit & Risk Committee meeting, with the Register comprised of findings from the 2020/21 Interim Audit Report, as presented to the Audit & Risk Committee at the 14<sup>th</sup> September 2021 meeting.

The 2021/21 Final Audit Report had no findings subsequent to those from the Interim Audit Report.

## STATUTORY ENVIRONMENT

*Local Government Act 1995*

*Local Government (Audit) Regulations 1996; Regulation 7*

*Local Government (Financial Management) Regulations 1996; Regulation 5*

## POLICY IMPLICATIONS

N/A

## FINANCIAL IMPLICATIONS

Council has a Budget Allocation of \$30,000 in the 2021/2022 Budget for the conduct of the External Audit function by the Office of the Auditor General (OAG), for the audit of the 2020/21 Annual Financial Statements. It is anticipated that a budget of a similar amount is to be adopted each year but will be the subject of an Annual Estimate of Audit Fees provided by the OAG. Officers' efforts to undertake the improvements and report on progress has not been estimated or reported.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2021 – 2031

# 5. GOVERNANCE AND LEADERSHIP

## 5.4 Implement systems and processes that meet legislative and audit obligations

### COMMUNITY CONSULTATION

No Community consultation was required or undertaken in relation to this report.

### RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial - Risk Matrix Rating is considered Low. Cost of the Annual Audit is included in the Budget. By regularly reviewing progress against audit findings, the risks associated to misconduct and error are significantly reduced.

Health – Risk Matrix Rating is assessed as Low.

Reputation – Risk Matrix Rating is assessed as Low. Compliant with legislative requirements. Failure to complete the Findings from Audit Reports would lead to increased Reputational Risk.

Operation – Risk Matrix Rating is assessed as Low. Operational impact is minimal in reporting progress on Audit Findings. Operational impact of not closing findings would escalate.

Natural Environment – Risk Matrix Rating is assessed as Low.

### COMMENT

The Audit Register **Confidential Attachment (i)** counts actions and totals by "Finding #". Each finding may have more than one "Recommendation" and associated "Agreed Management Action".



Only when all Recommendations & Agreed Management Actions within a finding are deemed complete will the finding as a whole be totalled at 100% complete and recommended to be closed.

The process for adding and removing Findings to the Audit Register is as follows:

1. An External Audit is completed and an Audit Report is finalised.
2. The Audit Report is presented to the Audit and Risk Committee (ARC).
3. The ARC recommends to Council that it notes and accepts the Audit Report.
4. All Findings from the Audit Report are **added** to the Audit Register.
5. Progress is reported by Management with updates recorded quarterly in "Officer Comment / Action Taken".
6. Any Findings deemed as complete by Management are marked as "100% Complete" with the status of "Closed".
7. The Audit Register – Progress Report is submitted by Management to the ARC.
8. The ARC reviews the Audit Register and confirms completion of any 100% and Closed Findings.
9. The ARC recommends to Council that it notes progress and approves the findings marked as complete to be registered as closed.
10. Closed Findings are **removed** from the Audit Register.

A summary of the Audit Register, included below, will illustrate the trend of actions that have been added, progressed and completed.

The blue row represents actions added by the ARC. New Audit Findings presented to the current meeting are included at the subsequent meeting, following acceptance.

The green row represents actions closed by the ARC and will always total 0 for the current meeting date. The closed actions from the current meeting will then be shown in the "Closed by the Audit & Risk Committee" total in the subsequent meeting's table summary.

Status of Actions	ARC - Meeting Date				Total
	7/12/2021	15/03/2022	14/06/2022	13/09/2022	
<b>New actions added by ARC</b>	<b>7</b>	<b>0</b>			<b>7</b>
<b>Not Commenced ≤10%</b>	<b>1</b>	<b>1</b>			
<b>Progressed &gt;11% to 99%</b>	<b>2</b>	<b>2</b>			
<b>Completed =100%</b>	<b>4</b>	<b>0</b>			
<b>Total (0% to 100%)</b>	<b>7</b>	<b>3</b>			
<b>Closed by ARC</b>	<b>4</b>				<b>4</b>
Total cumulative Closed by ARC	4	4			
<b>Open Actions</b>	<b>3</b>	<b>3</b>			

The Committee is asked to recommend to Council that Council note the progress and officer comments. There are no findings marked as Complete (100%) in the Audit Register to be registered as closed.

It is requested to note the Audit Register Progress Report in **Confidential Attachment (i)**.

ITEM 7                      STANDING ITEMS – INTERNAL AUDIT

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*Audit & Risk Committee - Terms of Reference 7.5*

*No Matters for Consideration*

## ITEM 8      STANDING ITEMS – FINANCIAL REPORTING

### *Audit & Risk Committee - Terms of Reference 7.2*

#### **8.1      Grant Funding Status Report**

<b>Meeting Date</b>	15 <sup>th</sup> March 2022
<b>Responsible Officer</b>	Nicole Gibbs (CEO)
<b>Reporting Officer</b>	Richard Bleakley (Executive Manager, Community, Projects & Strategy)
<b>Attachments</b>	(i) Grants Register Status Report 1 (ii) Grants Register Status Report 2 (Summary Report)
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

#### **RECOMMENDATION: AR17 – 21/22**

#### **MOVED Cr Stacey SECONDED Cr Cowcill**

That the Audit and Risk Committee recommends to Council that: -

Council notes the Grants Status Reports dated March 2022.

**CARRIED 6/0**

#### **IN BRIEF**

1. This report provides an update on the status of grants submitted and new grant opportunities and is provided for information and discussion.
2. This report includes grants that are continuing/carried over from the 2020/2021 and are being acquitted in the current financial year.
3. The Shire has been allocated Commonwealth grant funding under the three phases of Local Roads and Community Infrastructure Program (LRCI):
  - Phase 1 - \$393,347
  - Phase 2 - \$288,492
  - Phase 3 - \$786,694
4. Variations to LRCI Phase 2 and Nominations for LRCI Phase 3 were approved by the Commonwealth Department of Infrastructure, Transport, Regional Development & Communications on 28th January 2022.
5. This report includes grant funded projects that will also be delivered in 2021/22 and 2022/23.
6. This report details current successful grants (competitive and non-competitive).
7. No grant applications have been declined in 2021/2022.
8. The LotteryWest application for the Community Park (Kwirrading Koort) was approved on 21st December 2021 for \$ \$478,109.
9. Further grant funding avenues are being explored by staff as detailed.

#### **MATTER FOR CONSIDERATION**

Noting the Grants Status Report.

## BACKGROUND

Council requires the CEO to report on grant eligibility and grant activity during the 2021/2022 year.

The report is to include the grant funding success rate (i.e. number of grant applications, number of successful applications, the value of the funding and the timeliness of funding received).

## STATUTORY ENVIRONMENT

Nil

## POLICY IMPLICATIONS

Nil

## FINANCIAL IMPLICATIONS

All grants in this report have been included in Council's Adopted Budget for the 2021/2022 financial year or will be included in the proposed budget for the 2022/2023 financial year.

The LotteryWest Community Park (Kwirrading Koort) grant was announced in December 2021.

Funding for the Community Park comprises:

#	Source	Cost
1	LotteryWest	\$478,109
2	LRCI Phase 3	\$213,724
3	Reserves (Rural Youth Trust)	\$75,000
4	Shire contribution (2022/23)	\$73,167
<b>Total</b>		<b>\$840,000</b>

The Commonwealth Government has approved the variation to LRCI Phase 2 for the relocation of the Hall Carpark Project to LRCI Phase 3 and nominations for LRCI Phase 3.

### Approved variation - LRCI Phase 2

#	Project	Cost
1	McLennan Street – Footpath	\$111,718
2	Doodenanning Mawson Road	\$176,774
<b>Total</b>		<b>\$288,492</b>

### Approved nominations - LRCI Phase 3

#	Project	Cost
1	McLennan Street – Footpath (Wood to Heal St)	\$73,920
2	Mt Sterling Road	\$136,857
3	Community Park Nature Playground	\$213,724
4	Shire Hall/Admin/Works Depot Carpark	\$362,193
<b>Total</b>		<b>\$786,694</b>

The cost of the car park project will be determined through the tender process.

The Shire will need to make provision in the 2022/23 budget for the balance of the project cost. A \$502K quote was received, reflective of the current construction environment and \$180K above the anticipated cost.

All road and footpath projects in LRCI Phase 2 & Phase 3 are fully funded and require no additional funding.

Details of Council's cash and in-kind contributions are listed in the Grants Register Status Report (Attachment No. 1).

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2021 - 2031

5. Governance and Leadership
5.3 Provide informed and transparent decision making that meets our legal obligations and the needs of our diverse community.
5.4 Implement systems and processes that meet legislative and audit obligations.

### COMMUNITY CONSULTATION

No Community consultation was required or undertaken in relation to this report.

### RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial: Risk Matrix Rating is Low. All grants approved have been included in the 2021/2022 Adopted Budget. The additional grant funding offered under the LICI Program Extension (COVID-19) and the relevant projects will be included in the 2022/2023 draft budget.

Health: Risk Matrix Rating is assessed as Low.

Reputation: Risk Matrix Rating is Low. This report provides transparency on the treatment, use and administration of the grant monies.

Operation: Risk Matrix Rating is Medium. Grant conditions often preclude the use of funds for recurrent costs (including staff wages). The risks include the increased to unmanageable workloads for staff and the recurrent costs of maintaining and replacing capital items.

Natural Environment: Risk Matrix Rating is Low.

Attachment 1: Grants Register Report provides a summary of active grant projects.

Attachment 2: Grant Program Status Report details the grant status (competitive and non-competitive).

### Grant Program Summary:

Status	Number	Grant Funding
Acquittal Period	2	\$176,637
Active	10	\$4,637,438
Approved	0	\$0
Applications	1	\$4,660
New research	6	\$68,000
<b>Total</b>	<b>19</b>	<b>\$4,886,735</b>

## ITEM 9 STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

### *Audit & Risk Committee - Terms of Reference 7.3*

#### 9.1 Purchasing Policy - Two Year Review

<b>Meeting Date</b>	15 <sup>th</sup> March 2022
<b>Responsible Officer</b>	CEO Nicole Gibbs
<b>Reporting Officer</b>	CEO Nicole Gibbs
<b>Attachments</b>	(i) Purchasing Policy Reviewed
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	

#### **RECOMMENDATION: AR18 – 21/22**

#### **MOVED Cr Smith SECONDED Cr Hippisley**

That the Audit and Risk Committee recommends to Council that Council: -

Adopt the reviewed and amended Purchasing Policy, subject to the inclusion of a provision committing the Shire to meet Australian Standards when this:

- Is a legal requirement; and
- When this is not a legal requirement and is not cost-prohibitive.

**CARRIED 6/0**

#### **IN BRIEF**

1. Under the *Local Government Regulations 1996*, local governments are required to implement a purchasing policy relating to any purchases under \$150,000.
2. The Shire of Quairading has conducted a two-yearly review of the purchasing policy.
3. Amendments have been made to certain sections of the policy to decrease the level of governance, financial and criminal risk to the organisation.
4. The purchasing policy is required to be endorsed by Council before implementation.

#### **MATTER FOR CONSIDERATION**

Regulation 11A of the *Local Government (Functions and General) Regulations 1996* requires a local government to prepare, adopt and implement a purchasing policy in relation to the supply of goods or services where the consideration is expected to be \$150,000 or less. Purchases above \$150,000 must follow the process detailed in Division 2 of the *Local Government (Functions and General) Regulations 1996* and requires a local government to invite tenders.

Division 3 of the *Local Government (Functions and General) Regulations 1996* requires a local government to prepare, adopt and implement a policy in relation to establishing a panel of pre-qualified suppliers for the procurement of goods or services.

