



SHIRE OF  
**DOWERIN**  
TIN DOG TERRITORY

# MINUTES

## Ordinary Council Meeting

Held in Council Chambers  
13 Cottrell Street, Dowerin WA 6461  
Tuesday 21 July 2020



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Shire of Dowerin  
Ordinary Council Meeting  
Tuesday 21 July 2020



1. Official Opening / Obituaries

The President welcomed those in attendance and declared the meeting open at 2.00pm.

In opening the meeting, the President and Councillors acknowledged the passing of Mr Paul Dudfield who was a previous Works Manager with the Shire, Mr Bill Hewitt, Mr Frank Lenihan and Mr Darryl Ward with a minute's silence.

On behalf of Council and staff, the President extended his deepest sympathies to Councillor Ward on the passing of her husband. Our thoughts are with Councillor Ward and her family at this sad time.

2. Record of Attendance / Apologies / Leave of Absence

Councillors:

Cr DP Hudson	President
Cr AJ Metcalf	Deputy President
Cr LG Hagboom	
Cr LH Holberton	
Cr RI Trepp	

Staff:

Ms R McCall	Chief Executive Officer
Ms C Delmage	Manager Corporate & Community Services
Mr L Vidovich	Manager Works & Assets
Ms V Green	Executive & Governance Officer

Members of the Public: Mr R Adams & Mrs D Hatwell (until 3.09pm)

Apologies: Cr BA Ward; Cr JC Sewell

Approved Leave of Absence: Cr JC Chatfield (CMRef 0168)

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Applications for Leave of Absence

Nil

6. Petitions and Presentations

Nil

7. Confirmation of Minutes of the Previous Meeting(s)

- 7.1 Ordinary Council Meeting held on 16 June 2020  
Attachment 7.1A

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Metcalf Seconded: Cr Trepp

0228 That, in accordance with Sections 5.22(2) and 3.18 of the *Local Government Act 1995*, Council confirms the Minutes of the Ordinary Council Meeting held on 16 June 2020, as presented in Attachment 7.1A, are a true and correct record of proceedings.

CARRIED 5/0

8. Minutes of Committee Meeting(s) to be Received

- 8.1 Audit & Risk Committee Meeting held on 21 July 2020  
Attachment 8.1A

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp Seconded: Cr Hagboom

0229 That, in accordance with Sections 5.22(2) and 3.18 of the *Local Government Act 1995*, Council receives the Minutes of the Audit and Risk Committee Meeting (unconfirmed) held on 21 July 2020, as presented in Attachment 8.1A.

CARRIED 5/0

9. Announcements by the President Without Discussion

The President welcomed Mr Les Vidovich as the incoming Manager Works & Assets, and requested Councillors familiarise themselves with the information distributed to them relating to NEWROC, adding that Councillors who wished to attend future NEWROC meetings could do so upon request.

## 10. OFFICER'S REPORTS – CORPORATE AND COMMUNITY SERVICES

### 10.1 Financial Activity Statements

<h1>Corporate &amp; Community Services</h1>		 SHIRE OF <b>DOWERIN</b> TIN DOG TERRITORY
Date:	15 July 2020	
Location:	Not Applicable	
Responsible Officer:	Cherie Delmage, Manager Corporate & Community Services	
Author:	As above	
Legislation:	<i>Local Government Act 1995; Local Government (Financial Management) Regulations 1996</i>	
SharePoint Reference:	Organisation/Financial Management/Reporting/Financial Statements/2019-2020 Monthly Financial Statements	
Disclosure of Interest:	Nil	
Attachments:	Attachment 10.1A – Financial Activity Statements	

#### Purpose of Report

Executive Decision

Legislative Requirement

#### Summary

For Council to receive the Statement of Financial Activity, which includes the Detailed Schedules, Statement of Financial Position, Current Ratios and Investment Register for the period ending June 2020.

#### Background

Section 6.4 of the *Local Government Act 1995* requires a local government to prepare financial reports.

Regulations 34 & 35 of the *Local Government (Financial Management) Regulations 1996* set out the form and content of the financial reports, which have been prepared and are presented to Council.

#### Comment

In order to fulfil statutory reporting requirements, and to provide Council with a synopsis of the Shire of Dowerin's overall financial performance on a year to date basis, the following financial information is included in the Attachment.

#### Statements of Financial Activity – Statutory Reports by Program and Nature or Type

The Statements of Financial Activity provide details of the Shire's operating revenues and expenditures on a year to date basis. The reports further include details of non-cash adjustments and capital revenues and expenditures, to identify the Shire's net current position; which reconciles with that reflected in the associated Net Current Position note (Note 3).

### Capital Acquisitions

This report provides year to date budget performance in respect of the capital expenditure activities and their funding sources. Individual project information can be found at Note 13.

#### Note 1 – Significant Accounting Policies

This note provides details of the accounting policies relating to the Shire's accounts.

#### Note 2 - Explanation of Material Variances

Council adopted (in conjunction with the Annual Budget) a material reporting variance threshold of 5% or \$10,000, whichever is the greater. This note explains the reasons for any material variances identified in the Statements of Financial Activity at the end of the reporting period.

#### Note 3 - Net Current Funding Position - Statutory Requirement

This note provides details of the composition of the net current asset position on a year to date basis and reconciles with the closing funding position as per the Statement of Financial Activity.

#### Note 4 – Cash and Investments

This note provides Council with the details of the actual amounts in the Shire's bank accounts and/or investment accounts as at reporting date.

#### Note 5 – Budget Amendments

This note provides Council with a list of all budget amendments to date.

In accordance with Regulation 33A of the *Local Government (Financial Management) Regulations 1996*, Council reviewed the 2019/20 Budget at its February 2020 meeting and adopted the recommended amendments (CMRef 0138).

The review was extensive and comprehensive with the impact being that the 2019/20 Budget has an anticipated carried forward balance of Nil.

#### Note 6 – Receivables

This note provides Council with the sundry debtors outstanding as at reporting date.

#### Note 7 - Cash Backed Reserves

This note provides summary details of transfers to and from reserve funds, and associated interest earnings on reserve funds, on a year to date basis.

#### Note 8 – Capital Disposals

This note gives details of the capital asset disposals during the year.

#### Note 9- Rating Information

This note provides details of rates levied during the year.

#### Note 10 – Information on Borrowings

This note shows the Shire's current debt position and lists all borrowings.

#### Note 11 – Grants and Contributions Received

This note provides information on the operating and non-operating grants received.

#### Note 12 – Trust Funds

This note shows the balance of funds held by the Shire in its Trust Fund on behalf of another person/entity.

#### Note 13- Capital Acquisitions

This note details the capital expenditure program for the year.

Consultation

Rebecca McCall, Chief Executive Officer

Megan Shirt, Consultant

Cherie Delmage, Manager Corporate & Community Services

### Policy Implications

The Shire of Dowerin has a comprehensive suite of financial management policies. Finances have been managed in accordance with these policies.

### Strategic Implications

#### Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 2 & 3

Reference: L3, L4 & L5

#### Asset Management Plan

Nil

#### Long Term Financial Plan

Nil

### Statutory Implications

Council is required to adopt monthly statements of financial activity to comply with Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*.

### Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Governance Calendar, Financial Management Framework & Legislation
Action (Treatment)	Nil
Risk Rating (after treatment)	Adequate

Timely preparation of the monthly financial statements within statutory guidelines is vital to good financial management. Failure to submit compliant reports within statutory time limits will lead to non-compliance with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

### Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Metcalf

Seconded: Cr Trepp

0230 That, in accordance with Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*, Council receives the statutory Financial Activity Statement report for the period ending 30 June 2020, as presented in Attachment 10.1A.

CARRIED 5/0



10.2 List of Accounts Paid

## Corporate & Community Services



Date:	14 July 2020
Location:	Not Applicable
Responsible Officer:	Cherie Delmage, Manager Corporate & Community Services
Author:	Jasmine Pietrocola, Accounts Finance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Financial Management) Regulations 1996</i>
SharePoint Reference:	Organisation/Financial Management/Reporting/Financial Statements and Credit Cards
Disclosure of Interest:	Nil
Attachments:	Attachment 10.2A - List of Accounts Paid

### Purpose of Report



Executive Decision



Legislative Requirement

### Summary

This Item presents the List of Accounts Paid, paid under delegated authority, for June 2020.

### Background

Nil

### Comment

The List of Accounts Paid as presented has been reviewed by the M CCS.

### Consultation

Rebecca McCall, Chief Executive Officer

Cherie Delmage, Manager Corporate & Community Services

Jasmine Pietrocola, Accounts Finance Officer

### Policy Implications

The Shire of Dowerin has a comprehensive suite of financial management policies. Finances have been managed in accordance with these policies. Payments have been made under delegated authority.

### Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 2 & 3

Reference: L3, L4 & L5

Asset Management Plan

Nil

Long Term Financial Plan

Nil

#### Statutory Implications

Regulation 12 & 13 of the *Local Government (Financial Management) Regulations 1996* requires that a separate list be prepared each month for adoption by Council showing creditors paid under delegated authority.

#### Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Governance Calendar
Action (Treatment)	Nil
Risk Rating (after treatment)	Adequate

Council would be contravening to the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* if this item was not presented.

#### Financial Implications

Funds expended are in accordance with Council's adopted 2019/20 Budget.

