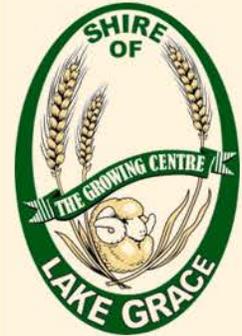


Shire of Lake Grace

Special Council Meeting

Minutes

21 December 2015



Disclaimer

No responsibility whatsoever is implied or accepted by the Shire of Lake Grace for any act, omission or statement or intimation occurring during Council/Committee meetings or during formal/informal conversations with staff. The Shire of Lake Grace disclaims any liability for any loss whatsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's and or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for license, any statement or limitation or approval made by a member or officer of the Shire of Lake Grace during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Lake Grace. The Shire of Lake Grace warns that anyone who has an application lodged with the Shire of Lake Grace must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Lake Grace in respect of the application.

CONTENTS

CONTENTS	3
1.0 OPENING & ANNOUNCEMENT OF VISITORS	4
2.0 ATTENDANCE RECORD	4
2.1 PRESENT	4
2.2 APOLOGIES	4
2.3 LEAVE OF ABSENCE PREVIOUSLY GRANTED	4
3.0 PUBLIC QUESTION TIME	4
4.0 DECLARATIONS OF INTEREST	5
4.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT SECTION 5.60A	5
4.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B .	5
4.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATION SECTION 34C	5
5.0 MATTERS FOR CONSIDERATION	6
5.1 MEETING WITH SHIRE OF LAKE GRACE AUDITORS	6
5.2 SHIRE OF LAKE GRACE 2014/2015 ANNUAL REPORT	8
5.3 APPOINTMENT OF AUDITORS 01 JULY 2015 TO 30 JUNE 2018.....	11
5.4 RISK PROFILE REPORT – PERIOD ENDING 31 DECEMBER 2015	15
5.5 2014/2015 ANNUAL ELECTORS GENERAL MEETING	19
5.6 USE OF COMMON SEAL – OAKALONA PTY LTD	21
5.7 NEWDEGATE INDEPENDENT LIVING UNITS & LESSER HALL PROJECT – FINANCE OPTIONS ..	24
6.0 CLOSURE	29
7.0 CERTIFICATION	29

SHIRE OF LAKE GRACE

Minutes of the Special Meeting of Council held at Council Chambers, 1 Bishop St Lake Grace on Monday 21 December 2015.

1.0 OPENING & ANNOUNCEMENT OF VISITORS

The Shire President opened the meeting at 4:03 pm and advised that today's special meeting has been convened to consider matters presented from the Audit Committee

- Meeting with Shire Auditor
- Adoption of 2014/15 Annual Report
- Appointment of Auditors
- Risk Profile Report

Annual Electors General Meeting, Use of the Common Seal and Newdegate Independent Living Units and Lesser Hall Project Finance Options.

2.0 ATTENDANCE RECORD

2.1 PRESENT

Cr AJ Walker	Shire President
Cr LW Armstrong	
Cr R Chappell	
Cr DS Clarke	
Cr SG Hunt	
Cr AD Marshall	<i>entered the meeting at 4:15 pm</i>
Cr MG Stanton	

In Attendance

Mr NA Hale	Chief Executive Officer
Ms D Gobbart	A/Manager Corporate Services
Mrs D Robertson	Executive Assistant

2.2 APOLOGIES

Cr JF De Landgraft	Deputy Shire President
--------------------	------------------------

2.3 LEAVE OF ABSENCE PREVIOUSLY GRANTED

Motion 12187 – December 2015 – Cr Walker has approved leave of absence for the period 15 January 2016 to 31 January 2016.

Motion 12187 – December 2015 – Cr Stanton has approved leave of absence for the period 7 February 2016 to 12 February 2016.

3.0 PUBLIC QUESTION TIME

No members of the public present.

4.0 DECLARATIONS OF INTEREST

4.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT SECTION 5.60A

Nil

4.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B

Nil

4.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATION SECTION 34C

Nil

5.0 MATTERS FOR CONSIDERATION

5.1 MEETING WITH SHIRE OF LAKE GRACE AUDITORS

Applicant:	Corporate Services Section
File No.	0202
Attachments:	2014/15 Annual Statements (refer Annual Report)
Author:	Ms Denise Gobbart A/Manager of Corporate Services
Disclosure of Interest:	Nil
Date of Report:	18 December 2015
Senior Officer:	Mr Neville Hale Chief Executive Officer

Summary

The purpose of this item is for Council to receive the Audit Committee recommendation to accept a telephone link up with Council's Auditor Mr Greg Godwin from Moore Stephens.