All purchases by the Shire of Quairading must:

1. Comply with relevant legislation, regulations and the Shire's policies and code of conduct;
2. Transparent, free from bias and fully documented in accordance with applicable policies and audit requirements; and

3. Ensure effective and proper expenditure of public moneys based on achieving value for money. The Shire has an existing Purchasing Policy which has been reviewed in accordance with the nominated review timetable and updated to reflect recent legislative change.

Whilst the tracked changes have unfortunately not saved, the amendments to the policy document are fundamentally restricted to the insertion or amendment of the following sections:

- 4.3 Purchasing Practice Purchasing Value Thresholds
- 4.4 Emergency Purchases
- 4.5 Inviting Tenders Despite No Requirement
- 4.8 Anti-Avoidance
- 7 Socially Sustainable Procurement

The insertion or amendment of these provisions decreases the level of governance, financial and criminal risk to the organisation

## BACKGROUND

Procurement activities in Local Governments are primarily governed by *the Local Government (Functions and General) Regulations 1996* (the Regulations). The Regulations require Local Governments to have policies for purchases that are expected to be less than \$150,000. Local Governments develop their own policies, which are required to cover things like the form (verbal or written) and minimum number of quotes that must be obtained, and how procurement information will be recorded and retained.

For purchases over \$150,000, the Regulations set specific requirements for public tender. These include advertising, acceptance and rejection of tender applications, notification of outcomes, and maintaining a tenders' register.

The Regulations also allow for exemptions from the public tender process, these include, but are not limited to:

- a. Certain emergency situations;
- b. If a contract is to be awarded through auction (with Council approval); and
- c. If goods and services are obtained through the WA Local Government Association's (WALGA) Preferred Supplier Program – a program of suppliers that have been prequalified to supply certain goods and services. WALGA members, of which most Local Governments are, can access the program.

Local Governments that are members of WALGA can also access a procurement toolkit that includes purchasing and contract management templates. Local Governments that use WALGA services are still required to meet their own policy and probity requirements and comply with the Regulations.

There are a number of procurement processes and controls that help reduce broader procurement risks and support value for money. Some of these are covered in Regulations, others are based on sound practice.

The Shire of Quairading must meet the principles of the *Local Government Act 1995* which places obligations on the Shire to oversee the allocation of the organisational finances and resources, for determining the policies and for keeping proper accounts and records.

## STATUTORY ENVIRONMENT

- Regulation 11A of the Local Government (Functions and General) Regulations 1996
- *Division 2 of the Local Government (Functions and General) Regulations 1996*
- *Division 3 of the Local Government (Functions and General) Regulations 1996*

- *State Records Act 2000*

## POLICY IMPLICATIONS

- Purchasing Policy

## FINANCIAL IMPLICATIONS

All expenditure must be made in accordance with the 2021/22 Annual Budget.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2021 - 2031

### 5. GOVERNANCE AND LEADERSHIP

5.3 Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 Implement systems and processes that meet legislative and audit obligations

## COMMUNITY CONSULTATION

No consultation was required or undertaken in relation to this report.

## RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial: Risk Matrix Rating is Low. The additional sections inserted into the Policy increase the robustness of the organisational financial management system.

Health: Risk Matrix Rating is Low.

Reputation: Risk Matrix Rating is Low.

Operation: Risk Matrix Rating is Low.

Natural Environment: Risk Matrix Rating is Low.

## AUDIT AND RISK COMMITTEE COMMENTS

Cr Stacey asked for the changes between the existing Purchasing Policy and the amended Policy be clarified. The CEO advised that the Purchasing Policy was amended to reflect and support the amendments to the Delegation Register. The amendments to the Delegation Register were made to ensure compliance with the *Financial Management Act 2006* and the *Local Government (Financial Management) Regulations 1996*. The changes would make the financial system more robust, would reduce the risk of staff misconduct and would reduce the perception of staff misconduct.

Cr Smith asked that the Purchasing Policy compel the Shire to comply with Australian Standards when purchasing products and services.

A commitment was made to present a revised version of the Purchasing Policy at the March Ordinary Council Meeting with:

- An insertion referencing the Australian Standards;
- A tracked version of the Policy for comparison purposes.



## 9.2 Review of the Shire of Quairading Delegations

<b>Meeting Date</b>	15 <sup>th</sup> March 2022
<b>Responsible Officer</b>	Nicole Gibbs (CEO)
<b>Reporting Officer</b>	Nicole Gibbs (CEO)
<b>Attachments</b>	(i) Delegation Register (New proposed Register) (ii) Current Delegation Register
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	CEO – Council delegates certain Powers to the CEO

### RECOMMENDATION: AR19 – 21/22

#### MOVED Cr Hippisley SECONDED Cr Smith

That Council: -

1. Endorse the review of its delegations in accordance with sections 5.18 and 5.46 of the *Local Government Act 1995*
2. BY ABSOLUTE MAJORITY and in accordance with
  - *Local Government Act 1995* (sections 5.16, 5.42)
  - *Building Act 2011* (section 127)
  - *Bush Fires Act 1954* (section 48)
  - *Cat Act 2011* (section 44)
  - *Dog Act 1976* (section 10AA)
  - *Food Act 2008* [section 118(2)(b)]
  - *Graffiti Vandalism Act 2016* (section 16, 17)
  - *Planning and Development Act 2005* [sections 214(2), 214(3), 214(5)]
  - *Planning & Development (Local Planning Schemes) Regulations 2015* (clause 82)
  - *Public Health Act 2016* (section 21)

Delegates the local government functions listed in the Shire's Council Delegation Register included as Attachment (i).

**CARRIED 6/0**

### IN BRIEF

1. In accordance with section 5.46 of the *Local Government Act 1995*, Council must review its delegations at least once each financial year.
2. The last significant review was conducted on 25<sup>th</sup> February 2021.
3. Following an independent review of our existing Delegations Register, the Register has been re-drafted to reflect sector best practice and the WALGA model delegations.

### MATTER FOR CONSIDERATION

For Council to consider and approve the findings of the review of delegations and authorisations pursuant to section 5.46 of the *Local Government Act 1995* (the Act).

## BACKGROUND

Delegations are most commonly used in organisations where:

1. A particular person has authority to exercise a discretion to enforce a right or discharge a duty on behalf of the organisation;
2. That person or officer has either:
  - A multitude of authorities to exercise a discretion to enforce rights or discharge powers; or
  - Many circumstances in which they have authority to exercise a discretion to enforce rights or discharge duties;
3. The business of the organisation could not be efficiently carried on if that person were to personally exercise their discretion to enforce all the rights or discharge all the duties; and
4. Through practical administration, that person needs to appoint other persons to exercise their discretion to exercise powers or discharge duties on behalf of the organisation.

Whilst there is a requirement for local government delegations to be authorised by statute (as is explained in section 6 of these guidelines), there is no limitation (unless expressly stated to the contrary by statute) on appointing a person to act on behalf of the local government or the CEO, provided that appointment does not include the power of delegation (see section 15 of these guidelines for details).

There is a legal distinction between:

1. The delegation to a person to exercise a right or discharge a duty on behalf of an organisation; and
2. Appointing a person to act on behalf of an organisation or another employee of that organisation.

In most circumstances, where a person:

1. Is appointed only to carry out the express instructions of an employee or the governing body of an organisation; and
2. Is provided with only limited discretion in carrying out those instructions, that appointment does not constitute a delegation and does not need to be formally delegated.

When determining whether an appointment is a delegation or simply an appointment to act on behalf of another person, it is critical to consider whether or not the person is appointed to exercise a broad discretion to exercise a power or discharge a duty.

The provisions of the *Local Government Act 1995* which provide for delegations by a local government or its CEO are as follows:

1. Section 5.16(1), states: 'Under and subject to section 5.17, a local government may delegate to a committee any of its powers and duties other than this power of delegation.'
2. Section 5.42(1), states: 'A local government may delegate to the CEO the exercise of any of its powers or the discharge of any of its duties under this Act other than those referred to in section 5.43.'
3. Section 5.44(1), states: 'A CEO may delegate to any employee of the local government the exercise of any of the CEO's powers or the discharge of any of the CEO's duties under this Act other than this power of delegation.'

The Act has been framed in a way that determines whether powers and duties can be delegated or not. If the term 'council' is used then it is the council itself which must carry out that function. If the term 'local government' is used then it may be possible to use delegation, subject to any other express powers against delegation or the desirability in using 'acting through' where it may be a better way of carrying out the power or duty.

Section 2 of the *Local Government (Miscellaneous Provisions) Act 1960* effectively incorporates the provisions of that Act into the *Local Government Act 1995*, and therefore the delegation provisions of the *Local Government Act 1995* apply to the *Local Government (Miscellaneous Provisions) Act 1960*.

In addition to the delegation powers of the *Local Government Act 1995* which apply to the *Local Government (Miscellaneous Provisions) Act 1960*, section 374(1b) of the *Local Government (Miscellaneous Provisions) Act 1960* provides for a local government to delegate the authority to approve certain plans to its building surveyor.

Reference also needs to be made to section 23 of the *Strata Titles Act 1985* which provides for particular delegations to employees.

### STATUTORY ENVIRONMENT

The legislation authorising the delegation of certain local government powers or duties and requiring records to be maintained in respect of such delegations, includes the:

1. *Local Government Act 1995* (sections 5.16, 5.42)
2. *Building Act 2011* (section 127)
3. *Bush Fires Act 1954* (section 48)
4. *Cat Act 2011* (section 44)
5. *Dog Act 1976* (section 10AA)
6. *Food Act 2008* [section 118(2)(b)]
7. *Graffiti Vandalism Act 2016* (section 16, 17)
8. *Planning and Development Act 2005* [sections 214(2), 214(3), 214(5)]
9. *Planning and Development (Local Planning Schemes) Regulations 2015* (clause 82)
10. *Public Health Act 2016* (section 21)

### POLICY IMPLICATIONS

The Purchasing Policy has been amended to reflect the changes in the Delegation Register.

### FINANCIAL IMPLICATIONS

Nil

### STRATEGIC IMPLICATIONS – Strategic Community Plan 2021 - 2031

#### 5. GOVERNANCE & LEADERSHIP

5.3 Provide informed and transparent decision making that meets our legal obligations and the needs of our diverse community.

5.4 Implement systems and processes that meet legislative and audit obligations.

### COMMUNITY CONSULTATION

N/A

## **RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.**

Financial: Risk Matrix Rating is Low. The amendments align the Delegation Register with regulatory requirements and increases the robustness of the organisational financial management system.

Health: Risk Matrix Rating is Low.

Reputation: Risk Matrix Rating is Low.

Operation: Risk Matrix Rating is Low.

Natural Environment: Risk Matrix Rating is Low.

### **REVIEW COMMENTS**

As part of the Shire's commitment to continuous improvement and governance maturity, a review of each of these delegations and authorisations has been conducted. The scope of the review systematically considered each of the delegations and authorisations and asked:

- Is the head of power used to delegate or authorise the activity correct?
- Are the specific sections, regulations or clauses of each instrument correct?
- Are the appropriate officers delegated or appointed?
- Are the conditions placed on delegation or authorisation correct?
- Are the reporting requirements commensurate to good governance, risk and efficient practice?

Delegations and the appointment of authorised officers is an important mechanism used by all tiers of government to conduct business effectively and efficiently. The systematic review of the Shire's register has identified opportunities to strengthen the instruments used and improve understanding of the powers and responsibilities associated with delegations and authorisations.