#### Voting Requirements



Simple Majority



Absolute Majority

#### Officer's Recommendation/Resolution

Moved: Cr Trepp

Seconded: Cr Hagboom

0231 That, in accordance with Regulations 12 & 13 of the *Local Government (Financial Management) Regulations 1996*, Council receives the report from the Chief Executive Officer on the exercise of delegated authority in relation to creditor payments from the Shire of Dowerin Municipal Fund, as presented in Attachment 10.2A, and as detailed below:

List of Accounts Paid – June 2020	
EFT7715 to EFT7860	\$1,011,162.18
Cheque 10815 to 10826	\$35,619.21
DD10975; NAB Credit Card; May 2020	\$3,907.27
DD10984; Puma Energy Fuel; May 2020	\$911.13
DD10972 & 10986; Superannuation	\$12,207.27
DD10979 & 10988; Treasury Loan Repayments	\$50,098.01
DD130867; Bank Fees	\$101.30
Net Payroll; PPE 10 June 2020	\$52,095.47
Net Payroll; PPE 24 June 2020	\$55,632.58
TOTAL	\$1,221,734.42

CARRIED 5/0

### 10.3 Recalcitrant Rates Debtors – June 2020

<h2>Corporate &amp; Community Services</h2>		 <b>SHIRE OF DOWERIN</b> TIN DOG TERRITORY
Date:	3 July 2020	
Location:	Various	
Responsible Officer:	Cherie Delmage, Manager Corporate & Community Services	
Author:	Louise Sequerah – Acting Rates Officer	
Legislation:	<i>Local Government Act 1995; Local Government (Financial Management) Regulations 1996</i>	
Sharepoint Reference:	Organisation/Rates and Evaluations/Reporting/2020 Recalcitrant Rates Debtors	
Disclosure of Interest:	Nil	
Attachments:	Attachment 10.3A – Recalcitrant Rates Debtors	

#### Purpose of Report

Executive Decision  Legislative Requirement

#### Summary

The Shire of Dowerin recalcitrant rates debtors report for June 2020 details non-pensioner assessments, not paying on an arrangement, or recently commenced an arrangement, with a previous year's balance of more than \$100.

#### Background

It is considered best practice for Council to have less than 4% of the rates levied outstanding at the end of the financial year.

#### Comment

Apart from following up on ratepayers that were not meeting their arrangements to pay off rates and charges, no debt recovery action has been undertaken in the month of June 2020. This is due to the following reasons:

1. Awaiting confirmation from the Legislative Advisor at the Department of Local Government, Sport & Cultural Industries (DLGSC) as to what further actions Council can take; and
2. In the current COVID-19 environment, the DLGSC and Rates Officers have been advised to limit active debt recovery.

#### Consultation

Louise Sequerah, Acting Rates Officer  
Cherie Delmage, Manager Corporate & Community Services  
Lauren Marsh, Senior Account Manager - AMPAC Debt Recovery  
Association of Rates Officers

Troy Hancock, Legislation Officer, Department of Local Government, Sports and Cultural Industries

Policy Implications

Nil

Statutory Implications

*Local Government Act 1995; Local Government (Financial Management) Regulations 1996*

Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 2 & 3

Reference: L3, L4 & L5

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Financial Impact
Risk Description	\$5,001 - \$50,000
Consequence Rating	Moderate (3)
Likelihood Rating	Likely (4)
Risk Matrix Rating	Moderate (8)
Key Controls (in place)	Financial Management Framework; Debt Recovery Procedures; Legislation
Action (Treatment)	Undertake debt recovery as per procedures and legislation
Risk Rating (after treatment)	Effective

Financial Implications

It is estimated that \$64,422.28 of the outstanding balance will be considered an unrecoverable bad debt.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Hagboom

Seconded: Cr Holberton

0232 That Council receives the report of Recalcitrant Rates Debtors, as presented in Attachment 10.3A.

CARRIED 5/0

## 10.4 Adoption of 2020/21 Schedule of Fees and Charges

### Corporate & Community Services



Date:	14 July 2020
Location:	Not Applicable
Responsible Officer:	Cherie Delmage, Manager Corporate & Community Services
Author:	Vanessa Green, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995</i>
Sharepoint Reference:	Organisation/Financial Management/2020-21 Budget
Disclosure of Interest:	Nil
Attachments:	Attachment 10.4A - 2020/21 Schedule of Fees and Charges

#### Purpose of Report

Executive Decision



Legislative Requirement

#### Summary

This Item presents the proposed 2020/21 Schedule of Fees and Charges to be effective from 1 July 2020 to Council for consideration and, if satisfactory, adoption.

#### Background

Historically fees and charges are adopted in June each year enabling them to be effective from 1 July 2020. However, for various reasons it was not possible for the Schedule of Fees and Charges to be finalised for presentation to Council's June 2020 meeting.

Therefore, the Schedule of Fees and Charges are presented to Council at its July 2020 meeting as part of the 2020/21 Budget Adoption process.

#### Comment

The proposed Schedule of Fees and Charges for the 2020/21 financial year are included in the Attachment. The attachment also details the previous years' fees and charges for comparison purposes.

The fees and charges are expected to account for an estimated 11% or \$430,000 of the Shire's total revenue. In reviewing the 2020/21 Schedule of Fees and Charges, the following procedures and processes have been taken into consideration:

1. Input has been sought from all Managers and key members of staff;
2. Comparison made with other Shires for some programs; and
3. Statutory charges which remain the same, although these may alter after review by the Federal and State Governments.

While there is a Ministerial Order for local governments not to increase fees and charges for the 2020/21 financial year due to the COVID-19 pandemic, a comprehensive review of the Schedule of Fees and Charges has identified a number of business functions that the Shire did not previously have a fee or charge for. This has been corrected in the 2020/21 Schedule of Fees and Charges.

## Consultation

Council Budget Workshop 16 June 2020  
Council Budget Workshop 30 June 2020  
Council Budget Workshop 13 July 2020  
Senior Management Team  
Commonwealth Home Support Programme staff  
All other staff

## Policy Implications

Nil

## Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 3

Reference: L5

Asset Management Plan

Nil

Long Term Financial Plan

Nil

## Statutory Implications

Sections 6.16 and 6.19 of the *Local Government Act 1995* are applicable and states:

*"6.16. Imposition of fees and charges*

- (1) *A local government may impose\* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.*

*\* Absolute majority required.*

- (2) *A fee or charge may be imposed for the following –*

- (a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;*
- (b) supplying a service or carrying out work at the request of a person;*
- (c) subject to section 5.94, providing information from local government records;*
- (d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;*
- (e) supplying goods;*
- (f) such other service as may be prescribed.*

- (3) *Fees and charges are to be imposed when adopting the annual budget but may be –*

- (a) imposed\* during a financial year; and*
- (b) amended\* from time to time during a financial year.*

*\* Absolute majority required.*



6.19. *Local government to give notice of fees and charges*

*If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of –*

- (a) *its intention to do so; and*
- (b) *the date from which it is proposed the fees or charges will be imposed”*

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Governance Calendar
Action (Treatment)	Nil
Risk Rating (after treatment)	Adequate

Financial Implications

Income will be generated through the charging of the 2020/21 Schedule of Fees and Charges.

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation

That, in accordance with Sections 6.16 and 6.19 of the *Local Government Act 1995*, Council adopts the 2020/21 Schedule of Fees and Charges, as presented in Attachment 10.4A, for the 2020/21 financial year to become effective from 1 July 2020 and that local public notice of these Fees and Charges be given.

Resolution

Moved: Cr Metcalf

Seconded: Cr Trepp

0233

That, in accordance with Sections 6.16 and 6.19 of the *Local Government Act 1995*, Council adopts the 2020/21 Schedule of Fees and Charges, as presented in Attachment 10.4A (and as amended), for the 2020/21 financial year to become effective from 1 July 2020 and that local public notice of these Fees and Charges be given.

CARRIED BY ABSOLUTE MAJORITY 5/0

Reason

Council noted that the fee for the Lesser Hall Half Day including kitchen should be \$12 per hour (ie \$48 for four hours), not \$12 for the half day.

10.5 Adoption of 2020/21 Budget

## Corporate & Community Services



Date:	14 July 2020
Location:	Not Applicable
Responsible Officer:	Cherie Delmage, Manager Corporate & Community Services
Author:	As above
Legislation:	<i>Local Government Act 1995; Local Government (Financial Management) Regulations 1996; Local Government (Administration) Regulations 1996; Waste Avoidance and Resources Recovery Act 2001; Local Government (COVID-19 Response) Ministerial Order 2020</i>
Sharepoint Reference:	Organisation/Financial Management/Budgeting/2020-2021 Budget
Disclosure of Interest:	Nil
Attachments:	Attachment 10.5A - Draft 2020/21 Budget

### Purpose of Report



Executive Decision



Legislative Requirement

### Summary

This Item presents the draft 2020/21 Budget to Council for consideration and, if satisfactory, adoption.

### Background

The draft 2020/21 Budget has been compiled based on the principles contained in the Strategic Community Plan, with consideration for the *Local Government (COVID-19 Response) Ministerial Order 2020* as gazetted on 8 May 2020, and in accordance with presentations made to Council at budget workshops held in June and July 2020.

Further information provided to Council and considered at the budget workshops included proposed Programs for Plant Replacement, Capital Expenditure, Road Program, Building Maintenance and Asset Acquisitions.

### Comment

The main features of the draft 2020/21 Budget include:

1. A breakdown of rate charges;
2. Schedule of Fees and Charges;
3. Refuse collection charges; and
4. Sewerage rates and charges.

Council has allowed for \$710,000 towards its Road Maintenance Program which allows for \$100,000 for roadside tree pruning and \$80,000 towards road edging.

Proposed capital expenditure of \$5,003,185 includes the following:

1. A Capital Roads Program totalling \$3,445,857 the cost of which is partially offset by Federal and State road funding. The net impact of these works on Council funds is \$392,659. Of this Program, \$1,783,958 relates to storm damage that occurred in February 2020;
2. A total of \$591,000 on other infrastructure including the town oval reticulation upgrade (subject to grant funding), improvements to the main street at a value of \$60,000 and a \$50,000 extension to the oval perimeter fence; and
3. The purchase of the following plant is offset by loans as noted in the second table below:

Smooth Drum Roller	\$150,000
Multi Tyre Roller	\$170,000
Low Loader	\$85,000
Side Tipper	\$103,000
TOTAL	\$508,000

Loan 103: Multi Tyre Roller	\$170,000
Loan 104: Smooth Drum Roller	\$150,000
Loan 105: Low Loader	\$85,000
Loan 106: Side Tipper	\$103,000
TOTAL	\$508,000

All purchases of plant and the uptake of loans will be made throughout the year as part of Council considerations.