Background

On appointment of the audit committee, the terms of reference provided the following; Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions. This duty is pursuant to Section 7.12A(2) of the Local Government Act 1995.

The Local Government Act does not require the Audit Committee to meet with the Auditor; rather the Local Government is to meet with the Auditor at least once each year.

It should be noted that there will be a fee involved for the auditor to visit the Shire of Lake Grace in person due to travelling and time.

A telephone link up had been arranged with Council's Auditor Mr Greg Godwin from Moore Stephens at 12:00 noon.

Comment

Topics to be discussed with the auditor include;

- Review of Shire of Lake Grace Auditors Report
- Review of Shire of Lake Grace Management Report
- General Business

Legal Implications

Local Government Act 1995 Section 7.12A Duties of Local Government with Respect to Audits;

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

- (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
- (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government is to —
- (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
 - (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

Policy Implications

N/A

Consultation

Internal: Peter Bradbrook – Acting Chief Executive Officer

External: Moore Stephens (Auditors)

Financial Implications

N/A

Strategic Implications

Shire of Lake Grade Community Strategic Plan

- Ec1 - Ensure the Shire's capital investment program is cost effective and financially sustainable.
- Ec2 - Provide an environment that supports business and investment opportunities.
- Ec3 - Engage with the community to develop sustainable budget commitments.

Voting Requirements

Simple majority required.

Recommendation / Resolution

MOTION 12210

Moved Cr Hunt
Seconded Cr Stanton

That Council:

1. Endorse that a meeting between the Audit Committee and the Auditor by telephone would satisfy the requirements of Section 7.12A(2) of the Local Government Act 1995 and that the minutes of the meeting show the auditor was involved and the matters discussed; and,
2. Endorse that the verbal report by the Shire Auditor Mr Greg Godwin from Moore Stephens as noted in the minutes be received.

MOTION CARRIED 6/0

5.2 SHIRE OF LAKE GRACE 2014/2015 ANNUAL REPORT

Applicant:	Internal Report
File No.	0202
Attachments:	2014/2015 Annual Report
Author:	Ms Denise Gobbart Acting Manager Corporate Services
Disclosure of Interest:	Nil
Date of Report:	18 December 2015
Senior Officer:	Mr Neville Hale Chief Executive Officer

Summary

The purpose of this item is for Council to receive the Audit Committee recommendation to accept the Annual Report for the year ended 30 June 2015.

Background

The Annual Financial Report for the year ended 30 June 2015 was presented to the Shire of Lake Grace's auditor on Monday, 7 September 2015. The auditors undertook the annual site visit on the Tuesday 8 and Wednesday 9 September 2015. The Audit was completed and signed off on Monday, 14 December 2015.

Section 5.54 'Acceptance of Annual Reports' of the Local Government Act 1995 requires an Annual Report to be accepted by Council by 31 December in each year unless the Auditors Report is not available in time. Due to the Auditors report not being signed off until 13 December 2013 the next available Council Meeting for this to be endorsed is 15 December 2015. The Local Government Act 1995 Section 5.54(2) requires that if the Annual Report is not accepted by the Local Government by 31 December then it must be presented within two (2) months of the Auditors Report becoming available.

It is intended that the advert advising of the Annual Electors Meeting and 2014/2015 Annual Report availability will be placed in the West Australian. Notices will also be placed on our Notice Boards and the website.

Comment

The completion of the audit and the financial report confirms all figures for the 2014/15 year including the carried forward position at 30 June 2015.

The 2014/15 end of year surplus of \$2,108,542 varies to the 2015/16 budget surplus estimate of \$1,873,587. The surplus varies due to the treatment of Restricted Unspent Grant funding of \$260,644. In the budget calculation these funds have been eliminated from the opening balance. This treatment infers that the funds will remain unspent at year end. Other variations relate to adjustments made in the treatment of transactions during the audit.