### **AUDIT AND RISK COMMITTEE COMMENTS**

Cr Stacey asked whether the CEO required delegated authority from Council to Issue, or refuse to issue, conditional or unconditional certificate pursuant to s.40 of the *Liquor Control Act 1998*. Ms Gibbs advised that the delegated authority was provided directly to the CEO by the Planning Authority. The CEO had sub-delegated the function to Tim Jurmann, Manager of Building and Health.

Cr Stacey requested that the use of the Delegation Register be tabled at the monthly Council Meetings for information.

The annual review of the Delegation Register will include cross-referencing any relevant changes to governing legislation.

## ITEM 10 STANDING ITEMS – RISK MANAGEMENT REPORTS AND ISSUES

### *Audit & Risk Committee - Terms of Reference 7.1, 7.3*

#### 10.1 Report on Excess Annual Leave and Long Service Leave

<b>Meeting Date</b>	15 <sup>th</sup> March 2022
<b>Responsible Officer</b>	Leah Horton (Executive Manager, Corporate Services)
<b>Reporting Officer</b>	Leah Horton (Executive Manager, Corporate Services)
<b>Attachments</b>	Nil
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

#### **RECOMMENDATION: AR20 – 21/22**

#### **MOVED Cr Stacey SECONDED Cr Smith**

That the Audit and Risk Committee Recommend to Council that: -  
Council receive the report on the Shire's Leave Liabilities.

**CARRIED 6/0**

#### **IN BRIEF**

1. Since 2017, Council has requested that excess Annual Leave and Long Service Leave be reported to the Audit & Risk Committee.
2. Not taking a reasonable amount of annual leave or long service leave may pose a threat to the health and safety of employees and represent a significant financial liability for the Shire, therefore there are steps in place to ensure that leave balances are monitored and are at appropriate levels.
3. Employee entitlement movements during the year are due to many reasons, such as, leave taken during the period, increased accrued leave balances, increases in remuneration rates and changes in the underlying staff with leave balances transferred to and from the Shire.

#### **MATTER FOR CONSIDERATION**

Report on Excess Annual Leave and Long Service Leave Entitlements and Leave Liabilities.

#### **BACKGROUND**

Since 2017, Council has requested that excess Annual Leave and Long Service Leave be reported to the Audit and Risk Committee.

The current Leave Management Policy defines "excess leave" as when the Employee has accrued more than eight weeks paid annual leave and provides Management with direction to effectively management the annual and long service leave entitlements of employees.

The Shire encourages employees to take leave by reinforcing the positive benefits of taking leave when it becomes due. Sometimes there are circumstances that prevent leave being able to be taken, such as; staff shortages, outside influences (COVID-19 travel restrictions), and work demands.

There will be movements in employee entitlements throughout the year. Balances will increase naturally as employees accrue leave entitlements and when leave balances are transferred from other Shires. Balances will decrease when employees take leave accrued and when leave balances are transferred to other Shires. This natural fluctuation is monitored by Management and through this report to ensure any excess is managed appropriately.

## STATUTORY ENVIRONMENT

*Local Government Industry Award 2020*

### 23.6 Excessive leave accruals: general provision

**(a)** An employee has an **excessive leave accrual** if the employee has accrued more than 8 weeks' paid annual leave (or 10 weeks' paid annual leave for a shift worker, as defined by clause [23.2](#)).

**(b)** If an employee has an excessive leave accrual, the employer or the employee may seek to confer with the other and genuinely try to reach agreement on how to reduce or eliminate the excessive leave accrual.

*Local Government Act 1995*

*Local Government (Long Service Leave Regulations)*

*Local Government (Financial Management) Regulations 1996*

National Employment Standards

*Fair Work Act 2009.*

## POLICY IMPLICATIONS

Current Policy: Leave Management Policy (ORG.2)

## FINANCIAL IMPLICATIONS

The Employee Entitlements (Annual and Long Service Leave) Reserve Fund Cash Balance as at 28<sup>th</sup> February 2022 is \$166,484.50.

The Annual Budget treats Current Leave as Accruals.

The Annual and Long Service Leave Reserve funds any prior year Leave entitlements taken by Staff or paid out.

The current Liability for both types of Leave (if all Claimed on 27<sup>th</sup> February 2022) is calculated at \$191,373.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2021 – 2031

### 5. GOVERNANCE AND LEADERSHIP

5.3 Provide informed and transparent decision making that meets our legal obligations and the needs of our diverse community.

5.4 Implement systems and processes that meet legislative and audit obligations.

## COMMUNITY CONSULTATION

No Community consultation was required or undertaken in relation to this report.

## RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial: Risk Matrix Rating is considered Low. Financial exposure and therefore Risk escalation occurs if Leave accruals are not monitored and managed. Adequate Reserve balances reduce the risk of financial exposure.

Health: Risk Matrix Rating is assessed as Low.

Reputation: Risk Matrix Rating is assessed as Low.

Operation: Risk Matrix Rating is assessed as Low.

Natural Environment: Risk Matrix Rating is assessed as Low.

### COMMENT

This report has been prepared to inform the Audit & Risk Committee of the current leave liabilities and of any employees who have excess leave and the steps taken to reduce these liabilities.

As at 27<sup>th</sup> February 2022 there has been a decrease in both the Annual Leave and Long Service Leave Liabilities, reflective of significant employee movement (separations) since the previous report to 30<sup>th</sup> November 2021.

**Annual Leave:** Seven employees have separated, removing their annual leave entitlement upon pay-out, with another two not accruing leave as they are absent from work. Despite most employees accruals reducing over the holiday period, there are currently two employees with excess annual leave.

We have recruited eight new employees and with the separations, the result exhibits a decrease where employees have taken more leave over the Christmas Holiday Period.

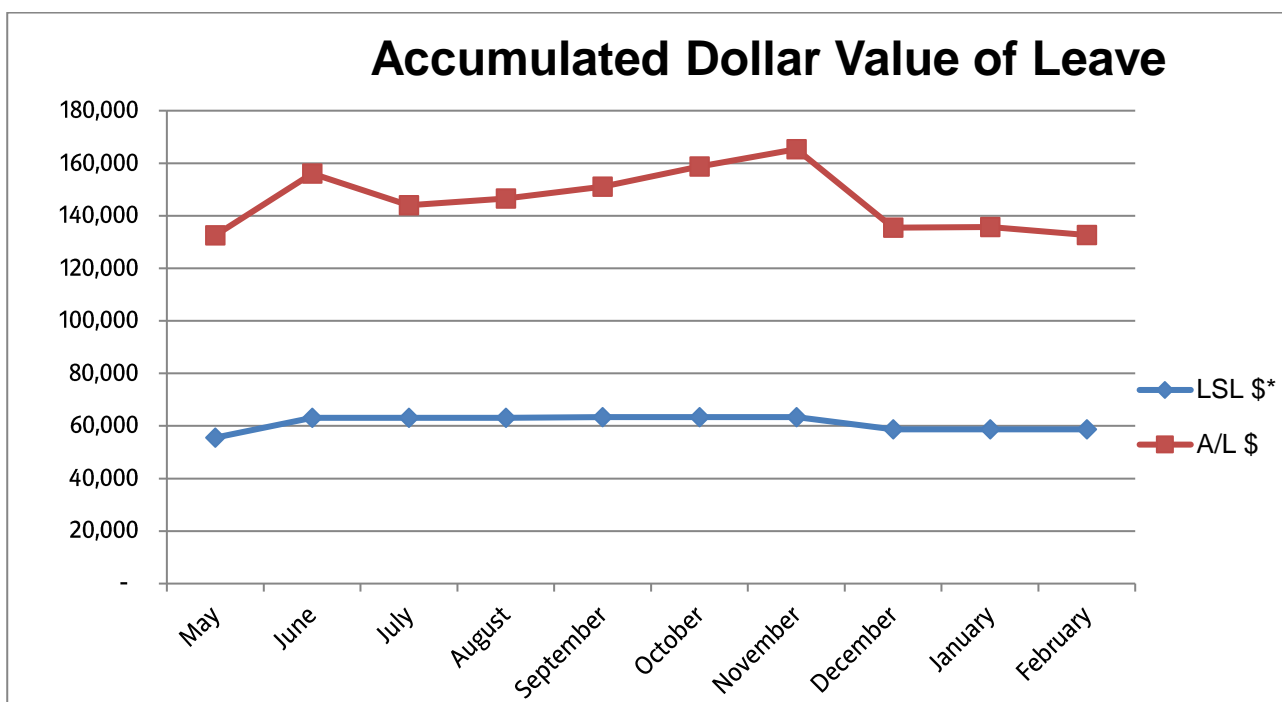
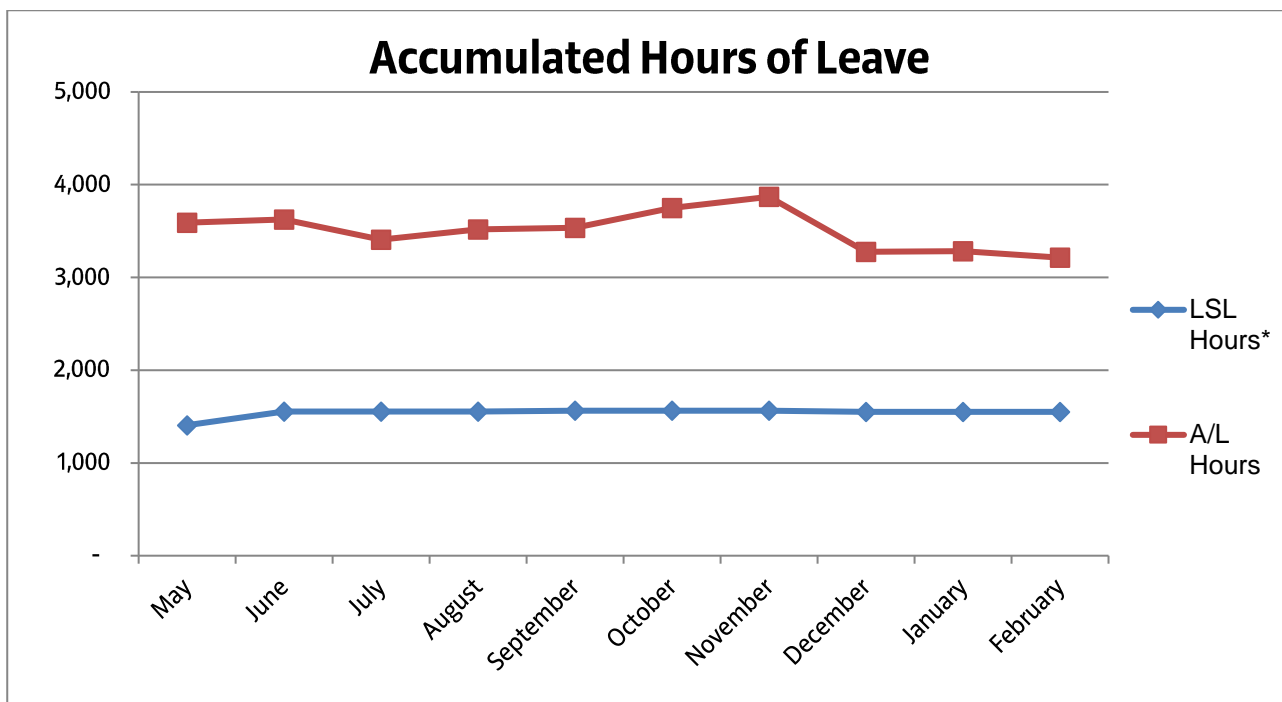
There has been a decrease of 15% (in Dollar Value) in the Annual Leave Liability since June 2021.

**Long Service Leave:** One employee has separated, removing their long service leave entitlement upon pay-out. Two employees long service leave accrual amounts have increased.

There has been a decrease of 7% (in Dollar Value) in the Long Service Leave Liability since June 2021.