The 2020/21 Budget will include a transfer from the Recreation Reserve of \$193,333 towards the Town Oval Reticulation Project (\$290,000) which is dependent on receiving grant funding from the Community Sport and Recreation Facilities Fund. Transfers into Reserves of \$417,642 (plus approximate interest of \$20,000) also forms part of the budget.

The estimated brought forward balance is \$941,147 however, it must be noted that this figure is unaudited and may change once the annual accounts are finalised. The major influence on the brought forward figure is a payment of \$806,061 made in June 2020 of Federal Financial Assistance Grants, an allowance for outstanding creditors relating to 2019/20 and a carried forward amount from an uncompleted Regional Road Grant project.

In accordance with Clause 7 of the Ministerial Order, the following considerations apply to the preparation of the 2020/21 Budget as a result of the consequences of the COVID-19 pandemic:

1. Nil increase in the rate in the dollar for all property types based on GRV valuations;
2. Nil increase in the minimum rate;
3. Nil increase in sewerage rate in the dollar and minimums;
4. Nil increase in waste collection charges; and
5. Reduced interest rate from 11% to 8% being charged on penalty interest on outstanding amounts for those identified under Policy 4.16 - COVID-19 Financial Hardship Policy.

The effect on the Community Strategic Plan has been minimal and effects to the Corporate Business Plan relate mostly to the deferment of Key Actions. These will be carried forward to the 2020/21 financial year.

Consultation

Council Budget Workshop 16 June 2020

Council Budget Workshop 30 June 2020

Council Budget Workshop 13 July 2020

Rebecca McCall, Chief Executive Officer

Cherie Delmage, Manager Corporate & Community Services

Doug Davey, Acting Manager Works & Assets

Les Vidovich, Manager of Works & Assets

#### Policy Implications

If this Item is adopted as presented, it will result in the creation of two new Reserve accounts namely Depot and Waste which will result in a review of Policy 4.1 – Financial Reserves Policy.

#### Strategic Implications

##### Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 2

Reference: L3

Community Priority: Our Infrastructure

Objective: Our infrastructure will drive economic and population growth, be a key enabler of the digital economy and support reliable, efficient service delivery

Outcome: 1

Reference: I2

##### Asset Management Plan

The AMP will be reviewed to capture the 2020/21 Budget allocations.

##### Long Term Financial Plan

The LTFP will be reviewed to capture the 2020/21 Budget allocations.

#### Statutory Implications

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, the local government is to prepare and adopt a budget for its municipal fund for the financial year ending on the following 30 June.

Division 5 and 6 of Part 6 of the *Local Government Act 1995* refers to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft 2020/21 Budget as presented is considered to meet the statutory requirements.

#### Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)

Risk Matrix Rating	Low (1)
Key Controls (in place)	Governance Calendar, Financial Management Framework & Legislation
Action (Treatment)	Nil
Risk Rating (after treatment)	Adequate

#### Financial Implications

Specific financial implications are as noted within this report with full details itemised in the attached draft 2020/21 Budget presented for adoption.

#### Voting Requirements

Simple Majority

Absolute Majority

#### Officer's Recommendation

That, in accordance with Section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, Council adopts the Shire of Dowerin 2020/21 Budget, as presented in Attachment 10.5A, for the 2020/21 financial year which includes the following:

1. Statement of Comprehensive Income by nature and type on Page 2 showing a net result for the 2020/21 financial year of \$2,323,501;
2. Statement of Comprehensive Income by Program on Page 4 showing a net result for the 2020/21 financial year of \$2,323,501;
3. Statement of Cash Flows on Page 6 showing a net result for the 2020/21 financial year of \$2,095,789;
4. Rate Setting Statement on Pages 7 and 8 showing the required amount of \$1,355,150 to be raised from rates for the 2020/21 financial year;
5. Notes to and forming part of the Annual Budget on Pages 10 to 29; and
6. Transfers to/from Reserve Accounts as detailed in Page 25.

#### Resolution

Moved: Cr Hagboom

Seconded: Cr Trepp

**0234** That, in accordance with Section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, Council adopts the Shire of Dowerin 2020/21 Budget, as presented in Attachment 10.5A, for the 2020/21 financial year which includes the following:

1. Statement of Comprehensive Income by nature and type on Page 2 showing a net result for the 2020/21 financial year of \$2,323,501;
2. Statement of Comprehensive Income by Program on Page 4 showing a net result for the 2020/21 financial year of \$2,323,501;
3. Statement of Cash Flows on Page 6 showing a net result for the 2020/21 financial year of \$2,095,789;
4. Rate Setting Statement on Pages 7 and 8 showing the required amount of \$1,363,298 to be raised from rates for the 2020/21 financial year;
5. Notes to and forming part of the Annual Budget on Pages 10 to 29; and
6. Transfers to/from Reserve Accounts as detailed in Page 25.

CARRIED BY ABSOLUTE MAJORITY 5/0

Reason

The incorrect numbers had been transposed in point 4 above.

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Metcalf Seconded: Cr Hagboom

0235 That, in accordance with Sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, Council for the purpose of yielding the deficiency disclosed by the 2020/21 Budget adopted at Part 1 above, imposes the following general rates and minimum payments on Gross Rental and Unimproved Values (as shown at Note 1 on Page 10 of the 2020/21 Budget). It should be noted that in line with State Government recommendations, the Shire of Dowerin has opted not to increase in the rate in the dollar nor increase the minimum rate. Some rates may be affected due to Unimproved Valuations received from Landgate effective 1 July 2020:

Unimproved Value	Cents in \$	Minimum Rate
Residential (GRV)	0.10079	\$770
Commercial/Industrial GRV	0.10079	\$770
Town Rural (GRV)	0.10079	\$770
Other Towns (GRV)	0.10079	\$225
Rural Farmland (UV)	0.00840	\$770
Commercial/Industrial (UV)	0.00840	\$770
Town Rural (UV)	0.00840	\$770
Mining (UV)	0.00840	\$225

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp Seconded: Cr Hagboom

0236 That, in accordance with Section 41 of the *Health Act 1911*, Council imposes the following sewerage rates and minimum payments on Gross Rental Values (as shown at Note 1e on Page 12 of the 2020/21 Budget):

Gross Rental Value	Cents in \$	Minimum Rate/Charge
Sewerage Rates:		
Residential	0.075841	\$372
Commercial	0.075841	\$765



Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Hagboom Seconded: Cr Metcalf

0239 That, in accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp Seconded: Cr Metcalf

0240 That, in accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 8% for rates (and service charges) and costs of proceedings to recover such charges that remain unpaid after becoming due and payable.

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Holberton Seconded: Cr Metcalf

0241 That, in accordance with Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, Council adopts the following charges for the removal and deposit of domestic and commercial waste:

Residential Premises (Including Recycling)	
a. 240ltr Waste Bin Weekly Collection; and	\$344
b. 240ltr Recycle Bin Fortnightly Collection	\$344
Additional Refuse Service	
a. 240ltr Waste Bin Weekly Collection	\$172
Minnivale Residential Collection (excluding Recycling)	\$172

CARRIED 5/0



Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Hagboom

Seconded: Cr Holberton

0242 That, in accordance with Section 5.99 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Administration) Regulations 1996*, Council adopts the following annual fees and allowances for elected members:

Council Meetings; Councillors	\$200 per meeting
Council Meetings; President	\$270 per meeting
Council Committee Meetings	\$75 per meeting
Allowance; Shire President	\$3,200 per annum
Allowance; Deputy Shire President	\$800 per annum

CARRIED BY ABSOLUTE MAJORITY 5/0

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Metcalf

Seconded: Cr Trepp

0243 That, in accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996* and AASB 1031 Materiality, Council adopts the level to be used in the Statement of Financial Activity in 2020/21 for the reporting of material variance as 10% or \$10,000, whichever is the greater.

CARRIED 5/0

10.6 Interim Audit Results for the Year Ending 30 June 2020

## Corporate & Community Services



Date:	13 July 2020
Location:	Not applicable
Responsible Officer:	Cherie Delmage, Manager Corporate & Community Services
Author:	Vanessa Green, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
Sharepoint Reference:	Organisation/Corporate Management/Reporting
Disclosure of Interest:	Nil
Attachments:	Attachment 10.6A - Interim Audit Report

### Purpose of Report

Executive Decision



Legislative Requirement

### Summary

This Item presents the results and findings of the Interim Audit for the year ending 30 June 2020 to Council for consideration and, if satisfactory, adoption.

### Background

The Office of the Auditor General (OAG) conducted its Interim Audit for the Shire of Dowerin on Monday 4 to Wednesday 6 May 2020. As a result of the COVID-19 pandemic, the audit was not conducted onsite, rather it was conducted virtually.

The Report on the results of the Audit has been received and is included as an Attachment for Council's Information.

### Comment

The Report identifies four areas which are considered deficient, being:

1. Code of Conduct;
2. Purchasing and Payments Procedures;
3. Debtor Invoice and Credit Note Request Forms; and
4. Review of Long Term Financial Plan and Asset Management Plan.

The rating given to the Code of Conduct deficiency is Minor, meaning that the finding is not of a primary concern but still warrants action being taken.

The rating given to the other three deficiencies is Moderate, meaning the findings are of sufficient concern to warrant action being taken to rectify the deficiency as soon as practicable.

The Report details the Finding against each deficiency, indicates the Implications the deficiency may have on the organisation, and makes Recommendations on how the organisation can best rectify the deficiency. Management were made aware of the identified deficiencies at the conclusion of the Audit and were afforded the opportunity to provide comment and context to the deficiency.