Legal Implications

Local Government Act 1995 Section 5.53 Annual Reports;

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

- (f) the financial report for the financial year; and
 - (g) such information as may be prescribed in relation to the payments made to employees; and
 - (h) the auditor’s report for the financial year; and
 - (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
 - (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints; and
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require;
- and
- (i) such other information as may be prescribed.

Local Government Act 1995 Section 5.54 Acceptance of Annual Reports;

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

* Absolute majority required.

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

Local Government Act 1995 Section 5.55 Notice of Annual Reports;

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

Policy Implications

N/A

Consultation

Internal: Peter Bradbrook – Acting Chief Executive Officer
External: Moore Stephens (Auditors)

Financial Implications

N/A

Strategic Implications

- Ec1 Ensure the Shire’s capital investment program is cost effective and financially sustainable.
- Ec2 Provide an environment that supports business and investment opportunities
- Ec3 Engage with the community to develop sustainable budget commitments

Voting Requirements

Absolute (5) majority required.

Recommendation / Resolution

MOTION 12211

Moved Cr Stanton
Seconded Cr Hunt

That Council:

1. In accordance with Sections 5.53 and 5.54 of the Local Government Act 1995, accepts the Annual Report for the 2014/2015 financial year, and;
2. In accordance with Section 5.55 of the Local Government Act 1995, authorise the Chief Executive Officer to give local public notice of the availability of the Annual Report from Thursday 24 December 2015.

MOTION CARRIED BY ABSOLUTE MAJORITY 6/0

Cr Marshall entered the meeting at 4:15 pm

5.3 **APPOINTMENT OF AUDITORS 01 JULY 2015 TO 30 JUNE 2018**

Applicant:	Internal Report
File No.	0202
Attachments:	1 Audit Specification 2 AMD Chartered Accountants 3 Butler Settineri (Audit) Pty Ltd 4 Moore Stephens 5 PKF Audit (WA) Pty Ltd
Author:	Ms Denise Gobbart Acting Manager Corporate Services
Disclosure of Interest:	Nil
Date of Report:	18 December 2015
Senior Officer:	Mr Neville Hale Chief Executive Officer

Summary

The purpose of this report is for Council to receive the Audit Committee recommendation to appoint Auditors to conduct the annual audit of our accounts and annual financial statements for the next three (3) years.

Background

The appointment of Moore Stephens as Council's auditors ceases at the completion of the 30 June 2015 audit. As Council is required to appoint auditors for a future term, we lodged a request for quotation for the supply of audit services via the WALGA eQuotes site to all 7 preferred suppliers, namely:

- AMD Chartered Accountants
- Butler Settineri (Audit) Pty Ltd
- Deloitte
- Grant Thornton Audit Pty Ltd
- Macri Partners
- Moore Stephens
- PKF Audit (WA) Pty Ltd

Of the seven requests two declined to respond, one offered no response and four quotations were received, as follows;

- AMD Chartered Accountants
- Butler Settineri (Audit) Pty Ltd
- Moore Stephens
- PKF Audit (WA) Pty Ltd

After the quotes were received, it was identified that the quote request had an anomaly and the second dot point should have read; "A review of the appropriateness and effectiveness of the financial management systems to be undertaken in 2016/17." Each company that had supplied a quote were advised of this point and submitted a revised quotation, if required.

With each of the quotes there will be additional expenses incurred. These included the engagement partner meeting with the audit committee. These costs would be differing from in person attendance or telephone conference. The fees set would be based on a "clean" audit,

meaning all the information requirements are met. If system weaknesses were found additional investigation and testing would be required.

The following is a summary of the amended quotes are as follows;

AMD Chartered Accountants	2015/2016	2016/2017	2017/2018
	\$	\$	\$
(a) Annual Audit Services	\$15,400	\$16,280	\$17,050
(b) Financial Management Systems Review	\$0	\$7,700	\$0
(c) Number of Hours Allocated	130	130	130
(d) Travel & Disbursements	At Cost	At Cost	At Cost
TOTAL (Excluding GST)	\$15,400	\$23,980	\$17,050