The following table and graphs show the fluctuations in the Accrued Hours and Dollar Values of both Annual Leave and Long Service leave over the period of June 2021 to February 2022.

Month	LSL Hours	LSL \$	A/L Hours	A/L \$
June	1,555	63,101	3,625	156,032
July	1,555	63,101	3,409	144,028
August	1,555	63,101	3,517	146,512
September	1,563	63,373	3,536	151,124
October	1,563	63,373	3,751	158,754
November	1,563	63,373	3,869	165,350
December	1,552	58,708	3,276	135,510
January	1,552	58,708	3,282	135,728
February	1,552	58,708	3,213	132,665



**AUDIT AND RISK COMMITTEE COMMENTS**

Mrs Horton will reformat the graphs for future forums to improve visibility of trends.



## 10.2 COVID19 Strategy

<b>Meeting Date</b>	15 <sup>th</sup> March 2022
<b>Responsible Officer</b>	Nicole Gibbs (CEO)
<b>Reporting Officer</b>	Nicole Gibbs (CEO)
<b>Attachments</b>	(i) COVID-19 Policy (A) (ii) COVID-19 Policy (B)
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

### MOVER NIL

That the Audit and Risk Committee recommends to Council that Council adopts COVID-19 Policy (A)

**MOTION LASPED**

### RECOMMENDATION: AR21 – 21/22

#### MOVED CR Hippisley SECONDED Cr Stacey

That the Audit and Risk Committee recommends to Council that Council adopts COVID-19 Policy (B) including end date of Policy in line with State and Federal Government directions.

**CARRIED 5/1**

### IN BRIEF

1. On 9th February 2022 new “High Caseload Environment COVID-19 Protocols” were introduced across WA.
2. Various directives have been implemented by the WA Government to minimise disruption to the community and economy
3. There are several factors to consider while the Shire decides on mandating vaccinations
  - State Government Health Directions
  - Occupational Safety and Health
  - Consider the needs and wellbeing of the Community
  - Staffing needs and workplace requirements
  - Orderly, effective and efficient planning and management of resources and work/tasks

### MATTER FOR CONSIDERATION

In response to the escalating litigious risks to Council regarding COVID-19 vaccinations, at the March 2022 Council Meeting, Council adopted the following policy position:

### RESOLUTION: 121-21/22

#### MOVED Cr Hayes SECONDED Cr Stacey

That Council adopts a policy position of mandating that all people working for the Shire, whether it be on Council, as an employee or as a volunteer, be fully vaccinated against the COVID-19 Virus.

**CARRIED 7/1**

Since the Motion was adopted, one Councillor has advised the Chief Executive Officer that advice received indicates that the Motion does not cover 'Elected Members.' The advice received by the Councillor was that in order for Elected Members to be covered by the Motion (or any other Motion), the term 'Elected Members' must be used, rather than 'Councillors' in the Motion. Executive has received advice from WALGA that this is not the case, however, it is not unusual for legislative interpretation to differ.

In addition, multiple Councillors have questioned whether the policy position means that unvaccinated Councillors must resign from Council or be involuntarily removed from Council. **This is a decision that only Council can make.**

This paper and the resulting motions attempts to have clarified the respective issues by offering two options of a COVID-19 Policy, one of which is to be adopted by Council. The two COVID-19 Policy documents are identical, with the following exception:

#### *Option 1*

COVID-19 Policy (A) provides for employees, volunteers, contractors, consultants AND Elected Members to be fully vaccinated to work for the Shire of Quairading.

#### *Option 2*

COVID-19 Policy (B) provides for employees, volunteers, contractors and consultants ONLY to be fully vaccinated to work for the Shire of Quairading. Elected Members do not need to be vaccinated but will only be permitted to attend meetings remotely.

### **BACKGROUND**

On 9<sup>th</sup> February 2022 new "High Caseload Environment COVID-19 Protocols" were introduced across WA.

The new settings are intended to help to manage community transmission of COVID-19 and minimise disruption to the community and economy, including:

- New [close contact definitions](#)
- New [testing and isolation guidelines](#)
- Specific school and childcare close contact protocols
- Online registration of positive [Rapid Antigen Test \(RAT\) results](#)

In addition, the following was also be implemented:

- Reduction in quarantine for approved international and interstate travellers to seven days
- Travellers must wear a mask in indoor and outdoor settings for the following seven days
- Vaccinated direct international travellers permitted to self-quarantine at a suitable premises, if eligible
- International arrivals cap doubling to 530 travellers per week
- Unvaccinated international arrivals required to complete 14 days in hotel quarantine
- Mandatory use of G2G now still required by all arrivals in self-quarantine.

Under the hard border settings, the following testing advice applies:

- Approved travellers undertake a PCR or RAT on Day 1, and then return a negative RAT on Day 7 to end their self-quarantine period
- Any household member will also be required to return a negative RAT on Day seven.
- Any household member will be classified as a close contact, if the approved travellers tests positive during self-quarantine.

Any travellers, positive cases or asymptomatic close contacts currently in self-quarantine under the previous 14-day settings are able to leave quarantine once they have completed 7 days and have returned a negative RAT.

## STATUTORY ENVIRONMENT

Occupational Safety and Health Act 1994

WA Health Directions –

<https://www.wa.gov.au/government/document-collections/covid-19-coronavirus-health>

## POLICY IMPLICATIONS

ORG.8 – Leave Arrangements during a Pandemic Policy

## FINANCIAL IMPLICATIONS

There may be an increase to the budgeted salaries amount should replacement cover be required for a staff member who takes extended sick leave due to a positive COVID-19 case. It is likely that short term leave will not have a financial impact, however when coverage is required there will be additional costs. If that replacement is required to be outsourced, i.e., labour hire, the cost is likely more significant.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2021 - 2031

### 5. GOVERNANCE AND LEADERSHIP

5.1 Shire communication is consistent, engaging and responsive.

5.3 Provide informed and transparent decision making that meets our legal obligations and the needs of our diverse community.

5.4 Implement systems and processes that meet legislative and audit obligations.

## COMMUNITY CONSULTATION

No consultation was required or undertaken in relation to this report.

## RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial: Risk Matrix Rating is Extreme

Each employer or person in charge of the workplace must ensure that employees included in the Directions are fully vaccinated against COVID-19 or have a medical exemption from vaccination. It is an offence for a person to fail, without reasonable excuse, to comply with any of the Directions. This is punishable by a fine of up to \$20,000 for individuals and \$100,000 for the employer. There may be insurance implications (e.g. denial of claim) where the organisation has been negligent in implementing the Directions. The Shire may need to hire a contractor or temporary staff member to cover staff who may require extended leave due to COVID-19.

Health: Risk Matrix Rating is Extreme.

It is almost certain that all staff will eventually contract the COVID-19 virus. The virus can ultimately result in a permanent disability or death.

Under the Work, Health & Safety Act 2022, Council and Executive have a legal responsibility to take all reasonable action protect people from the virus. This includes the vulnerable members of the

community (e.g. Noongar, elderly and children).

Reputation: Risk Matrix Rating is Major.

If Council was perceived as being non-compliant in terms of assisting to eradicate the virus, it is anticipated that the reputational damage would be high.

Operation: Risk Matrix Rating is High.

Please refer to Financial Risk above and also note that the Shire does not have the technical capacity to have people working from home on a permanent basis.

Natural Environment: Risk Matrix Rating is Low

## COMMENT

The fundamental change is that legislative protections across the board have been reduced and people are being asked to take all reasonable steps to protect themselves from the virus.

### Issues to Consider

1. The Shire of Quairading has been monitoring and complying with the emerging and rolling 'COVID-19 Directions' enacted by the State Government after a State of Emergency was declared under the auspice of the *Emergency Management Act 2005* and the *Health Act 2016*.
2. Currently, the 'Mandatory Vaccination Direction' includes ranger services, construction, maintenance and pool services employees. Gardening employees do not fall under this 'Direction.'
3. Due to the small size of the Shire and the need to move a small number of employees across all aspects of Works & Services (including construction) on a needs basis, the decision was made to mandate COVID-19 vaccinations across the Works & Services area. Note that these employees must be available to enter hospitals, schools and other public facilities to perform their work.
4. A second decision was made to mandate that all Shire employees become fully vaccinated to ensure:
  - Equity across employees, in accord with the *Fair Work Act 2009*;
  - All employees have the capacity to engage with all members of the community for work purposes; and
  - The Shire's liability insurance remains strong, active and cost effective.
5. Council Members represent the Shire both locally and regionally at multiple forums, at multiple community venues and mixing with potentially hundreds of people.

The difference in Policies is highlighted in attachment (ii) COVID-19 Policy (B), pages 2 and 3 in yellow.

## AUDIT & RISK COMMITTEE COMMENTS

The CEO advised that, according to WALGA, Council Chambers are classed as local government community buildings and unvaccinated people are not permitted to enter. The CEO will attempt to have this confirmed in writing.

Cr Hippisley raised discussion on whether or not Council has the authority to remove a Councillor that has been elected to Council. The CEO advised that Council did have the authority to disqualify an elected member on the basis of a COVID-19 Vaccination Policy but the question was whether this was an appropriate thing to do.

Cr Cowcill requested that the motion be amended to direct a review of the Policy when the Directions are removed. The CEO advised that all policies are reviewed and amended automatically when there is a change in legislation or State or Commonwealth policy.

The previous motion from February Ordinary Council Meeting 121-21/22 is to be rescinded.

## ITEM 11 STANDING ITEMS – OTHER

### *Audit & Risk Committee - Terms of Reference 9.1, 9.2 & 9.5*

#### **11.1 Annual Report for Year Ended 30th June 2021**

<b>Meeting Date</b>	15 <sup>th</sup> March 2022
<b>Responsible Officer</b>	Nicole Gibbs (CEO)
<b>Reporting Officer</b>	Nicole Gibbs (CEO)
<b>Attachments</b>	(i) Annual Report 2020/2021
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

#### **RECOMMENDATION: AR22 – 21/22**

#### **MOVED Cr Smith SECONDED Cr Hippisley**

That the Audit and Risk Committee recommends to Council that Council: -

1. Adopts the Annual Report for the Year Ended 30<sup>th</sup> June 2021.
2. Confirms the Annual Electors Meeting be convened for Tuesday 19<sup>th</sup> April 2022 in the Lesser Hall commencing at 7.00pm.

**CARRIED 0/6**

#### **IN BRIEF**

1. The Annual Financial Report forms part of the Annual Report which has to be prepared for each financial year. The Annual Financial Report for 2020/2021 was not finalised until March 2022 due to accounting errors in July 2021 and the consequential 'knock on' impact of those errors on dependent bodies of work, including the finalisation of the Annual Report.
2. The attached Annual Report was prepared by the previous CEO, Mr Graeme Fardon, with the Financial Report inserted by current Executive Manager, Corporate Services, Ms Leah Horton.
3. Council's acceptance of the 2020/2021 Annual Report by the 31st December 2021 is a statutory requirement.
4. Council must set the date of the Annual Electors Meeting no more than 56 Days after Council has accepted the Annual Report.
5. While Council has until Thursday 26th May 2021 to lawfully hold the Annual Electors Meeting, the earlier date of Tuesday, 19th of April 2022 is recommended.

#### **MATTER FOR CONSIDERATION**

- Council's adoption of the 2021/2022 Annual Report has been delayed due to the delay in finalising the 2021/2022 audited financials of the same period. Following finalisation of the audited financials, the Annual Report is presented with a recommendation that Council adopt the Report in its entirety.