While the matters are fully detailed in the Report, they have been summarised in the table below:

Finding	Recommendation	Management Comment
Code of Conduct	The Code of Conduct be reviewed on a periodic basis to ensure it continues to satisfy the requirements of the Shire and its representatives.	<p>The review of the Code of Conduct was due in 2019 however as part of the Local Government Act Review process a mandatory Code is proposed to be introduced with sector consultation on the proposed Code concluding in December 2019.</p> <p>Following advice from WALGA and the Department of Local Government (DLGSC), the Administration postponed the full review of its Code of Conduct until the Act Review process and the introduction of a mandatory Code had been completed.</p> <p>It is acknowledged that this timeframe had been exacerbated due to COVID-19 and as a result of the Audit finding the Administration conducted an interim review which is presented to the Audit &amp; Risk Committee and Council's July 2020 meetings</p> <p>It is still the Administration's intent to conduct a full review of the Code of Conduct once the mandatory Code has been introduced, noting that the DLGSC are currently unable to provide a timeframe on when that may be.</p>
Purchasing and Payments Procedures	<ol style="list-style-type: none"> <li>1. The Purchase Order Request form used should be consistent with the policy.</li> <li>2. Purchase orders should be raised for all transactions prior to the expenditure being incurred by the Shire and be authorised by an officer with delegated authority.</li> <li>3. Quotes should be obtained in accordance with the Shire's purchasing policy.</li> <li>4. All creditor EFT batch listings should be signed by the required two authorities as evidence of independent review and approval, and retained for accountability purposes.</li> </ol>	<p>The Shire has purchased the SynergySoft ALTUS Procurement module which will be 'live' in this new financial year.</p> <p>This will result in a fully managed purchasing system that is set up to follow procedures before progressing to the next stage.</p> <p>All parameters of the Shire's policies and procedures will inform the module. Training and set up has already commenced.</p>
Debtor Invoice and Credit Note Request Forms	<ol style="list-style-type: none"> <li>1. The Shire uses the Debtors Invoice Request form for all sundry debtors raised with the form authorised in accordance with applicable delegations.</li> </ol>	Noted. Debtor controls are still being embedded as there have been several staff changes and a lack of

	2. A Credit Note Request form be completed and independently approved for all credit notes raised.	consistency in processes & procedures along with standardisation of forms. This is now being addressed & will be a priority following budget adoption.
Review of Long Term Financial Plan and Asset Management Plan	The Long Term Financial Plan and Asset Management Plan be updated annually to include management's estimate of ten years of planned and required capital renewal expenditure which will enable the asset renewal funding ratio to be calculated based on the verifiable data and assumptions.	The LTFP will be reviewed and updated accordingly once the Shire of Dowerin has completed its 2020/21 Budget & 2019/20 Annual Financial Statements. It is anticipated that once updated, an annual review will be implemented.  The Manager Works & Assets finished working for the Shire of Dowerin on 22 May 2020 and his replacement does not start until 20 July 2020. It is expected that it will be at least a three month settling in period before the new Manager will be able to fully review the AMP.

Staff may provide additional comment on the Findings at the meeting.

It should be noted that the Audit & Risk Committee are to consider the amendment to its ToR at its meeting scheduled for 10.30am on Tuesday 21 July 2020. If the Committee resolves differently to the Officer's Recommendation it will be tabled at the Council Meeting. The final determination will be reflected as a Committee & Council Resolution in the Minutes.

#### Consultation

Audit & Risk Committee Meeting 21 July 2020

OAG / Auditors

Rebecca McCall, Chief Executive Officer

Cherie Delmage, Manager Corporate & Community Services

#### Policy Implications

Nil

#### Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 2 & 3

Reference: L3, L4 & L5

Asset Management Plan

Nil



Officer's Recommendation/Resolution

Moved: Cr Trepp

Seconded: Cr Hagboom

0244

That, in accordance with the *Local Government (Audit) Regulations 1996*, Council:

1. Receives the Auditor's Interim Audit Management Report, as presented in Attachment 10.6A, from AMD Chartered Accountants for the 2019/20 financial year; and
2. Notes the Management Comment and Actions taken to address the Findings contained in the Auditor's Interim Audit Management Report for the 2019/20 financial year.

CARRIED 5/0

10.7 Community Sporting & Recreation Facilities Fund Application – Dowerin Oval & Hockey Field Irrigation Systems Upgrade

## Corporate & Community Services



Date:	14 July 2020
Location:	Dowerin Oval & Hockey Field
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Tammy King, Grants Empire; Vanessa Green, Executive & Governance Officer
Legislation:	Nil
Sharepoint Reference:	Organisation/Grants & Subsidies/Grant Applications/2021-2022 CSRFF Application
Disclosure of Interest:	Nil
Attachments:	Nil

### Purpose of Report



Executive Decision



Legislative Requirement

### Summary

This Item presents a proposal for Council to consider endorsing the Chief Executive Officer submitting a funding application to the Department of Local Government, Sport & Cultural Industries (DLGSC) under the Community Sporting & Recreation Facilities Fund (CSRFF) – Small Grants for funding towards the upgrade of irrigation systems at Dowerin’s main oval and hockey field.

### Background

DLGSC administers the CSRFF program with the purpose of providing State Government financial assistance to local government authorities and incorporated not-for-profit sport and community organisations to develop well-planned facilities for sport and recreation.

In order to assist with the evaluation of submissions and to ensure projects are viable and appropriate, DLGSC has developed “Key Principles of Facility Provision”. Accordingly, each submission is to be assessed against those criteria.

Under the provision, local government authorities are required to rate and prioritise submissions using the following guide:

RATE	DESCRIPTION
A	Well planned and needed by the municipality
B	Well planned and needed by the applicant
C	Needed by the municipality, more planning required
D	Needed by the applicant, more planning required
E	Idea has merit, more preliminary work needed
F	Not recommended

This year's CSRFF rounds have been expedited in light of the COVID-19 circumstances with earlier opening and closing dates. All CSRFF small grant applications need to be submitted to the relevant local government authority for assessment and ranking before they are lodged with the DLGSC, at least one month prior to the lodgement date of 14 August 2020. Applications go through an assessment process that includes review by DLGSC Regional Managers, State Sporting Associations and the CSRFF Advisory Committee. Final recommendations are provided to the Minister responsible for Sport and Recreation who announces successful applications in late 2020. Funds for successful projects are made available and must be acquitted by 15 June 2021.

One application was received for the current Small Grants round as follows:

1. Shire of Dowerin - Dowerin Oval & Hockey Field Irrigation Systems Upgrade.

#### Comment

Recent consultation with Dowerin District High School, Dowerin & Wyalkatchem Football Club, Dowerin Hockey Club and Dowerin Cricket Club confirms the need for the irrigation systems at the oval and hockey field to be upgraded. There are no other similar sporting grounds in Dowerin and this infrastructure is heavily utilised by the local and regional communities throughout the year for a variety of sport and recreation purposes.

The current manual irrigation technique is inconsistent and does not provide an even coverage resulting in poor surfaces (lawn divets, dry patches etc). Existing irrigation occurs 12 hours per week with a travelling irrigator using 30 million litres annually at a cost of \$30,000 per annum. Upgrading the irrigation systems will reduce labour costs, conserve water (a 50% reduction in water usage) and reduce the likelihood of uneven surface coverage.

If the funding submission to DLGSC is successful, DLGSC will only allocate funding towards eligible project items that meet the DLGSC priorities and objectives. The funding from DLGSC is one third of the cost for these identified items, not one third of the total project cost and the Shire is required to commit the matching two thirds to DLGSC's one third.

Applicants have the opportunity to seek a Development Bonus based on criteria including Geographical Location, Sustainability, Co-location and Increased Participation. If successful with the Development Bonus request, there is the potential to receive up to 50% of eligible item costs, however it is necessary for the applicant to confirm two thirds of total project costs, in the event the Development Bonus is not awarded.

#### Consultation

Dowerin District High School  
Dowerin & Wyalkatchem Football Club  
Dowerin Hockey Club  
Dowerin Cricket Club  
Tammy King, Grants Empire  
Jenifer Collins, DLGSC  
NewGround Water Services

#### Policy Implications

Nil

#### Statutory Implications

Nil

#### Strategic Implications

Strategic Community Plan

Community Priority: Natural Environment



Objective: Dowerin's unique natural environment is conserved and enhanced through sustainable practices and responsible environmental management.

Outcome: 3

Reference: N6

Community Priority: Our Infrastructure

Objective: Our infrastructure will drive economic and population growth, be a key enabler of the digital economy and support reliable, efficient service delivery

Outcome: 1

Reference: 11, 12

#### Asset Management Plan

The AMP currently identifies the current irrigation system to include associated infrastructure and operational costs. The proposed Dowerin Oval and Hockey Field Irrigation System upgrade will result in lifecycle costs that will need to be factored into the AMP.

#### Long Term Financial Plan

As above, the LTFP identifies financial implications associated with the current irrigation system to include associated infrastructure and operational costs. The proposed Dowerin Oval and Hockey Field Irrigation System upgrade will result in maintenance and capital costs that will need to be factored into the LTFP.

#### Risk Implications

Risk Profiling Theme	Project/Change Management
Risk Category	Financial Impact
Risk Description	Contained, reversible impact managed by internal response
Consequence Rating	Moderate (3)
Likelihood Rating	Possible (3)
Risk Matrix Rating	Moderate (9)
Key Controls (in place)	Project Management Methodology and Framework
Action (Treatment)	Develop Project Management Methodology and Framework
Risk Rating (after treatment)	Not Rated

#### Financial Implications

Council is required to allocate a contribution towards this project in the 2020/21 financial year. The total anticipated project costs, including a 5% cost escalation, amount to \$296,899 ex GST. Although a Development Bonus is being sought, the funding program is typically oversubscribed and therefore funds are limited. Therefore, the sum of \$197,933 ex GST is to be allocated in the 2020/21 financial year, being two thirds of project costs as per the CSRFF guidelines.