PKF Audit (WA) Pty Ltd	2015/2016	2016/2017	2017/2018
	\$	\$	\$
(a) Annual Audit Services	\$13,200	\$13,750	\$14,300
(b) Financial Management Systems Review	\$0	\$7,500	\$0
(c) Number of Hours Allocated	80	80	80
(d) Travel & Disbursements	\$2,640	\$3,438	\$2,860
TOTAL (Excluding GST)	\$15,840	\$24,688	\$17,160

Butler Settineri (Audit) Pty Ltd	2015/2016	2016/2017	2017/2018
	\$	\$	\$
(a) Annual Audit Services	\$10,450	\$10,973	\$11,050
(b) Financial Management Systems Review	\$0	\$5,500	\$0
(c) Number of Hours Allocated	97	97	97
(d) Travel & Disbursements	\$5,500	\$5,500	\$5,500
TOTAL (Excluding GST)	\$15,950	\$21,973	\$16,550

Moore Stephens	2015/2016	2016/2017	2017/2018
	\$	\$	\$
(a) Annual Audit Services	\$16,500	\$17,600	\$18,700
(b) Financial Management Systems Review	\$0	\$7,500	\$0
(c) Number of Hours Allocated	90	90	90
(d) Travel	\$495	\$550	\$605
(e) Disbursements	At Cost	At Cost	At Cost
TOTAL (Excluding GST)	\$16,995	\$25,650	\$19,305

Comment

Moore Stephens, previously known as UHY Haines Norton was the appointed auditors for the past three financial years. Their fees during that time were 2012/2013 \$16,800, 2013/2014 \$17,850 and 2014/2015 \$18,900, all GST inclusive.

Over the past two years the Shire has paid additional fees for assistance with the finalisation of the annual financial report;

2013/14	\$5,095
2014/15	\$16,400

There will also be a significant expense incurred for the current year end annual financial report. These expenses can be related to legislative changes and staff preparedness and knowledge.

Significant work has been undertaken in the past few years with changes to legislative requirements and Moore Stephens have a good understanding of the shire finances. They are able to offer a complete audit team with considerable depth of experience, expertise and knowledge of the local government industry in Western Australia. It would be my recommendation that Council remain with Moore Stephens for the next three year term.

Legal Implications

Local Government Act 1995 Section 7.2 Audit;

The accounts and annual financial report of a local government for each financial year are required to be audited by an auditor appointed by the local government.

Local Government Act 1995 Section 7.3 Appointment of Auditors;

(1) A local government is to, from time to time whenever such an appointment is necessary or expedient, appoint* a person, on the recommendation of the audit committee, to be its auditor.

* Absolute majority required.

(2) The local government may appoint one or more persons as its auditor.

(3) The local government's auditor is to be a person who is —

- (a) a registered company auditor; or
- (b) an approved auditor.

Local Government Act 1995 Section 7.6 Term of Office of Auditor;

(1) The appointment of a local government's auditor is to have effect in respect of the audit of the accounts and annual financial report of the local government for a term of not more than 5 financial years, but an auditor is eligible for re-appointment.

(2) The appointment of an auditor of a local government ceases to have effect if —

- (a) his or her registration as a registered company auditor is cancelled; or
- (b) his or her approval as an approved auditor is withdrawn; or
- (c) he or she dies; or
- (d) the auditor ceases to be qualified to hold office as auditor or becomes a disqualified person; or
- (e) the auditor resigns by notice in writing addressed to the local government; or
- (f) the appointment is terminated by the local government by notice in writing.

(3) Where —

- (a) the registration of a local government's auditor as a registered company auditor is suspended; or
- (b) a local government's auditor becomes unable or unwilling to carry out all or part of his or her duties, the local government is to appoint* a person to conduct the audit or to complete that part of the audit which remains to be conducted, as the case requires.

* Absolute majority required.

Local Government Act 1995 Section 7.8 Terms of Appointment of Auditors;

(1) Subject to this Part and to any regulations, the appointment of a person as auditor of a local government is to be made by agreement in writing on such terms and conditions,

including the remuneration and expenses of the person to be appointed, as are agreed between that person and the local government.

(2) The remuneration and expenses payable to the auditor of a local government (whether appointed by the local government or by the Departmental CEO under section 7.7) are payable by the local government.

Policy Implications

Nil

Consultation

Neville Hale – Chief Executive Officer

Financial Implications

GL: E042200 – Audit Fees has a provision of \$30,000 allocated in 2015/2016 Budget.