## BACKGROUND

Section 5.53 of the *Local Government Act 1995* (the Act) prescribes the requirement and format of the Annual Report. The Annual Report is to contain:

1. A report from the President;
2. A report from the CEO;
3. An overview of the plan for the future of the district made in accordance with s5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
4. The Financial Report for the financial year;
5. Prescribed information in relation to employees with an annual salary of \$100,000 or above;
6. The Auditor's Report for the financial year;
7. A matter on which a report must be made under s29(2) of the *Disability Services Act*;
8. Details of entries made under section 5.121 of the Act during the financial year in the register of complaints, including the number of complaints recorded in the register and how the complaints were dealt with;
9. Other information that may be prescribed (such as information required by the National Competition Policy and the *State Records Act 2000*).

Subject to the availability of the Auditor's Report, the Annual Report must be accepted (by absolute majority) by the Council no later than 31 December after that financial year. Absolute majority means a majority comprising enough of the members for the time being of the Council for their number to be more than 50% of the number of offices (whether vacant or not) of member of the Council [LGA s1.4(a)].

### Compliance & Reporting Summary

LGA s. 5.54	Subject to subsection (2) the annual report is to be accepted by Council's absolute majority, no later than 31 December.
LGA s. 5.54(2)	If the Auditor's Report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than two months after the Auditor's Report becomes available.
s. 5.55	The CEO is to give local public notice of the availability of the Annual Report as soon as practicable after the report has been accepted by the local government.

## STATUTORY ENVIRONMENT

Sections 5.53, 5.54 and 5.55 of the Local Government Act 1995 states as follows: -

### 5.53. Annual reports

1. (1) The local government is to prepare an annual report for each financial year.
2. (2) The annual report is to contain —
  - (a) a report from the mayor or president; and
  - (b) a report from the CEO; and
  - [(c), (d) deleted]
  - (e) An overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
  - (f) The financial report for the financial year; and
  - (g) Such information as may be prescribed in relation to the payments made to employees; and

- (h) The auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and
- (ha) a matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*; and
- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
  - (i) the number of complaints recorded in the register of complaints; and
  - (ii) how the recorded complaints were dealt with; and
  - (iii) any other details that the regulations may require;
  - (iv) such other information as may be prescribed.

#### 5.54. Acceptance of annual reports

3. (1) Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.

\* *Absolute majority required.*

4. (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

#### 5.55. Notice of annual reports

5. The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

#### 5.55A. Publication of annual reports

6. The CEO is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government.

### POLICY IMPLICATIONS

Nil

### FINANCIAL IMPLICATIONS

Nil

### STRATEGIC IMPLICATIONS – Strategic Community Plan 2021 - 2031

#### 5. GOVERNANCE AND LEADERSHIP

5.3 Provide informed and transparent decision making that meets our legal obligations and the needs of our diverse community.

5.4 Implement systems and processes that meet legislative and audit obligations.

### COMMUNITY CONSULTATION

No community consultation was required in the preparation of this report.



**RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.**

Financial: Risk Matrix Rating is Low. The cost of publishing and advertising the Annual Report is within Council's governance budget.

Health: Risk Matrix Rating is Low.

Reputation: Risk Matrix Rating is Low. Risk mitigated by Council having operated within the legislative requirements. Annual Electors Meeting to be convened as soon as possible following the School Holiday Period and within the 56 Day timeframe prescribed in the Local Government Act.

Operation: Risk Matrix Rating is Low. Preparation of the Annual Report and Annual Financial Statements and conducting the Annual Electors Meeting is within Council's normal Operations.

Natural Environment: Risk Matrix Rating is Low.

**COMMENT**

Council's Annual Report will be published on the Quairading Website within 14 days of Acceptance of the Annual Report by Council and will also be available in hard copy (upon request) from the Shire Office.

Statutory advertising and community information on the availability of the Annual Report and the Notice of the Annual Electors Meeting will be widely circulated in the community.

**AUDIT & RISK COMMITTEE COMMENTS**

Cr Haythornthwaite asked whether there was enough time between the March Council Meeting and the Electors Meeting for advertising purposes. The CEO affirmed the timeframe.

Cr Stacey asked if Elected Member Training needed to be inserted in the Annual Report. Cr Cowcill reminded Councillors that no-one had completed the training within the 2020/2021 year.

## ITEM 12 COUNCILLORS' EMERGING ISSUES

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### **Cr Cowcill**

Cr Cowcill queried when the El Toro Bull would be likely to be relocated. The CEO committed to following up the project with Jill Hayes (President, Rainmakers Committee).

**ITEM 13      CONFIDENTIAL BUSINESS – AS PER LOCAL GOVERNMENT ACT S5.23 (2)**

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**13.1 – Confidential Employee Matter (Section 5.23 (2) (a))**

The CEO and Executive Manager, Corporate Services, updated Committee Members on a Confidential Matter as detailed in Confidential Attachment 1.

ITEM 14      NEXT MEETING DATE

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The next Audit & Risk Committee Meeting is scheduled to take place on 14<sup>th</sup> June 2022, commencing at 5.00 pm on at the Council Chambers, 10 Jennaberring Road, Quairading.

ITEM 15      CLOSURE

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There being no further business, the Chairman closed the Meeting at 7.51 pm.

I certify the Minutes of the Audit & Risk Committee Meeting of Council held on 15<sup>th</sup> March 2022 were confirmed 14<sup>th</sup> June 2022 as recorded on Resolution No. \_\_\_\_\_

Confirmed..... 7/06/2022

## ITEM 6 STANDING ITEMS – EXTERNAL AUDIT

### Audit & Risk Committee – Terms of Reference 7.6

#### 6.1 Audit register – progress report

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<b>Meeting Date:</b>	7 <sup>th</sup> June 2022
<b>Responsible Officer:</b>	Nicole Gibbs (Chief Executive Officer)
<b>Reporting Officer:</b>	Leah Horton (Executive Manager Corporate Services)
<b>Attachments:</b>	(i) Audit register – progress report <b>confidential</b>
<b>Owner/Applicant:</b>	Shire of Quairading
<b>Disclosure of Interest:</b>	Nil

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#### OFFICER RECOMMENDATION

**MOVED** \_\_\_\_\_ **SECONDED** \_\_\_\_\_

That the Audit and Risk Committee recommends to Council that Council:- Notes the progress recorded against each item within the audit register in confidential attachment (i).

\_\_\_\_/\_\_\_\_

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#### VOTING REQUIREMENTS – Simple Majority

#### IN BRIEF

- This report provides an update on the progress of actions included in the audit register.
- The audit register includes all open audit findings that have previously been accepted by the Audit and Risk Committee.
- Reporting through the audit register commenced in November 2021 and includes items from the 2020/21 interim audit, and all subsequent audits.

#### MATTER FOR CONSIDERATION

Receipt of the audit register progress report to May 2022.

#### BACKGROUND

The external audit, also known as financial audits or audit of the annual financial statements, focuses on providing an objective and independent examination of the financial statements prepared by the Shire, increasing the value and user confidence in the financial statements.

The *Local Government Amendment (Auditing) Act 2017* made legislative changes to the *Local Government Act 1995* to provide for the auditing of local governments by the Auditor General. This Act allows the Auditor General to contract out some or all of the financial audits, but all audits will be the responsibility of the Auditor General.

The changes also allow for the Auditor General to undertake performance audits that focus on the economy, efficiency and effectiveness of any aspect of local government operations. These performance audits are similar to that of an internal audit, therefore the Auditor General may undertake both external and internal audits.

The audit register lists findings from audit reports previously accepted by the Audit & Risk Committee. The register describes the progress of implementing improvements and percentage completion. Progress on the actions are monitored by management, this Committee and Council.

Reporting through the audit register commenced for the 7<sup>th</sup> December 2021 Audit and Risk Committee meeting, with the register comprised of findings from the 2020/21 interim audit report, as presented to the Audit & Risk Committee at the 14<sup>th</sup> September 2021 meeting.

The 2020/21 final audit report had no findings subsequent to those from the interim audit report.

The 2021/22 interim audit is still being finalised, the audit report will be presented at the next Audit and Risk Committee meeting.

## STATUTORY ENVIRONMENT

*Local Government Act 1995*

*Local Government (Audit) Regulations 1996; Regulation 7*

*Local Government (Financial Management) Regulations 1996; Regulation 5*

## POLICY IMPLICATIONS

Nil

## FINANCIAL IMPLICATIONS

Council has a budget allocation of \$30,000 in the 2021/2022 Budget for the conduct of the external audit function by the Office of the Auditor General, for the audit of the 2020/21 annual financial statements. It is anticipated that a budget of a similar amount is to be adopted each year but will be the subject of an annual estimate of audit fees provided by the OAG. Officers' efforts to undertake the improvements and report on progress has not been estimated or reported.

## ALIGNMENT WITH STRATEGIC PRIORITIES

5.4 Implement systems and processes that meet legislative and audit obligations

## COMMUNITY CONSULTATION

Nil.

## RISK ASSESSMENT

	Option 1
Financial	Low <i>Cost of the annual audit is included in the budget. By regularly reviewing progress against audit findings, the risks associated to misconduct and error are significantly reduced.</i>
Health	N/A
Reputation	Low <i>Compliant with legislative requirements. Failure to complete the findings from audit reports would lead to increased reputational risk.</i>
Operations	Low <i>Operational impact is minimal in reporting progress on audit findings. Operational impact of not closing findings would escalate.</i>
Natural Environment	N/A

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

## COMMENT

The audit register **confidential attachment (i)** counts actions and totals by “Finding #”. Each finding may have more than one “recommendation” and associated “agreed management action”. Only when all recommendations and agreed management actions within a finding are deemed complete will the finding as a whole be totalled at 100% complete and recommended to be closed.

The process for adding and removing findings to the audit register is as follows:

1. An external audit is completed and an audit report is finalised.
2. The audit report is presented to the Audit and Risk Committee (ARC).
3. The ARC recommends to Council that it notes and accepts the audit report.
4. All findings from the audit report are **added** to the audit register.
5. Progress is reported by management with updates recorded quarterly in “officer comment / action taken”.
6. Any findings deemed as complete by management are marked as “100% complete” with the status of “closed”.
7. The audit register – progress report is submitted by management to the ARC.
8. The ARC reviews the audit register and confirms completion of any 100% and closed findings.
9. The ARC recommends to Council that it notes progress and approves the findings marked as complete to be registered as closed.
10. Closed findings are **removed** from the audit register.

A summary of the audit register, included below, will illustrate the trend of actions that have been added, progressed and completed.

The blue row represents actions added by the ARC. New audit findings presented to the current meeting are included at the subsequent meeting, following acceptance.

The green row represents actions closed by the ARC and will always total 0 for the current meeting date. The closed actions from the current meeting will then be shown in the “closed by the Audit & Risk Committee” total in the subsequent meeting’s table summary.

Status of Actions	ARC - Meeting Date				Total
	7/12/2021	15/03/2022	7/06/2022	13/09/2022	
<b>New actions added by ARC</b>	7	0	0		7
<b>Not commenced</b> ≤10%	1	1	0		
<b>Progressed</b> >11% to 99%	2	2	2		
<b>Completed</b> =100%	4	0	1		
<b>Total</b> <b>(0% to 100%)</b>	7	3	3		
<b>Closed by ARC</b>	4	0			4
Total cumulative closed by ARC	4	4	4		
<b>Open Actions</b>	3	3	2		

The committee is requested to recommend to Council to note the progress and officer comments. There is one (1) finding marked as complete (100%) in the audit register to be registered as closed. It is requested to note the audit register progress report in **confidential attachment (i)**.