In the event that the Development Bonus is successful, the Shire's contribution will be reduced accordingly.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Metcalf

Seconded: Cr Holberton


0245 That Council:

1. Endorse a small grant application seeking \$98,966 excluding GST (exclusive of Development Bonus) under the Community Sporting and Recreation Facilities Fund for the Dowerin Oval and Hockey Fields Irrigation Systems Upgrade Project;
2. Rank the Dowerin Oval and Hockey Fields Irrigation Systems Upgrade Project as "A - Well planned and needed by municipality"; and
3. Commit expenditure of up to \$197,933 excluding GST from the Shire of Dowerin Recreation Facilities Reserve towards the Dowerin Oval and Hockey Fields Irrigation Systems Upgrade Project in 2020/21.

CARRIED 4/1

## 11. OFFICER'S REPORTS – GOVERNANCE AND COMPLIANCE

### 11.1 Voting Delegates to the 2020 WALGA Annual General Meeting

<h1>Governance &amp; Compliance</h1>		 SHIRE OF <b>DOWERIN</b> TIN DOG TERRITORY
Date:	2 July 2020	
Location:	Not Applicable	
Responsible Officer:	Rebecca McCall, Chief Executive Officer	
Author:	Vanessa Green, Executive & Governance Officer	
Legislation:	<i>Local Government Act 1995</i>	
Sharepoint Reference:	Organisation/Governance/Professional Development Register/ 2020 WALGA Annual General Meeting	
Disclosure of Interest:	Nil	
Attachments:	Attachment 11.1A – WALGA Notice of AGM	

#### Purpose of Report



Executive Decision



Legislative Requirement

#### Summary

This Item presents a proposal to appoint voting delegates to the Western Australian Local Government Association (WALGA) Annual General Meeting (AGM) to Council for consideration and, if satisfactory, adoption.

#### Background

The AGM for WALGA will be held from 1.30pm on Friday 25 September 2020 at Crown Perth, unless social distancing requirements are such that an in-person meeting is not possible. In that scenario, the meeting will be conducted virtually. WALGA suggest the AGM should be attended by delegates from all Member Local Governments.

All Member Councils are entitled to be represented by 2 voting delegates at the AGM.

WALGA have called for registrations for the voting delegates and proxy voting delegates. Only registered delegates or proxy registered delegates are permitted to exercise voting entitlements on behalf of Member Councils. Delegates may be Elected Members or serving Officers.

#### Comment

It is common for other Councils who attend the AGM to nominate their WALGA Zone delegates as their voting delegates for the AGM. The Shire of Dowerin belongs to the Great Eastern Country Zone (GECZ) and its delegates are Councillor Hudson and Councillor Chatfield.

In 2019 the President and Deputy President attended the AGM as Council's voting delegates (June 2019 Item 11.2) and Council could choose the same situation again for 2020, or Council could nominate other delegates.

Consultation

Rebecca McCall – Chief Executive Officer

Policy Implications

Nil

Statutory Implications

Nil

Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs.

Outcome: 3

Reference: L5

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Nil
Action (Treatment)	Nil
Risk Rating (after treatment)	Not Rated

Financial Implications

There are no financial implications on appointing the voting delegates themselves and there is no cost to attend the AGM, however travel costs may be reimbursed upon submission of receipts.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation

That Council appoints Councillor \_\_\_\_\_ and Councillor \_\_\_\_\_ as its voting delegates and Councillor \_\_\_\_\_ and Councillor \_\_\_\_\_ as proxy voting delegates to the 2020 Annual General Meeting of the Western Australian Local Government Association, and those registrations be submitted accordingly.

Resolution

Moved: Cr Metcalf

Seconded: Cr Trepp

0246 That Council appoints Councillor Hudson as its voting delegate to the 2020 Annual General Meeting of the Western Australian Local Government Association, and that registration be submitted accordingly.

CARRIED 5/0

Reason

Council did not feel the need to appoint additional delegates.

11.2 Audit & Risk Committee - Amendment to Terms of Reference

## Governance & Compliance



Date:	13 July 2020
Location:	Not applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Vanessa Green, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
Sharepoint Reference:	Organisation/Governance/Committees/Council Committees
Disclosure of Interest:	Nil
Attachments:	Attachment 11.2A - Terms of Reference

### Purpose of Report

Executive Decision



Legislative Requirement

### Summary

This Item presents an amendment to the Audit & Risk Committee's Terms of Reference to Council for consideration and, if satisfactory, adoption.

### Background

The Audit & Risk Committee (the Committee) assists Council to meet its statutory audit requirements under the *Local Government Act 1995* and related regulations.

The Committee is to assist Council in discharging its responsibilities with regards to the exercise of due care, diligence and skill in relation to the:

1. Reporting of financial information, the application of accounting policies, and the management of the financial affairs of the Shire, and
2. Assessment of the adequacy of the management of risk.

The Terms of Reference (ToR) set out the scope of the Committee, its membership, staff support and meetings.

Staff recently undertook an extensive review of Council's Delegations Register, using the WALGA model template as a basis. The template includes a delegation to the Audit & Risk Committee allowing authority for an Audit & Risk Committee to:

1. Meet with the Shire's Auditor at least once a year on behalf of Council;
2. Examine the report of the Auditor and determine matters that require action to be taken and to ensure that appropriate action is taken in respect of those matters; and
3. Review and endorse the Shire's report on any actions taken in response to an Auditor's report prior to it being forwarded to the Minister for Local Government.

Management considered it appropriate for this authority to be delegated to the Committee as it allows flexibility in determining the meeting with the Auditors hence it was included in the final Delegations Register which was presented to and adopted by Council at its May 2020 meeting (CMRef 0194).

As a result of this delegation it is necessary to update the Committee's ToR, which has also been undertaken.

#### Comment

Having been granted delegated authority, the Committee's ToR have been amended to incorporate this with a tracked-changes copy included as an Attachment.

The Committee's ToR were last reviewed and adopted by Council at its October 2019 meeting following the ordinary local government elections and appointment of Committee members (CMRef 0060). There are no other proposed changes to the ToR at this time.

It should be noted that the Audit & Risk Committee are to consider the amendment to its ToR at its meeting scheduled for 10.30am on Tuesday 21 July 2020. If the Committee resolves differently to the Officer's Recommendation it will be tabled at the Council Meeting. The final determination will be reflected as a Committee & Council Resolution in the Minutes.

#### Consultation

Audit & Risk Committee Meeting 21 July 2020

Rebecca McCall, Chief Executive Officer

Cherie Delmage, Manager Corporate & Community Services

#### Policy Implications

Nil

#### Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 2 & 3

Reference: L3, L4 & L5

Asset Management Plan

Nil

Long Term Financial Plan

Nil

#### Statutory Implications

Regulation 16 of the *Local Government (Audit) Regulations 1996* specifies the functions of an Audit Committee, which are:

"16. *Functions of audit committee*

*An audit committee has the following functions –*

- (a) *to guide and assist the local government in carrying out –*
  - (i) *its functions under Part 6 of the Act; and*
  - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to –*





as presented in Attachment 7.1B, and recommends to Council that the Terms of Reference be adopted.

CARRIED 3/0

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Hagboom

Seconded: Cr Metcalf

0247

That in accordance with Regulation 16 of the *Local Government (Audit) Regulations 1996*, Council adopts the reviewed Audit and Risk Committee's Terms of Reference, as presented in Attachment 11.2A.

CARRIED 5/0

### 11.3 Code of Conduct Review

## Governance & Compliance



Date:	6 July 2020
Location:	Not Applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Vanessa Green, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Rules of Conduct) Regulations 1996; Local Government (Administration) Regulations 1996</i>
Sharepoint Reference:	Organisation/Governance/Council Policies/Code of Conduct
Disclosure of Interest:	Nil
Attachments:	Attachment 11.3A - Code of Conduct

#### Purpose of Report



Executive Decision



Legislative Requirement

#### Summary

This Item presents the reviewed Code of Conduct to Council for consideration and, if satisfactory, adoption.

#### Background

Amendments to the *Local Government Act 1995* (Act) that came into effect on 21 October 2019 change the requirements that apply to Councillors and CEOs in relation to the disclosure of gifts and contributions to travel. As a result of these amendments, Council needs to amend its Code of Conduct to ensure it reflects the new legislative provisions in relation to gifts.

As a result of legislative amendments, the obligations of Councillors and CEOs to disclose gifts are now prescribed in the Act. Effectively, Councillors and CEOs are required to disclose any gifts they receive in their capacity as a Councillor or CEO that are worth more than \$300. Importantly, the definition of a gift now includes a contribution to travel.

Gift disclosure obligations that apply to staff other than the CEO are required to be detailed in a Code of Conduct.

To reflect new legislation provisions in relation to gifts, amendments have been made to the Shire's Code of Conduct.

The Shire's Code of Conduct was due for review in 2019 however staff have held off on that review due to the Local Government Act Review process, which includes a proposal to introduce a mandatory Code of Conduct. Sector consultation on the proposed mandatory Code closed in December 2019, however the COVID-19 pandemic has stalled the progression of mandatory Code's introduction and/or further review. When that mandatory Code is introduced Council will be required to adopt that Code of Conduct.

During the Shire's Interim Audit, the Auditors made a finding that the Code of Conduct had not been reviewed. While the reasons above were provided to the Auditors, staff have conducted a review to include the regulatory changes mentioned above, and some additional amendments.

#### Comment

The additional amendments expand on the current content of the Code of Conduct or change wording to be more easily readable, as well as clarifying the expected standards of behaviour to be observed. A new section has also been added which details the implications of breaching the Code of Conduct and of misconduct.

While it is acknowledged that the Code of Conduct will require another review on the introduction of the mandatory Code, this review brings the Code of Conduct into line with the current regulatory framework and addresses the finding from the Interim Audit.

It should be noted that the Audit & Risk Committee are to consider the amendment to its ToR at its meeting scheduled for 10.30am on Tuesday 21 July 2020. If the Committee resolves differently to the Officer's Recommendation it will be tabled at the Council Meeting. The final determination will be reflected as a Committee & Council Resolution in the Minutes.