Strategic Implications

Nil

Voting Requirements

Absolute majority (5) required.

Recommendation / Resolution

MOTION 12212

Moved Cr Hunt
Seconded Cr Stanton

That Council accept:

- 1 The quote from Moore Stephens for the provision of Audit Services for the years ended 30 June 2016, 30 June 2017 and 30 June 2018; and
- 2 That Mr Greg Godwin, Mr David J Tomasi and Wen Shien Chai of Moore Stephens (WA) Pty Ltd, be appointed as auditors for the Shire of Lake Grace for the three (3) year term.

MOTION CARRIED BY ABSOLUTE MAJORITY 7/0

5.4 RISK PROFILE REPORT – PERIOD ENDING 31 DECEMBER 2015

Applicant:	Chief Executive Officer
File No.	0353
Attachments:	Risk Profile Report
Author:	Mrs Jeanette Bennett Executive Officer
Disclosure of Interest:	Nil
Date of Report:	18 December 2015
Senior Officer:	Mr Neville Hale Chief Executive Officer

Summary

The purpose of this item is for Council to receive the Audit Committee recommendation to receive the Chief Executive Officer's Risk Profile Report for the period ending 31 December 2015.

Background

In February 2013, a new Regulation, number 17, was inserted into the Local Government (Audit) Regulations 1996 which requires the Chief Executive Officer to undertake certain tasks required by that legislation.

In October 2014, Council adopted Risk Management Policy 1.13 and endorsed a Risk Assessment Matrix. The associated Risk Management Governance Framework sets out the Shire's approach to the identification, assessment, management, reporting and monitoring of risks.

Audit Regulation 17 centres around the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance. These systems are to be the subject of a review by the CEO at least once every two (2) years and is to be reported to the Audit Committee.

Notwithstanding the above biennial review, a six (6) monthly update i.e. Risk Profile Report will be presented to the Audit Committee for the period ending June and December each calendar year.

Previous Risk Reports

- December 2014 - Council received the CEO's Risk Management report ending 31 December 2014
- June 2015 the Audit Committee formally received the CEO's Risk Management report and statement of appropriateness and effectiveness in relation to risk management, internal control and legislative compliance.

Since the last report, in consultation with LGIS Senior Risk Consultant, Mr Michael Sparks, the titles on the Risk Report have been amended with intention to convey a more positive approach to the Risk Management process e.g. **Failure to Fulfil Statutory, Regulatory or Compliance Requirements** has been re-titled **Compliance Requirements (Statutory, Regulatory)**.

Comment

It is essential that all areas of the Shire adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.

- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives is understood.

Risk Management Governance Framework

The Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.

As noted in the framework, Risk Management is not a destination but more of a journey. In other words – risks constantly evolve and or are discovered or “detailed”.

It should not be expected that the organisation will document “every risk” and have put in place controls to manage every risk.

The Framework has established processes by which the Chief Executive Officer, Management and employees quantify or evaluate risks to be managed by treatments or controls, or if unable or unwilling, to transfer or accept them. This process has resulted in the attached Risk Profile Report.

Risk Profile Report

The attached Risk Profile Report has been compiled in consultation with key staff in accordance with the Shire’s council endorsed initial Risk Assessment Matrix (Appetite for Risk).

The attached Risk “Dashboard Report” summarises the status of the assessed risk for each of a number of identified areas of risk pertaining to the operations of Council.

The Shire’s Risk Management Policy (Policy 1.13) was reviewed as part of the Shire’s Policy Review in June 2015, no policy changes were made.

The following has been achieved since the June 2015 review of the plan:

- **Providing Inaccurate Advice/Information**

Commenced staff briefing sessions each Thursday afternoon (office closes at 4.30 pm) to ensure everybody is on the ‘same page’ e.g. records management, Local Laws, mapping and hire of facilities.

- **Errors, Omissions and Delays**

The Shire’s Customer Service Charter was endorsed by Senior Management Team and copies made available to Councillors at a monthly Council Information Session.

Staff briefing sessions also tie in.

- **Document Management**

Following the December 2013 Crypto Locker virus which destroyed many of the Shire’s digital documents and records:

1. Shire’s main server was upgraded in the first half of 2014.
2. PCS, the Shire’s computer consultants upgraded security and back up systems.