ITEM 7                      STANDING ITEMS – INTERNAL AUDIT

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*Audit & Risk Committee - Terms of Reference 7.5*

*No matters for consideration.*

## ITEM 8      STANDING ITEMS – FINANCIAL REPORTING

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*Audit & Risk Committee - Terms of Reference 7.2*

*No matters for consideration.*

## ITEM 9      STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

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*Audit & Risk Committee - Terms of Reference 7.3*

*No matters for consideration.*

## ITEM 10 STANDING ITEMS – RISK MANAGEMENT REPORTS AND ISSUES

### *Audit & Risk Committee - Terms of Reference 7.1, 7.3*

#### 10.1 Report on excess annual leave and long service leave

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<b>Meeting Date:</b>	7 <sup>th</sup> June 2022
<b>Responsible Officer:</b>	Nicole Gibbs (Chief Executive Officer)
<b>Reporting Officer:</b>	Leah Horton (Executive Manager Corporate Services)
<b>Attachments:</b>	Nil
<b>Owner/Applicant:</b>	Shire of Quairading
<b>Disclosure of Interest:</b>	Nil

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#### OFFICER RECOMMENDATION

**MOVED** \_\_\_\_\_ **SECONDED** \_\_\_\_\_

That the Audit and Risk Committee recommend to Council that: - Council receive the report on the Shire's leave liabilities.

\_\_\_\_/\_\_\_\_

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#### VOTING REQUIREMENTS – Simple Majority

#### IN BRIEF

- Since 2017, Council has requested that excess annual leave and long service leave be reported to the Audit and Risk Committee.
- Not taking a reasonable amount of annual leave or long service leave may pose a threat to the health and safety of employees and represent a significant financial liability for the Shire, therefore there are steps in place to ensure that leave balances are monitored and are at appropriate levels.
- Employee entitlement movements during the year are due to many reasons, such as, leave taken during the period, increased accrued leave balances, increases in remuneration rates and changes in the underlying staff with leave balances transferred to and from the Shire.

#### MATTER FOR CONSIDERATION

Receipt of the report on excess annual leave and long service leave entitlements and leave liabilities.

#### BACKGROUND

Since 2017, Council has requested that excess annual leave and long service leave be reported to the Audit and Risk Committee.

The current Leave Management Policy defines “excess leave” as when the employee has accrued more than eight weeks paid annual leave and provides management with direction to effectively management the annual and long service leave entitlements of employees.

The Shire encourages employees to take leave by reinforcing the positive benefits of taking leave when it becomes due. Sometimes there are circumstances that prevent leave being able to be taken, such as; staff shortages, outside influences (COVID-19 travel restrictions), and work demands.

There will be movements in employee entitlements throughout the year. Balances will increase naturally as employees accrue leave entitlements and when leave balances are transferred from other Shires. Balances will decrease when employees take leave accrued and when leave balances are transferred to other Shires. This natural fluctuation is monitored by management and through this report to ensure any excess is managed appropriately.

## STATUTORY ENVIRONMENT

Local Government Industry Award 2020

### 23.6 Excessive leave accruals: general provision

**(a)** An employee has an **excessive leave accrual** if the employee has accrued more than 8 weeks' paid annual leave (or 10 weeks' paid annual leave for a shift worker, as defined by clause [23.2](#)).

**(b)** If an employee has an excessive leave accrual, the employer or the employee may seek to confer with the other and genuinely try to reach agreement on how to reduce or eliminate the excessive leave accrual.

*Local Government Act 1995*

Local Government (Long Service Leave Regulations)

Local Government (Financial Management) Regulations 1996

National Employment Standards

*Fair Work Act 2009.*

## POLICY IMPLICATIONS

Current Policy: Leave Management Policy (ORG.2)

## FINANCIAL IMPLICATIONS

The Employee Entitlements (Annual and Long Service Leave) Reserve Fund Cash Balance as at 30<sup>th</sup> April 2022 is \$166,590.52.

The annual budget treats current leave as accruals.

The annual and long service leave reserve funds any prior year Leave entitlements taken by staff or paid out.

The current liability for both types of Leave (if all claimed on 8<sup>th</sup> May 2022) is calculated at \$213,758. In June this is expected to reduce by \$65,257.70 with the termination of two employees who have significant annual and long service leave entitlements.

## ALIGNMENT WITH STRATEGIC PRIORITIES

- 5.3 Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community
- 5.4 Implement systems and processes that meet legislative and audit obligations

## COMMUNITY CONSULTATION

Nil.

## RISK ASSESSMENT

	Option 1
Financial	Low <i>Financial exposure and therefore risk escalation occurs if Leave accruals are not monitored and managed. Adequate reserve balances reduce the risk of financial exposure.</i>
Health	N/A
Reputation	Low
Operations	Low <i>Impact to operations where employees with excess leave are requested to take leave. This can be mitigated by agreement of mutually acceptable timeframes for taking leave that are not during heavy workload times.</i>
Natural Environment	N/A

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

## COMMENT

This report has been prepared to inform the Audit and Risk Committee of the current leave liabilities and of any employees who have excess leave and the steps taken to reduce these liabilities.

As at 8 May 2022 there has been an increase in both the annual leave and long service leave liabilities, reflective of; a small amount of employee movement (separations) since the previous report to 27 February 2022, increases to pay rates, new staff and the taking of less leave.

**Annual Leave:** Five employees who had annual leave accruals have separated, removing their annual leave entitlement on termination with another one not accruing leave as they are absent from work (parental leave).

Some employees have taken leave during the period with two employees balances reducing, however overall the rest of the workforce's entitlements increased.

We have recruited three new employees who have all accrued minimal hours. Eight employees with annual leave balances have received pay increases, which has increased their entitlement balance.

There is currently one employee with excess annual leave, both the employee and management are aware and leave is planned to be taken at the most convenient time as to not impact operations.

There has been a decrease of 6% (in dollar value) in the annual leave liability since June 2021.

**Long Service Leave:** One employee who had long service leave accruals has separated, removing their entitlements on termination.

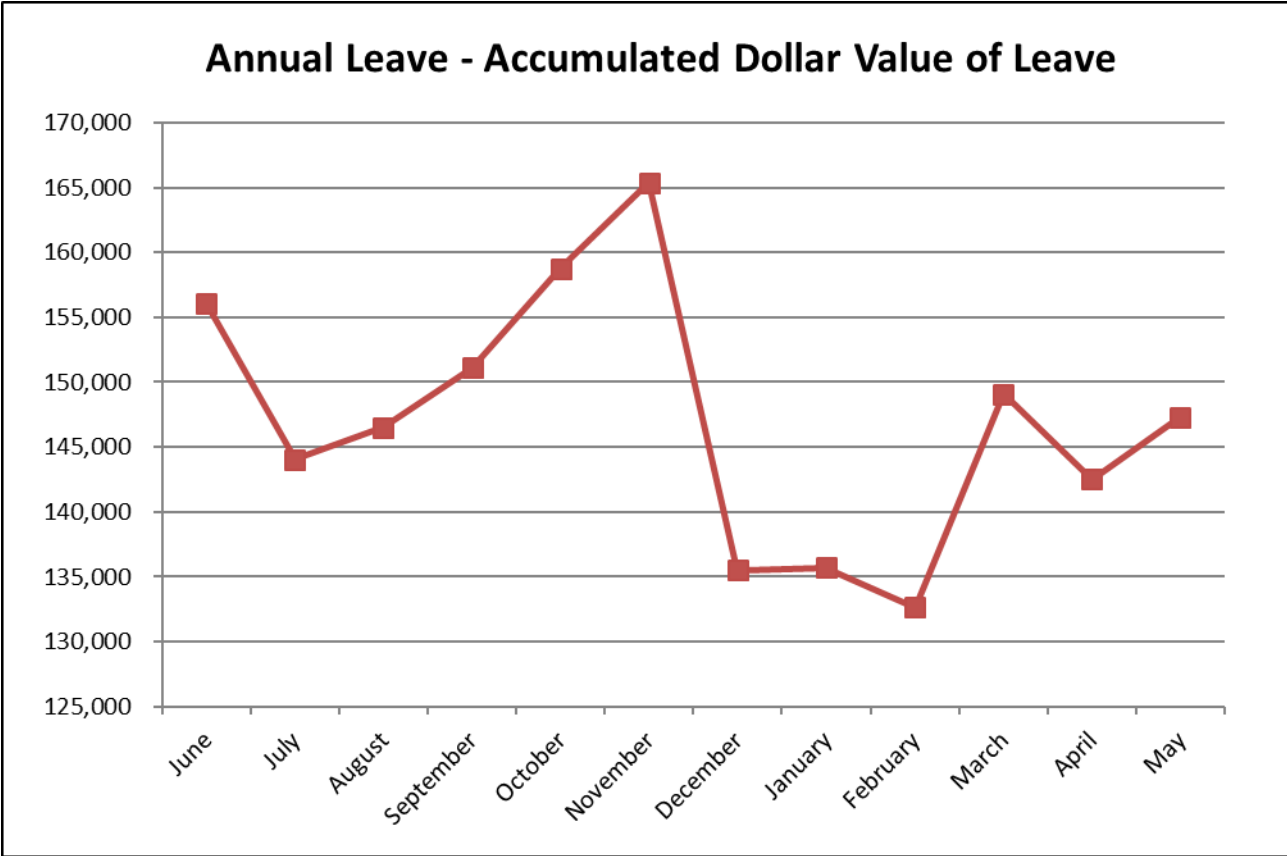
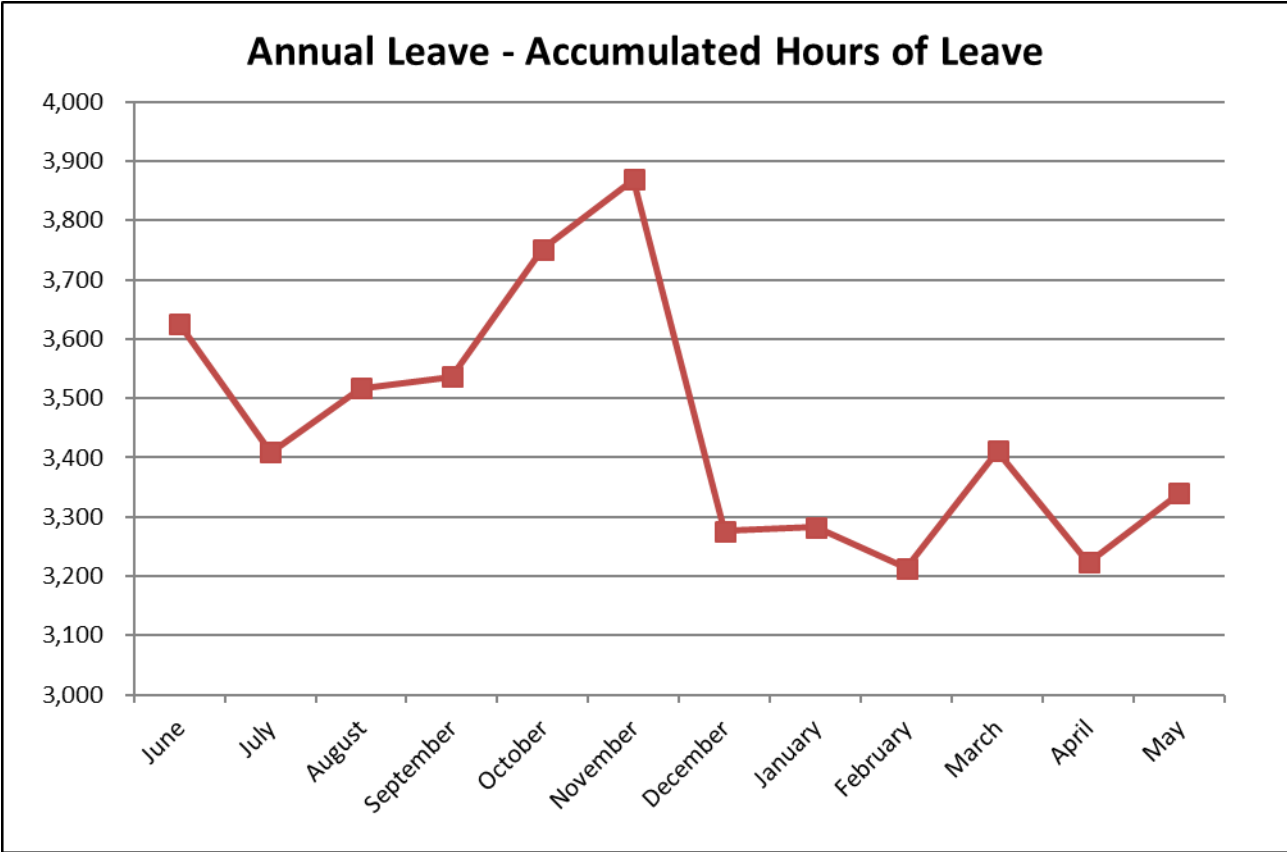
Three employee's long service leave accrual amount (hours) have increased. One employee's length of service has entitled them to start accruing long service leave. Three employees have received pay rate increases, increasing their LSL entitlement balance.