#### Consultation

Audit & Risk Committee Meeting 21 July 2020

Darrelle Merritt, Principal Strategy Officer – Strategic Initiatives, Planning and Service Delivery, Department of Local Government, Sport and Cultural Industries

Lyn Fogg, Governance Advisor, Sector Support & Advice, WALGA

Senior Management Team

#### Policy Implications

The Code of Conduct will be updated accordingly, should Council resolve to adopt the amendments.

#### Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 3

Reference: L5

Asset Management Plan

Nil

Long Term Financial Plan

Nil

#### Statutory Implications

Sections 5.103 & 5.104 of the *Local Government Act 1995* states all local governments are to adopt a Code of Conduct and details Regulations which are applicable to Codes of Conduct:

*"5.103. Codes of conduct*

*(1) Every local government is to prepare or adopt a code of conduct to be observed by council members, committee members and employees.*

*[(2) deleted]*

*(3) Regulations may prescribe codes of conduct or the content of, and matters in relation to, codes of conduct and any code of conduct or provision of a code of conduct applying to a local government under subsection (1) is of effect only to the extent to which it is not inconsistent with regulations.*

5.104. *Other regulations about conduct of council members*

- (1) *Regulations may prescribe rules, to be known as the rules of conduct for council members, that council members are required to observe.*
- (2) *The rules of conduct for council members apply, to the extent stated in the regulations, to a council member when acting as a committee member.*
- (3) *The rules of conduct may contain provisions dealing with any aspect of the conduct of council members whether or not it is otherwise dealt with in this Act.*
- (4) *Regulations cannot prescribe a rule of conduct if contravention of the rule would, in addition to being a minor breach under section 5.105(1)(a), also be a serious breach under section 5.105(3).*
- (5) *Regulations cannot specify that contravention of a local law under this Act is a minor breach if contravention of the local law would, in addition to being a minor breach under section 5.105(1)(b), also be a serious breach under section 5.105(3).*
- (6) *The rules of conduct do not limit what a code of conduct under section 5.103 may contain.*
- (7) *The regulations may, in addition to rules of conduct, prescribe general principles to guide the behaviour of council members.”*

The *Local Government (Rules of Conduct) Regulations 1996* stipulate the general principles to guide the behaviour of Councillors being to:

1. Act with reasonable care and diligence;
2. Act with honesty and integrity;
3. Act lawfully;
4. Avoid damage to the reputation of the local government;
5. Be open and accountable to the public;
6. Base decisions on relevant and factually correct information;
7. Treat others with respect and fairness;
8. Not be impaired by mind affecting substances,

and specifically in relation to:

1. Use of information (Regulation 6);
2. Securing personal advantage or disadvantaging others (Regulation 7);
3. Misuse of local government resources (Regulation 8);
4. Prohibition against involvement in the Administration (Regulation 9);
5. Relations with employees (Regulation 10); and
6. Disclosure of Interests (Regulation 11).

Regulations 34B & 34C as Part 9 of the *Local Government (Administration) Regulations 1996* specify the requirements for Codes of Conduct applicable to employees, specifically in relation to gifts and the disclosure of impartiality interests.

Risk Implications

Risk Profiling Theme	Misconduct
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Code of Conduct
Action (Treatment)	Review Code of Conduct
Risk Rating (after treatment)	Adequate



11.4 Policy Manual Review – Policy 4.11 – Purchasing Policy and Purchasing Procedure

## Governance & Compliance



Date:	14 July 2020
Location:	Not Applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Vanessa Green, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995</i>
Sharepoint Reference:	Organisation/Governance/Council Policies Organisation/Financial Management/Controlled Documents/ Procedures
Disclosure of Interest:	Nil
Attachments:	Attachment 11.4A – Policy 4.11 – Purchasing Policy Attachment 11.4B – Purchasing Procedure

### Purpose of Report



Executive Decision



Legislative Requirement

### Summary

This Item presents a review of Policy 4.11 – Purchasing Policy to Council for consideration and, if satisfactory, adoption.

### Background

Following a lengthy recruitment process the Shire of Dowerin was eventually able to appoint a Manager Works & Assets (MWA) with Council endorsing the appointment of Mr Les Vidovich at its June 2020 Meeting (CMRef 0220).

As part of the Shire’s Risk Management Framework it was identified during the recruitment process that appointing Mr Vidovich to the position of MWA would create a situation whereby the MWA and Manager Corporate & Community Services (MCCS) would be closely related persons. This relationship would have implications for the Administration in terms of purchasing and payment approval protocols and other areas for a potential conflict of interest and/or collusion to arise.

In order to address these matters, and to ensure that appropriate internal controls were in place, a review of policies and procedures associated with purchasing and the procurement of goods and services, and the authorisation of invoices and payments, was undertaken.

To maintain an appropriate level of segregation of duties it is necessary to authorise an additional Officer with the ability to approve purchase orders and therefore incur a liability on behalf of the Shire. To enable this, an amendment to Policy 4.11 – Purchasing Policy is recommended.

A tracked-changes copy of the reviewed policy is included as an Attachment.

### Comment

To reduce and avoid any potential collusion, or the perception of any potential collusion, between the MWA and MCCS it is necessary for an Officer who does not directly report to either of those

Managers to be able to authorise purchase orders. This ensures that staff who are authorising the purchase are not then the same officers who will be acknowledging the receipt of the goods/services and are approving the invoice for payment, which ultimately will be authorised by the CEO, creating a multi layered approach to any procurement and payment process.

It is proposed that the following Officer be granted general authorisation to approve purchases:

Position	Amount
Executive & Governance Officer	\$5,000

This should enable the most basic day-to-day purchases to be undertaken. However, in situations where it is necessary to appoint an internal Acting CEO, which would normally be either the MWA or MCCS, to ensure the appropriate segregation of duties it is proposed that the authorisation amount threshold be increased to enable some larger purchases normally approved by the MWA or MCCS (who each have a threshold limit of \$50,000) to be undertaken by the same following Officer:

Position	Amount
Executive & Governance Officer	\$10,000

An alternative arrangement would be to appoint an external Acting CEO, however where the appointment would only be for a few days or up to one week (ie during unplanned personal leave), this may not be a plausible or achievable option. This matter will be discussed with Council in future Workshops.

While it is an internal, administrative process, the procedure for generating purchase orders and processing and authorising invoices for payment has also been reviewed. During the review extensive consultation occurred with WALGA to ensure that the procedure was flexible enough to cater for various 'real life' scenarios but that it contained the necessary segregation to comply with audit and legislative requirements. For the sake of transparency and accountability to both Council and the community it is also included as an Attachment. Being an administrative document and process, Council are not required to resolve on the procedure. It is however noted that the procedure will again require review upon the introduction of the SynergySoft Procurement Module which is expected to "go live" during August 2020.

While the proposed policy and subsequent procedure changes will result in an additional administrative burden for staff, it is necessary to ensure that all purchases and approvals are undertaken with the appropriate level of segregation, probity and compliance with audit and legislative requirements.

It should be noted that the Audit & Risk Committee are to consider the amendment to its ToR at its meeting scheduled for 10.30am on Tuesday 21 July 2020. If the Committee resolves differently to the Officer's Recommendation it will be tabled at the Council Meeting. The final determination will be reflected as a Committee & Council Resolution in the Minutes.

#### Consultation

Audit & Risk Committee Meeting 21 July 2020

Lyn Fogg, Governance Advisor, Sector Support & Advice, WALGA

Liang Wong, Assistant Director, Financial Audit, Office of the Auditor General

Senior Management Team

Vanessa Green, Executive & Governance Officer

#### Policy Implications

Policy 4.11 - Purchasing Policy and the Policy Manual will be updated accordingly, should Council resolve to adopt the policy.

#### Statutory Implications

Section 2.27(2)(b) of the *Local Government Act 1995* is applicable and states:

*"2.7. Role of council*

*(1) The council –*

- (a) governs the local government's affairs; and*
  - (b) is responsible for the performance of the local government's functions.*
- (2) Without limiting subsection (1), the council is to –*
- (a) oversee the allocation of the local government's finances and resources; and*
  - (b) determine the local government's policies."*

Regulation 11A of the *Local Government (Functions & General) Regulations 1996* is applicable and states:

*"11A. Purchasing policies for local governments*

- (1) A local government is to prepare or adopt, and is to implement, a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250 000 or less or worth \$250 000 or less.*
- (2) A purchasing policy is to make provision for and in respect of the policy to be followed by the local government for, and in respect of, entering into contracts referred to in subregulation (1).*
- (3) A purchasing policy must make provision in respect of –*
  - (a) the form of quotations acceptable; and*
  - (ba) the minimum number of oral quotations and written quotations that must be obtained; and*
  - (b) the recording and retention of written information, or documents, in respect of –*
    - (i) all quotations received; and*
    - (ii) all purchases made."*

Regulation 5 of the *Local Government (Financial Management) Regulations 1996* is applicable and states:

*"5. CEO's duties as to financial management*

- (1) Efficient systems and procedures are to be established by the CEO of a local government –*
  - (a) for the proper collection of all money owing to the local government; and*
  - (b) for the safe custody and security of all money collected or held by the local government; and*
  - (c) for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and*
  - (d) to ensure proper accounting for municipal or trust –*
    - (i) revenue received or receivable; and*
    - (ii) expenses paid or payable; and*
    - (iii) assets and liabilities;**and*
  - (e) to ensure proper authorisation for the incurring of liabilities and the making of payments; and*
  - (f) for the maintenance of payroll, stock control and costing records; and*
  - (g) to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*
- (2) The CEO is to –*
  - (a) ensure that the resources of the local government are effectively and efficiently managed; and*
  - (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*



- (c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.”*

#### Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs.