Staff briefing sessions also tie in.

- **Employment Practices**

Structural Review undertaken in conjunction with the Workforce Plan Review using LG People consultant Marg Hemsley. Council adopted a revised organisational structure in October 2015 to be implemented by July 2016.

- **Project/Change Management**

Due to issues surrounding the construction of the Newdegate ILU's and Lesser Hall Upgrade, the control factor has been changed to 'inadequate' – issue to be taken up by Senior Management.

Legal Implications

Local Government (Audit) Regulations 1996 states;

“17. CEO to review certain systems and procedures

(1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*

- (a) *risk management; and*
- (b) *internal control; and*
- (c) *legislative compliance.*

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

(3) *The CEO is to report to the audit committee the results of that review.”*

Policy Implications

Shire of Lake Grace Policy 1.13 Risk Management

Consultation

Internal: Senior Management Team

External: LGIS Senior Risk Consultant, Michael Sparks.

As the Risk Profile Report is “inward” and operationally focused, no external community consultation is proposed nor is it required at law.

The Chief Executive Officer will continue to ensure that employees are engaged with the Shire's Policy implementation. The Policy and Framework is based on best practice guidance supplied by the Shire's Insurance Broker, Local Government Insurance Services (LGIS) as part of a Regional approach through the 4WDL.

Financial Implications

There are no known financial implications upon either the Shire's current Budget or Long Term Financial Plan.

Strategic Implications

Shire of Lake Grace Strategic Community Plan

The report and officer recommendation is consistent with Council's adopted Mission and Vision and assists to achieve the following specific adopted Strategic Objectives and Goals:

Civic Leadership

- CL1.3 – Improve organisational capability and capacity

Voting Requirements

Simple majority required.

Recommendation / Resolution

MOTION 12213

Moved Cr Marshall
Seconded Cr Hunt

That Council, as required by Regulation 17 of the Local Government (Audit) Regulations 1996:

1. Accept the Chief Executive Officer's report on Risk Management for the year ended 31 December 2015; and
2. That the systems and procedures as noted in the Executive Summary are appropriate and effective in relation to risk management, internal control and legislative compliance except as stated in the body of the report.

MOTION CARRIED 7/0

5.5 2014/2015 ANNUAL ELECTORS GENERAL MEETING

Applicant:	Internal Report
File No.	0202
Attachments:	Nil
Author:	Ms Denise Gobbart Acting Manager Corporate Services
Disclosure of Interest:	Nil
Date of Report:	18 December 2015
Senior Officer:	Mr Neville Hale Chief Executive Officer

Summary

For Council to consider and endorse the date for the Annual Electors General Meeting set by the Chief Executive Officer.

Background

The Annual Electors General Meeting is to be held within 56 days of the local government accepting the Annual Report.

A requirement of setting the date is that 14 days local public notice is required for advertising the meeting. Providing the Annual Report is endorsed at Council meeting held on 15 December 2015, the last eligible day for holding the meeting would be Tuesday, 9 February 2016 however it is recommended that this be held Monday 1 February 2016.

Providing the 2014/2015 Annual Report is endorsed at Council Meeting held on 15 December 2015. It is intended that local public notice will be published into the West Australian. All local papers will be in recess for the Christmas holiday period and not recommence until early February.

Comment

Council is requested to endorse the date set, in accordance with the Local Government Act, for the Annual Electors' meeting.

Legal Implications

Local Government Act 1995 Section 5.27 Electors' General Meetings;

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- (3) The matters to be discussed at general electors' meetings are to be those prescribed.

Local Government (Administration) Regulation No 15 Matters for discussion at General Electors' Meetings – s.5.27(3)

For the purposes of section 5.27(3), the matters to be discussed at a general electors' meeting are, firstly, the contents of the annual report for the previous financial year and then any other general business.

Local Government Act 1995 Section 5.29 Convening Electors' Meetings;

- (1) The CEO is to convene an electors' meeting by giving —
 - (a) at least 14 days' local public notice; and
 - (b) each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.

- (2) The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time of publication of the notice under section 1.7(1)(a) and is to continue by way of exhibition under section 1.7(1)(b) and (c) until the meeting has been held.