There has been a decrease of 5% (in Dollar Value) in the long service leave liability since June 2021.

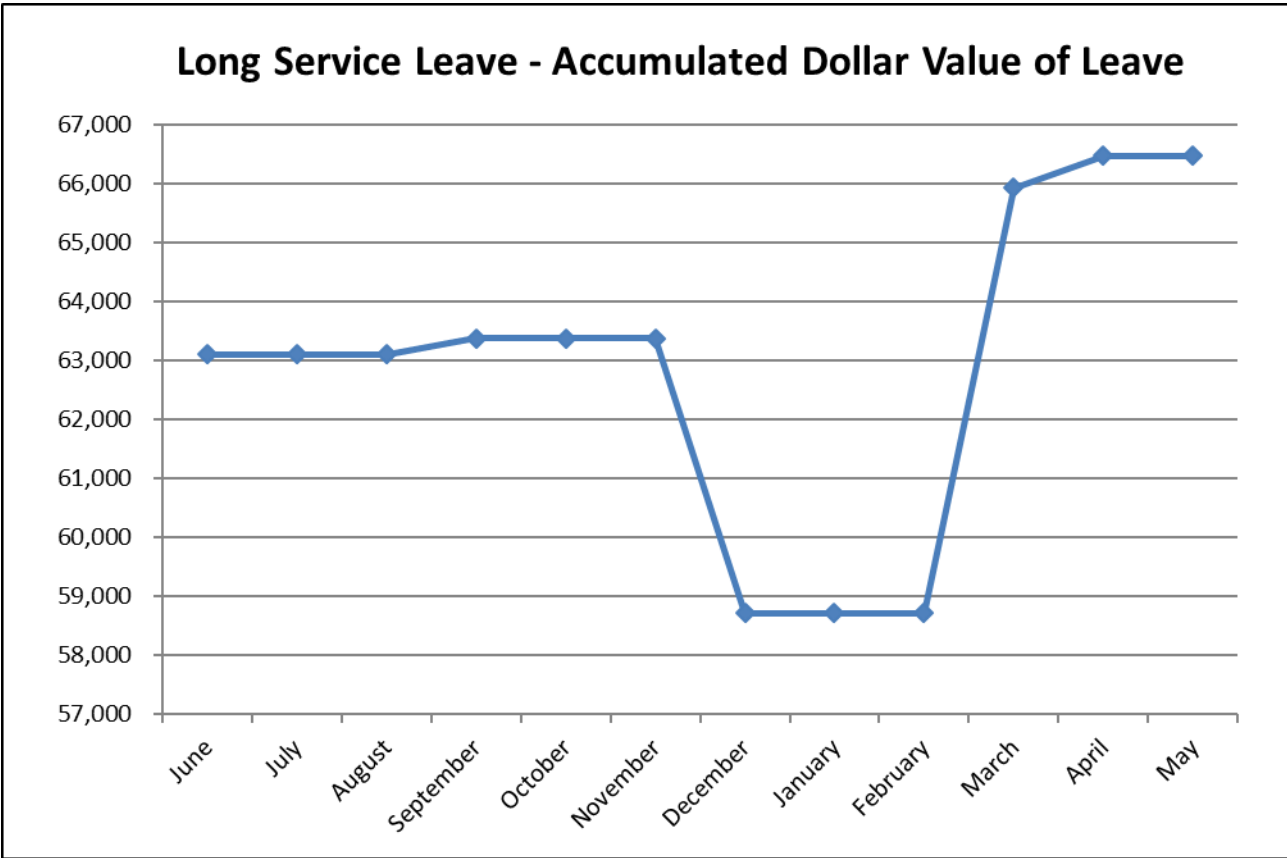
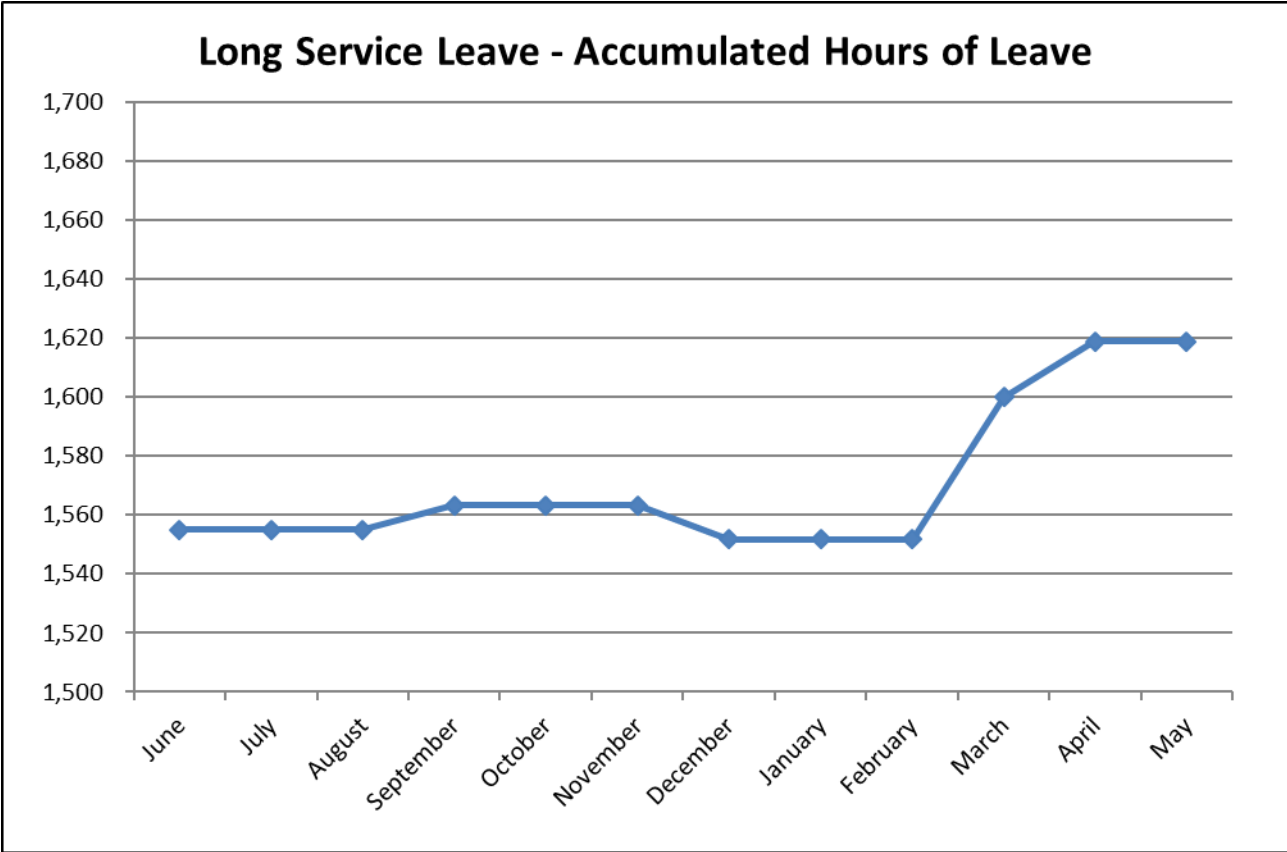
There are two upcoming separations, expected to be processed in June 2022. Both these employees have current annual leave and long service leave accrual entitlements, with the expected combined payouts (and reduction in liability) to be \$36,496.17 for long service leave and \$28,761.53 for annual leave (as at 8 May 2022).

The following table and graphs show the fluctuations in the accrued hours and dollar values of both annual leave and long service leave over the period of June 2021 to 8 May 2022.

Month	LSL Hours	LSL \$	A/L Hours	A/L \$
June	1,555	63,101	3,625	156,032
July	1,555	63,101	3,409	144,028
August	1,555	63,101	3,517	146,512
September	1,563	63,373	3,536	151,124
October	1,563	63,373	3,751	158,754
November	1,563	63,373	3,869	165,350
December	1,552	58,708	3,276	135,510
January	1,552	58,708	3,282	135,728
February	1,552	58,708	3,213	132,665
March	1,600	65,929	3,412	149,101
April	1,619	66,465	3,223	142,510
May	1,619	66,465	3,340	147,293







## ITEM 11 STANDING ITEMS – OTHER

### *Audit & Risk Committee - Terms of Reference 9.1, 9.2 & 9.5*

#### 11.1 Light Industrial Blocks

<b>Meeting Date:</b>	7 <sup>th</sup> June 2022
<b>Responsible Officer:</b>	Nicole Gibbs (Chief Executive Officer)
<b>Reporting Officer:</b>	Nicole Gibbs (Chief Executive Officer)
<b>Attachments:</b>	(i) Light Industrial Blocks Flyer (ii) Light Industrial Blocks Plan and survey details (iii) Light Industrial Blocks Lodgement and Examination
<b>Owner/Applicant:</b>	Shire of Quairading
<b>Disclosure of Interest:</b>	N/A

#### OFFICER RECOMMENDATION

**MOVED** \_\_\_\_\_ **SECONDED** \_\_\_\_\_

That Council note the information provided.

\_\_\_\_/\_\_\_\_

#### VOTING REQUIREMENTS – Simple Majority

#### IN BRIEF

On 09 February 2021 Council adopted the following motion:

1. "That Council proceed with Stage 1 of the Light Industry Area Subdivision with the development of two (2) Lots and the Mains Power Substation at a Projected Total Cost of \$714,023 (including Costs to date)
2. The Project be staged over the 2020/2021 and 2021/2021 Financial Years.
3. That Council research External Grant opportunities for the funding of the development of Stage 2 of the Subdivision."

Stage 1 of the development is now complete. There is no funding available to complete Stage 2 and this cost cannot be met through the sale of Stage 1.

#### MATTER FOR CONSIDERATION

For information only at this stage, pending the outcome of the CEO investigation into external funding sources to complete Stage 2.

## BACKGROUND

On 09 February 2021 Council adopted the following recommendation of the Strategic Planning Committee:

“That the Strategic Planning Committee recommend to Council: -

1. That Council proceed with Stage 1 of the Light Industry Area Subdivision with the development of two (2) Lots and the Mains Power Substation at a Projected Total Cost of \$714,023 (including Costs to date)
2. The Project be staged over the 2020/2021 and 2021/2021 Financial Years.
3. That Council research External Grant opportunities for the funding of the development of Stage 2 of the Subdivision.”

An environmental scan indicates that the then CEO, Graeme Fardon, investigated the matter thoroughly, sought and used expert consultancy advice and provided Council with accurate information at the time in terms of the project parameters, delivery timeframe and costings.