Outcome: 3

Reference: L5

Asset Management Plan

Nil

Long Term Financial Plan

Nil

#### Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Unlikely (2)
Risk Matrix Rating	Low (2)
Key Controls (in place)	Governance Management Framework
Action (Treatment)	Document Governance Framework
Risk Rating (after treatment)	Adequate

#### Financial Implications

Nil

#### Committee Resolution

Moved: Cr Trepp

Seconded: Mr Whiteaker

**0227** That, in accordance with Section 2.27(2)(b) of the *Local Government Act 1995*, Regulation 11A of the *Local Government (Functions & General) Regulations 1996* and Regulation 5 of the *Local Government (Financial Management) Regulations 1996*, the Audit and Risk Committee:

1. Receives the review of Policy 4.11 - Purchasing Policy, as presented in Attachment 7.5A; and

2. Recommends to Council that it adopts Policy 4.11 – Purchasing Policy.

CARRIED 3/0

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp

Seconded: Cr Hagboom

0249 That, in accordance with Section 2.27(2)(b) of the *Local Government Act 1995*, *Regulation 11A of the Local Government (Functions & General) Regulations 1996* and *Regulation 5 of the Local Government (Financial Management) Regulations 1996*, Council adopts the review of Policy 4.11 – Purchasing Policy, as presented in Attachment 11.4A.

CARRIED 5/0

11.5 Review of Representation

## Governance & Compliance



Date:	14 July 2020
Location:	Not applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Vanessa Green, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995</i>
Sharepoint Reference:	Organisation/Governance/Wards/2020 Review of Representation
Disclosure of Interest:	Nil
Attachments:	Attachment 11.5A - Submissions

### Purpose of Report

Executive Decision

Legislative Requirement

### Summary

This Item presents a proposal to reduce Councillor numbers to Council for consideration and, if satisfactory, adoption.

### Background

Schedule 2.2 of the *Local Government Act 1995* requires local governments to carry out reviews of their ward boundaries and representation on a regular basis. At its May 2020 Meeting Council resolved to initiate a Review of Representation and endorsed the distribution of a Discussion Paper for public consultation (CMRef 0198).

A statutory 6 week public consultation period is required hence the Review was advertised in the Dowerin Despatch on Thursday 28 May 2020 (and again on Thursday 4 June 2020, Thursday 25 June 2020 and Thursday 9 July), as well as on the Shire's website and Facebook page.

The closing date for submissions was Monday 13 July 2020 at 4.00pm.

### Comment

At the close of the public consultation process, two submissions had been received and these are included as an Attachment. Both submissions suggest retaining the current level of representation at eight Councillors is appropriate for the community.

In considering the submissions and whether, or not, to propose a change to the number of offices of councillor, Council is to have regard to the following:

#### Community of Interests

The term "community of interests" has a number of elements. These include a sense of community identity and belonging, similarities in the characteristics of the residents of a community and similarities in the economic activities. It can also include dependence on shared facilities in an area as reflected in catchment areas of local schools and sporting teams or the circulation areas of the local newspaper.

Neighbourhoods are important units in the physical, historical and social infrastructure and often generate a feeling of community and belonging.

For a district the size of Dowerin, it could be argued that Community of Interests may mostly apply to districts which contain wards as otherwise, with all Councillors elected to represent all aspects and constituents of the district, the “community of interest” is the whole district.

One of the submissions suggest that some community members may only feel confident in contacting certain Councillors. While the reasons for that are not detailed in the submission, this could relate to personality conflicts, personal perceptions of any of the Councillors or where a community member does not share the same beliefs, values or principles of any of the Councillors.

However, it would not be expected that either retaining the current level of representation, or decreasing the level of representation, would have a significant or critical effect on these community of interests.

#### Physical and Topographic Features

These may be natural or man-made features. Water features, such as water courses and catchment boundaries, may be relevant considerations. Farmland, parks and reserves may be relevant, as may other man-made features, such as the rail line and other major and minor roads.

Dowerin is trans versed with a number of both natural and man-made features with the salt lakes and water courses including Tin Dog Creek running through various areas of the district as well as the rail line running north-south and a number of major roads such as the Dowerin-Kalannie Road running north-south and the Goomalling-Merredin Road running east-west.

However, as mentioned above, these may also be insignificant when considering that the main real divide would be between rural and town areas and so where all Councillors are elected to represent all aspects and constituents of the district, the physical and topographic features are across the whole district.

It would not be expected that either retaining the current level of representation, or decreasing the level of representation, would have a significant effect on these physical and topographic features.

#### Demographic Trends

Several measurements of the characteristics of human population size and its distribution by age, sex, occupation and location provide important demographic information. Current and projected characteristics will be relevant, as well as similarities and differences between areas within the Shire.

The 2016 Census detailed the population of Dowerin as 690 persons made up of 50.2% male and 49.8% female with a median age of 43 years. This compares to the 2011 Census which detailed the population of Dowerin as 678 persons made up of 348 males and 330 females with a median age of 43 years. Therefore, Dowerin’s population is expected to remain mostly static with no major increases or decreases.

Again, the main difference within the district will be those within the rural areas and those within the townsite, as well as those who are employed and those who are not.

With Dowerin’s population not expected to change significantly it would not be expected that either retaining the current level of representation, or decreasing the level of representation, would have a considerable effect on the Shire’s demographic trends.

Having said that, there could be an argument for whether sufficient diversity on Council could be maintained with either the same level of representation, particularly when new Councillors are not elected to office, or where there is less representation, allowing specific interest groups to control Council’s activities.

#### Economic Factors

Economic factors can be broadly interpreted to include any factor that reflects the character of economic activities and resources in the area. This may include the industries that occur in an area (or the release of land for these) and the distribution of community assets and infrastructure such as road networks.

The main industry within the district is agriculture which is spread across the rural areas with the farms themselves and into the townsite areas for businesses catering to agricultural needs such as machinery dealerships, seed cleaning, engineering, agribusiness consultants and suppliers as well as the usual retail, food and hospitality type businesses.

It would not be expected that either retaining the current level of representation, or decreasing the level of representation, would have a significant effect on the economic factors of the district

aside from where there are changes to the diversity of Council, and the individual Councillor's alliances.

#### Councillor to Elector Ratio

It is expected that each local government will have similar ratios of electors to elected members across its municipality. The Local Government Advisory Board (LGAB) stipulates the importance of keeping the councillor/elector ratio preferably within plus or minus 10%, although that is only applicable to districts which contain wards, which Dowerin does not currently.

Dowerin currently has a councillor/elector ratio of 62:1 being 495 electors (as at the 2019 election) to eight councillors. Reducing the number of Councillors to seven would result in a ratio of 71:1 which is within the 10% variance allowed by the LGAB.

The advantages of a reduction in the number of councillors may include:

1. The decision making process may be more effective and efficient if the number of councillors is reduced. It is more timely to ascertain the views of a fewer number of people and decision making may be easier. There is also more scope for team spirit and cooperation amongst a smaller number of people.
2. The cost of maintaining councillors is likely to be reduced.
3. The increase in the ratio of councillors to electors is unlikely to be significant.
4. Consultation with the community can be achieved through a variety of means in addition to individuals and groups contacting their local councillor.
5. A reduction in the number of councillors may result in an increased commitment from those elected reflected in greater interest and participation in Council's affairs.
6. Fewer councillors are more readily identifiable to the community.
7. With legislated training requirements both prior to nomination and within the first 12 months of election, potential candidates may be deterred from nominating for Council.
8. With less offices on Council to fill, there may not be a need for a costly extraordinary election should the number of nominations not match the number of vacant offices on Council.
9. Fewer positions on Council may lead to greater interest in elections with contested elections and those elected obtaining a greater level of support from the community.
10. There is a State-wide trend for reductions in the number of councillors and many local governments have found that fewer councillors works well.

The disadvantages of a reduction in the number of councillors may include:

1. A smaller number of councillors may result in an increased workload and may lessen effectiveness. A demanding role may discourage others from nominating for Council.
2. There is the potential for dominance in the Council by a particular interest group.
3. A reduction in the number of councillors may limit the diversity of interests around the Council table.
4. Opportunities for community participation in Council's affairs may be reduced if there are fewer councillors for the community to contact.
5. A significant increase in the ratio of councillors to electors may place too many demands on councillors.

In considering all the above, perhaps it would be more pertinent to a local government such as Dowerin to consider the longer-term implications of being able to attract the necessary number of interested candidates to nominate for election to Council. This may be particularly true in light of the newly introduced, mandatory training which is required to be undertaken online prior to nomination and, for those successfully elected, the completion of five core modules within the first 12 months of their election. This, in addition to the current legislative, compliance and audit obligations to be adhered to by both Councillors and staff, may result in less candidates being willing to nominate or re-nominate for Council.

In those situations, it would be expected that an extra-ordinary election would need to be conducted. With the restraints on staff time and resources it is not possible for an election to be conducted in-house, hence the WA Electoral Commission would be required to conduct an election, which is both a time consuming and relatively expensive exercise (around \$12,000-\$14,000 per election which is the equivalent of around a 1% rate rise). In addition, conducting an extra-ordinary election is no guarantee that a suitable candidate will nominate and could

essentially result in Council having to conduct two or more election processes to fill all eight vacancies.

Should Council not wish to reduce its level of representation at this time, an alternative may be that should be abovementioned scenario arise without a satisfactory outcome (i.e. all eight positions on Council filled) Council could again consider conducting another review of its representation with those factors taken into account.

Should Council wish to make a recommendation to the LGAB to reduce its level of representation, the changes, if endorsed by the LGAB and agreeable by the Minister, will be published in the Government Gazette and come into effect for the next local government election of October 2021.

Finally, in considering its resolution on this matter, Council should also have regard for the Confidential Item presented to this meeting Behind Closed Doors.

The Officer's Recommendation takes into account the potential for interested and capable candidates nominating for Council in future years, and the significant costs to Council and the community in conducting extra-ordinary elections when the appropriate number of candidates cannot be achieved.

#### Consultation

A mandatory 6 week public notice consultation period began on 28 May 2020 and closed on 13 July 2020. Two submissions were received by the close of the consultation period.

Should Council wish to recommend a reduction in representation numbers, following the Ministers response on such a proposed reduction, a public notice will be issued to update the community of any changes to the Shire of Dowerin's Representation.