Policy Implications

Nil

Consultation

Neville Hale – Chief Executive Officer

Financial Implications

Minor expenses will be incurred with the required advertising.

Strategic Implications

Nil

Voting Requirements

Simple majority required.

Recommendation / Resolution

MOTION 12214

Moved Cr Clarke
Seconded Cr Chappell

That Council holds the Annual General Meeting of Electors on Monday, 1 February 2016 at 7:30 pm in the Lake King Hall.

MOTION CARRIED 7/0

5.6 USE OF COMMON SEAL – OAKALONA PTY LTD

Applicant: Oakalona Pty Ltd (Geoff McDonald -Landowner)
File No. 0455
Attachments: Notification under Section 70A
Author: Mrs Danielle Robertson
Executive Assistant
Disclosure of Interest: Nil
Date of Report: 17 December 2015
Senior Officer: Mr Neville Hale
Chief Executive Officer

Summary

For Council to authorise the affixing of its Common Seal on the required Notification under Section 70A of the Transfer of Land Act 1893.

Background

Council may recall that at its 27 February 2013 Ordinary Meeting it agreed to support a subdivision proposal received from the Western Australian Planning Commission on behalf of landowner Oakalona Pty Ltd (Mr Geoff McDonald).

MOTION 11579

*Moved Cr Chamberlain
Seconded Cr Sinclair*

That Council support the subdivision subject to Mr Geoff McDonald to enter into a legal agreement with the Shire for the owners to maintain and manage the water infrastructure that crosses underneath Dragon Rock Road and that the cost of legal fees be borne by the applicant.

MOTION CARRIED 7/0

Conditional to the approval a Notification, pursuant to Section 70A of the Transfer of Land Act 1893, is to be placed on the certificate of title of the land stating:

“The management and maintenance of all potable water supply infrastructure, including that infrastructure that traverses Dragon Rocks Road, is the responsibility of the land owner.”

In accordance with conditions of the approval, Mr McDonald, at his cost, prepared the necessary Notification which was signed by the CEO and returned to Mr McDonald on 25 October 2013.

Mr McDonald has since contacted the Shire to have another copy signed as the original was never received by his lawyer for action.

The original Notification under s70A was not executed under seal and as per Section 9.49 of the Local Government Act 1995, documents such as this require the affixing of the Shire’s Common Seal.

A new Notification under s70A document has been received by the Shire and is ready for signing and affixing of the Common Seal.

Comment

The affixing of the Common Seal is in accordance with Council's requirement for the s70A Notification being placed on the landowner's certificate of title.

Legal Implications

Local Planning Scheme No.4

Transfer of Land Act 1893 – section 70A

Policy Implications

Shire of Lake Grace Policy 1.11 Use of the Common Seal

Consultation

Internal: Chief Executive Officer, Mr Neville Hale

External: Urban and Rural Perspectives – Planning Consultants
Mr Geoff McDonald

Financial Implications

N/A

Strategic Implications

N/A

Voting Requirements

Simple majority required.

Recommendation / Resolution

MOTION 12215

Moved Cr Hunt

Seconded Cr Armstrong

That Council authorise the affixing of its Common Seal on the Notification under section 70A of the Transfer of Land Act 1893 in respect to Lot 9 and 10 Dragon Rocks Road, Newdegate in accordance with conditions of the previously granted planning approval.

MOTION CARRIED 7/0

MOTION 12216

Moved Cr Chappell
Seconded Cr Stanton

That Council, as per clause 16.1 of the Shire's Standing Orders Local Law, suspends standing orders at this time being 4:20 pm to discuss the Newdegate Independent Living Units and Lesser Hall Project – Finance Options.

MOTION CARRIED 7/0

MOTION 12217

Moved Cr Hunt
Seconded Cr Armstrong

That Standing Orders resume, the time being 5:36 pm.

MOTION CARRIED 7/0

5.7 NEWDEGATE INDEPENDENT LIVING UNITS & LESSER HALL PROJECT – FINANCE OPTIONS

Applicant: Internal Report
File No. 0728/0659
Attachments: Nil
Author: Ms Denise Gobbart
 Acting Manager Corporate Services
Disclosure of Interest: Nil
Date of Report: 18/12/2015
Senior Officer: Mr Neville Hale
 Chief Executive Officer

Summary

For Council to receive information regarding the funding options available for the projected cash shortfall to construct the four independent living units and upgrade to the Lesser Hall project in Newdegate.