Council endorsed the project under a key assumption (it appears) that the financial loss on the development would be offset by the development bringing new business into the Shire through selling or leasing the new lots.

There is no record of the Shire attempting to secure funding for Stage 2 of the development as of yet. According to the Wheatbelt Development Commission there was a strong focus on the State subsidising Light Industrial Area developments in the recent past but this focus ceased approximately two years ago and final commitments are now being honoured.

Council has expended approximately \$850,000 on Stage 1 and if both blocks are sold at a market value cost of \$40,000 each, there will be \$80,000 available to develop Stage 2. The indicative cost to complete Stage 2 is \$750,000.

The CEO is currently exploring additional external funding opportunities to complete Stage 2.

## STATUTORY ENVIRONMENT

*Local Government 1995*

*Planning and Development Act 2005*

## POLICY IMPLICATIONS

Nil

## FINANCIAL IMPLICATIONS

The financial implications are significant and decision-making must be relevant, informed and considered once all options and recommendations are tabled. At this juncture, approximately \$850,000 has been expended with an additional \$750,000 required to complete a development worth a maximum \$240,000.

## ALIGNMENT WITH STRATEGIC PRIORITIES

- 2.1 Economy: Promote the Economic and Business Growth Strategy for current businesses and the sustainable attraction of new industry (Small Business Friendly Local Government and Action Plan)
- 2.3 Economy: Shire engages stakeholders and partners to help capture local economic development initiatives

### 5.3 Governance and Leadership: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

#### CONSULTATION

Extensive consultation was held with Council and with consultants with specialist expertise in commercial property development.

#### RISK ASSESSMENT

	Option 1
Financial	High <i>The financial implications are significant and decision-making must be relevant, informed and considered once all options and recommendations are tabled. At this juncture, approximately \$850,000 has been expended with an additional \$750,000 required to complete a development worth a maximum \$240,000.</i>
Health	N/A
Reputation	High <i>To date 100% of the project has been funded internally by the Shire with no contribution from external funding sources.</i>
Operations	Low <i>There is no impact on Shire operations.</i>
Natural Environment	N/A

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
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Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

#### COMMENT

Nil.

# LIGHT INDUSTRIAL LOTS FOR SALE



## HINKLEY WAY, QUAIRADING, WA

The Shire of Quairading is pleased to present for sale a new estate of light industrial land in the heart of the Wheatbelt

- Two 4000sqm development Sites
- Zoned 'Light Industrial'
- Efficient transport and access links
- For Sale by 'Offers to Purchase'

### FEATURES

- ✓ 1.5 hours from Midland
- ✓ Flexible Local Government
- ✓ Thriving agricultural town
- ✓ Power/water connected
- ✓ Minutes from mining
- ✓ Highest return on investment



**Plan Information**

Tenure Type	Freehold
Plan Type	Deposited Plan
Plan Purpose	Subdivision

**Plan Heading**

LOTS 97-99, ROAD AND EASEMENT

**Locality and Local Government**

Locality	QUAIRADING
Local Government	SHIRE OF QUAIRADING

**Planning Approval**

Planning Authority	Western Australian Planning Commission
Reference	159178

**Roads**

New Road or Extension (Road Name Approval) Yes

Road Name	Locality
HINKLEY WAY	QUAIRADING

**Survey Details**

Survey Method	Conventional Survey
Field Records	156900
Declared as Special Survey Area	No

**Survey Certificate - Regulation 54**

I hereby certify that this plan is accurate and is a correct representation of the:  
(a) \* survey; and/or  
(b) \* calculations and measurements;  
[\* delete if inapplicable]  
undertaken for the purposes of this plan and that it complies with the relevant written law(s) in relation to which it is lodged.

WILLIAM JAMES FRANCE Licensed Surveyor	Date
---	------

**Survey Organisation**

Name	BROOK & MARSH
Address	GOSNELLS 6110
Phone	9398 2441
Fax	9490 1313
Email	admin@brookandmarsh.com.au
Reference	BM20236

**Amendments**

Version	Lodgement Type	Amendment Description	Date
1	New Plan	Lodged	28/03/2022
2	Replacement Plan	Depth Limit added	20/04/2022
3	Amendment Plan	Plan Examination Requirements	

**Former Tenure**

New Lot / Land	Parent Plan Number	Parent Lot Number	Title Reference	Parent Subject Land Description
97-99	D17004 D96831	LOT 1 LOT 75	1760-370 2208-464	

**New Interests**

Subject	Purpose	Statutory Reference	Origin	Land Burdened	Benefit To	Comments
(B)	RESTRICTIVE COVENANT	SEC. 129BA OF THE TLA 1893	DOC	LOT(S) 97, 99	ELECTRICITY NETWORKS CORPORATION	
(A)	EASEMENT (Sewerage)	SEC. 167 OF THE P&D ACT 2005, REG. 33 (B)	THIS PLAN	LOT 99	WATER CORPORATION	



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FAX: (08) 9490 1313  
ADMIN@BROOKANDMARSH.COM.AU

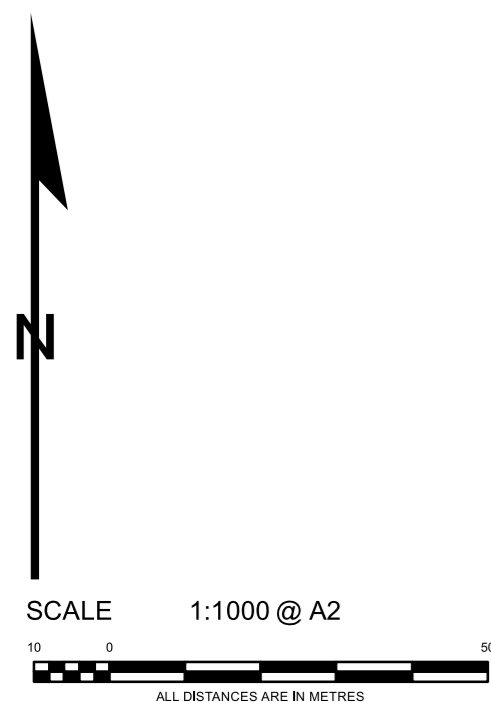
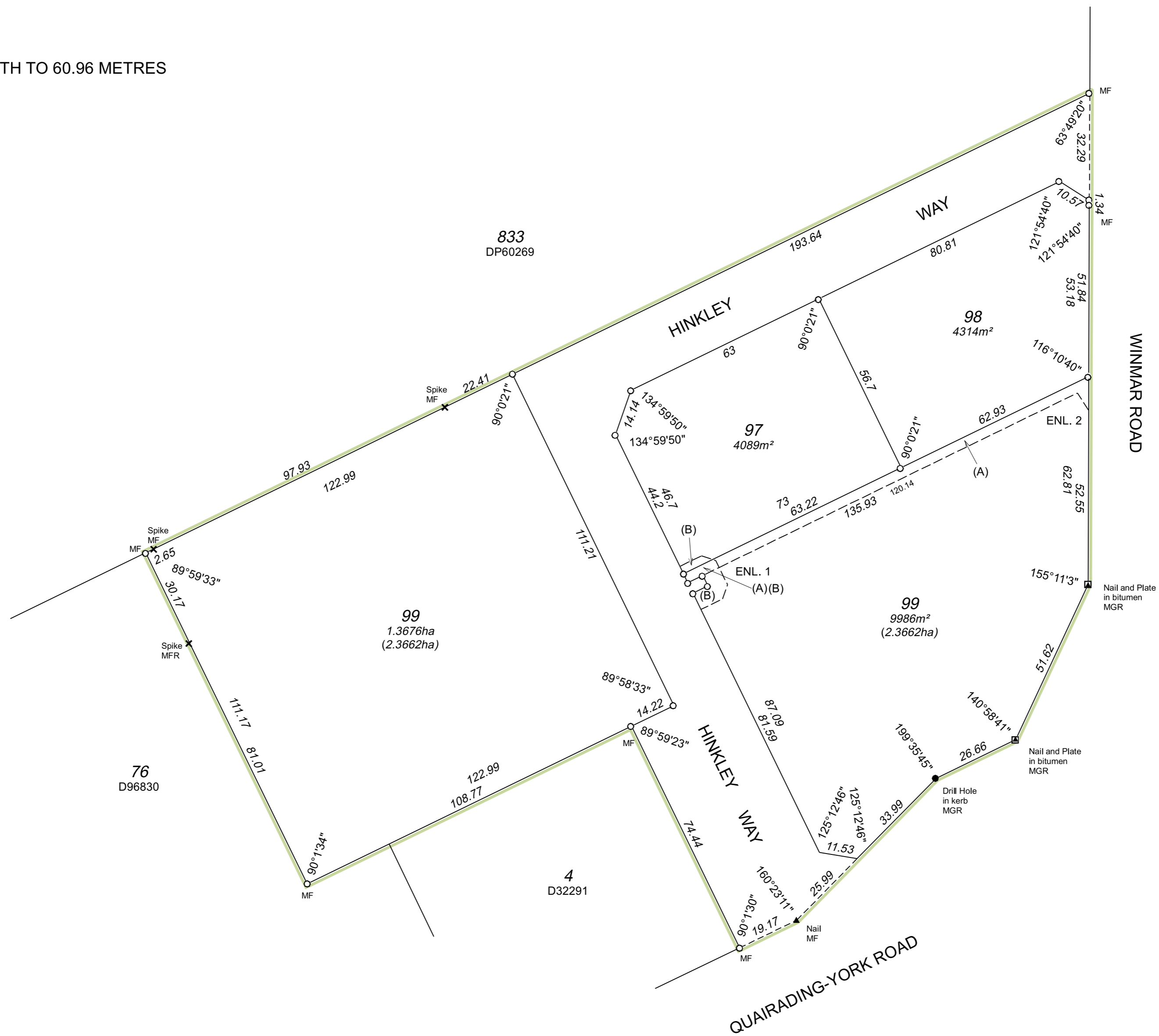
ADDITIONAL SHEETS  
ENDORSEMENT SHEET

SHEET  
**1** OF **3** SHEETS

VERSION NUMBER  
**3**

DEPOSITED PLAN  
**423078**

LIMITED IN DEPTH TO 60.96 METRES







**Lodgement and Examination**

Lodgement Date	28/03/2022
Version 3 Submission Date	22/04/2022
Examination Date	22/04/2022

**Western Australian Planning Commission**

Planning Approval	Yes
Reference	159178



29-Apr-2022

Delegate under S. 16 P&D Act 2005	Date
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**In Order For Dealings**

Subject To	<ul style="list-style-type: none"> <li>• Section 129BA of the TLA 1893</li> <li>• Section 168(1)(2) of the P&amp;D Act</li> <li>• Section 167 of the P&amp;D Act 2005</li> </ul>
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16-May-2022

For Inspector of Plans and Surveys / Authorised Land Officers	Date
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**Plan Approved**

Inspector of Plans and Surveys / Authorised Land Officer	Date
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ENDORSEMENT SHEET

VERSION NUMBER

3

DEPOSITED PLAN

423078

ITEM 12 COUNCILLORS' EMERGING ISSUES

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ITEM 13 CONFIDENTIAL BUSINESS – AS PER LOCAL GOVERNMENT ACT S5.23 (2)

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*No matters for consideration.*

ITEM 14      NEXT MEETING DATE

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The next Audit & Risk Committee Meeting is scheduled to take place on 13th September 2022, commencing at 5.00 pm on at the Council Chambers, 10 Jennaberring Road, Quairading.

ITEM 15      CLOSURE

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There being no further business, the Chairman closed the Meeting at \_\_\_\_\_ pm.