Council Budget Workshop 13 July 2020

Senior Management Team

Executive & Governance Officer

#### Policy Implications

Nil

#### Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 3

Reference: L5

Asset Management Plan

Nil

Long Term Financial Plan

Nil

#### Statutory Implications

Clauses 6-12 of Schedule 2.2 of the *Local Government Act 1995* are applicable and state:

"6. *Local government with wards to review periodically*

(1) *A local government the district of which is divided into wards is to carry out reviews of –*

(a) *its ward boundaries; and*

(b) *the number of offices of councillor for each ward, from time to time so that not more than 8 years elapse between successive reviews.*

(2) *A local government the district of which is not divided into wards may carry out reviews as to –*

(a) *whether or not the district should be divided into wards; and*

(b) *if so –*

(i) *what the ward boundaries should be; and*

(ii) *the number of offices of councillor there should be for each ward,*

*from time to time so that not more than 8 years elapse between successive reviews.*

(3) *A local government is to carry out a review described in subclause (1) or (2) at any time if the Advisory Board requires the local government in writing to do so.*

7. *Reviews*

(1) *Before carrying out a review a local government has to give local public notice advising –*

(a) *that the review is to be carried out; and*

(b) *that submissions may be made to the local government before a day fixed by the notice, being a day that is not less than 6 weeks after the notice is first given.*

(2) *In carrying out the review the local government is to consider submissions made to it before the day fixed by the notice.*

8. *Matters to be considered in respect of wards*

*Before a local government proposes that an order be made –*

(a) *to do any of the matters in section 2.2(1), other than discontinuing a ward system; or*

(b) *to specify or change the number of offices of councillor for a ward,*

*or proposes under clause 4(2) that a submission be rejected, its council is to have regard, where applicable, to –*

(c) *community of interests; and*

(d) *physical and topographic features; and*

(e) *demographic trends; and*

(f) *economic factors; and*

(g) *the ratio of councillors to electors in the various wards.*

9. *Proposal by local government*

*On completing a review, the local government is to make a report in writing to the Advisory Board and may propose\* to the Board the making of any order under section 2.2(1), 2.3(3) or 2.18(3) it thinks fit.*

*\* Absolute majority required.*

10. *Recommendation by Advisory Board*

(1) *Where under clause 5(b) a local government proposes to the Advisory Board the making of an order under section 2.2(1), 2.3(3) or 2.18(3), and the Board is of the opinion that the proposal is –*

(a) *one of a minor nature; and*

(b) *not one about which public submissions need be invited,*

*the Board, in a written report to the Minister, is to recommend the making of the order but otherwise is to inform the local government accordingly and the local government is to carry out a review.*

(2) *Where under clause 9 a local government proposes to the Advisory Board the making of an order of a kind referred to in clause 8 that, in the Board's opinion, correctly takes into account the matters referred to in clause 8(c) to (g), the Board, in a written report to the Minister, is to recommend the making of the order.*

(3) *Where a local government proposes to the Advisory Board the making of an order of a kind referred to in clause 8, or that a submission under clause 4(2) be rejected, that, in the Board's opinion, does not correctly take into account the matters referred to in that clause –*

(a) *the Board may inform the local government accordingly and notify the local government that a proposal that does correctly take those matters into account is to be made within such time as is set out in the notice; and*

(b) *if the local government does not make a proposal as required by a notice under paragraph (a), the Board may, in a written report to the Minister, recommend\* the making of any order under section 2.2(1), 2.3(3) or 2.18(3) it thinks fit that would correctly take into account those matters.*

*\* Absolute majority required.*

(4) *Where a local government fails to carry out a review as required by clause 6, the Advisory Board, in a written report to the Minister, may recommend\* the making of any order under section 2.2(1), 2.3(3) or 2.18(3) it thinks fit that would correctly take into account the matters referred to in clause 8.*

*\* Absolute majority required.*

11. *Inquiry by Advisory Board*

(1) *For the purposes of deciding on the recommendation, if any, it is to make under clause 10(3)(b) or (4), the Advisory Board may carry out any inquiry it thinks necessary.*

(2) *The Advisory Board may recover the amount of the costs connected with an inquiry under subclause (1) from the local government concerned as if it were for a debt due.*

12. *Minister may accept or reject recommendation*

(1) *The Minister may accept or reject a recommendation of the Advisory Board made under clause 10.*

(2) *If the recommendation is accepted the Minister can make a recommendation to the Governor for the making of the appropriate order."*

Risk Implications

Risk Profiling Theme	Misconduct
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Code of Conduct
Action (Treatment)	Review Code of Conduct
Risk Rating (after treatment)	Adequate

Financial Implications

Minimal costs were applicable for advertising the Review which are accommodated within Council's operating expenditure.

Should Council resolve to reduce its level of representation from eight to seven Councillors, the cost of Councillors will reduce by approximately \$5,800 per annum.



### Voting Requirements



Simple Majority



Absolute Majority

### Officer's Recommendation

That, in accordance with Schedule 2.2 of the *Local Government Act 1995*, Council:

1. Notes the two public submissions made during the Review of Representation process;
2. Endorses the proposal to reduce the number of Councillors from eight to seven to be effective from the 2021 Ordinary Local Government Elections; and
3. Authorises the Chief Executive Officer to write to the Local Government Advisory Board to seek endorsement of the reduction in Councillors and submission to the Minister for Local Government.

### Resolution

Moved: Cr Metcalf

Seconded: Cr Trepp

0250 That the matter of the Review of Representation lay on the table until the August 2020 Council Meeting.

CARRIED 5/0

### Reason

With the unexpected apologies of Councillor Sewell and Councillor Ward, Council believed it was appropriate that all Councillors were provided with an opportunity to participate in the debate and vote on the matter.

*NOTE: Should Council have resolved to adopt the Officer's Recommendation an Absolute Majority decision would have been required. An Absolute Majority decision is not required to lay an item on the table hence this voting requirement has been changed from the Agenda.*

11.6 Risk Dashboard Quarterly Report - June 2020

## Governance & Compliance



Date:	14 July 2020
Location:	Not Applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	As above
Legislation:	<i>Local Government Act 1995</i>
Sharepoint Reference:	Compliance/Risk Management/Reporting
Disclosure of Interest:	Nil
Attachments:	Attachment 11.6A - Risk Dashboard Quarterly Report - June 2020

### Purpose of Report

Executive Decision

Legislative Requirement

### Summary

This Item presents the Risk Dashboard Quarterly Review to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

### Background

The Shire of Dowerin's Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making;
2. Clear identification of the roles and responsibilities of the risk management functions; and
3. An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play and its responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework;
2. Support Council to provide effective corporate governance;
3. Oversight of all matters that relate to the conduct of external audits; and
4. Must be independent, objective and autonomous in deliberations.

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible. During the quarterly reporting process, Management are required to review any risks within their area and follow up controls and treatments/actions that are mitigating those risks.

#### Comment

The reviewed Risk Dashboard is included as an Attachment for the Audit & Risk Committee's perusal and comment.

Recommendations provided through the independent audit of the financial management systems and supporting report to the Regulation 17 report is included in the profile themes outlining actions and due dates.

As a result of staff responding to the State of Emergency and COVID-19 pandemic, many of the actions within the Risk Dashboard have been deferred. New due dates are detailed where necessary.

Management propose to introduce a new Risk Theme covering Financial Management as with the introduction of the Risk Implications Table (which is directly linked to the Risk Management Framework and the Risk Dashboard) to the agenda templates, it has been identified that some items are not appropriately addressed in the existing Risk Themes. Suitable options will be researched and reported back to the next Audit & Risk Committee, then subsequently Council.

It should be noted that the Audit & Risk Committee are to consider the amendment to its ToR at its meeting scheduled for 10.30am on Tuesday 21 July 2020. If the Committee resolves differently to the Officer's Recommendation it will be tabled at the Council Meeting. The final determination will be reflected as a Committee & Council Resolution in the Minutes.

#### Consultation

Audit & Risk Committee Meeting 21 July 2020

Michael Sparks, Senior Risk Consultant - Risk and Governance Services, LGIS

Rebecca McCall, Chief Executive Officer

Cherie Delmage, Manager Corporate & Community Services

Vanessa Green, Executive & Governance Officer

#### Policy Implications

Policy 2.2 – Risk Management Policy is applicable.

#### Strategic Implications

Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 3

Reference: L5

Asset Management Plan

Identified key controls and actions associated with asset management are factored into the Asset Management Plan.

Long Term Financial Plan

Identified key controls and actions associated with financial management are factored into the Long Term Financial Plan.

#### Statutory Implications

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.



12. OFFICER'S REPORTS – WORKS AND ASSETS

Nil items to report.

13. Urgent Business Approved by the Person Presiding or by Decision

Nil

14. Elected Members' Motions

Nil

15. Matters Behind Closed Doors

15.1 Council Vacancy

In accordance with Section 5.23(2)(b) of the *Local Government Act 1995*, Council went Behind Closed Doors to discuss the personal affairs of any person.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp

Seconded: Cr Metcalf

0252 That, in accordance with Sections 5.23(2)(b) of the *Local Government Act 1995*, Council go Behind Closed Doors.

CARRIED 5/0

3.09pm - Council went Behind Closed Doors.

3.09pm - Mr R Adams and Mrs D Hatwell left the meeting and did not return.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp

Seconded: Cr Holberton

0253 That, in accordance with Sections 5.23(1) of the *Local Government Act 1995*, Council come out from Behind Closed Doors.

CARRIED 5/0

3.16pm - Council came out from Behind Closed Doors.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Trepp

Seconded: Cr Metcalf

0254 That, in accordance with Section 4.17(3) and (4A)(a) of the *Local Government Act 1995*, Council requests the approval of the Electoral Commissioner to allow the vacancy created by the resignation of Councillor Julie Chatfield to remain unfilled until the October 2021 Ordinary Local Government Elections.

CARRIED BY ABSOLUTE MAJORITY 5/0

16.	Closure
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There being no further business the President thanked those in attendance and declared the meeting closed at 3.16pm.