Background

At the Ordinary meeting of Council held 15 December 2015, Council resolved as follows;

MOTION 12198

*Moved Cr Hunt
 Seconded Cr Stanton*

That Council acknowledges the projected project funding shortfall and authorise the Chief Executive Officer to investigate alternatives to fund the shortfall and to seek legal advice on recovery options under the terms of the contract.

MOTION CARRIED 8/0

Project Funding

The funding as presented to Council at the Ordinary meeting 23 April 2014 is as follows;

Country Local Government Fund (Regional)	\$538,000
Country Local Government Fund (Local)	\$140,000
Country Local Government Fund (Local)	\$120,000
Regional Development Commission	\$627,000
Newdegate Town Hall Reserve Including \$25,000 provision in 2013/14 Budget	\$160,000
Total Budget	\$1,585,000
Eclat Building	\$1,005,380
Shire Site works & Project Management	\$503,000
Total Costs	\$1,508,380

A \$76,620 contingency exists with current secured funds along with additional funds within the Newdegate Hall Reserve of approximately \$145,000.

To date the funding received from the Shire of Williams for the Country Local Government Fund (Regional) and Regional Development Commission totals \$1,072,236.87. This amount offsets the entire project costs. A transfer from the Newdegate Hall Reserve of \$71,696.93 has been made, to offset project expenses at 30 June 2015.

There is \$260,000 Country Local Government Fund (Local) currently held in restricted cash that is available for the completion of the project.

All Regional Development Commission funds have been received from and acquitted to the Shire of Williams.

A balance of \$96,495 Country Local Government Fund (Regional) is still available to be claimed from the Shire of Williams.

Retention funds of \$50,000 are currently held in our Trust Fund is available for the completion of the project.

In summary, the following funding is available for completion of the project;

CLGF Regional	\$96,495
CLGF Local	\$260,000
Trust - Retention	\$50,000
Newdegate Hall Reserve	\$88,303
	<u>\$494,798</u>

Estimated Value of Works Outstanding on Termination of Eclat Contract

The estimated values of the works outstanding are as follows;

Unit One	\$67,687
Unit Two	\$68,687
Unit Three	\$101,791
Unit Four	\$101,791
Lesser Hall	\$36,410
Gazebo	\$16,000
	<u>\$392,366</u>

It is noted that this estimate value of works outstanding on the termination of the contract, does not include electrical or plumbing costs for the housing component of the project. A quote of \$43,120 has been accepted from Unique Plumbing Services to finalise the plumbing works for the project. Two quotes have now been obtained for the electrical works these quotes vary from \$63,000 to \$88,000. These quotes are GST inclusive as we are unable to claim GST on a housing project.

Project Works to be completed by the Shire of Lake Grace

Below is a listing of works to be completed by the Shire to finalise the project. The estimated cost of these works is \$155,000.

Works to be complete by Shire of Lake Grace
Supply lay and compact road pavement material
Install concrete kerbing
Supply place and compact hot mix
Brick paving
Retaining walls
Fencing
Stormwater drainage
Landscaping

With the works estimates provided by staff and quotes obtained the summary of the projected cost, available funding and project shortfall is as follows;

Estimated Value of Works Outstanding on Contract	\$392,366
Shire of Lake Grace Project Works	\$155,000
Unique Plumbing Services - Accepted Quote	\$ 43,120
Electrical Works – Quotes Obtained	<u>\$ 65,000</u>
	\$655,486
Less Available Funding	<u>\$494,798</u>
Project Shortfall	<u><u>\$160,688</u></u>

Comment

In investigating sources of funding available to complete this project, in the item presented at the Ordinary Meeting of Council on the 23 April 2014 for the acceptance of the tender, had recorded in the *Financial Implications* it stated along with the secured funds a contingency of additional funds was available in the Newdegate Hall Reserve of approximately \$145,000.

Contact has been made with the Department of Housing regarding the \$44,669 LOGCHOP housing funds held in restricted cash. At the time of preparing this item we are awaiting a response from the Department as to the availability of these funds.

Great Southern Community Housing Association (GSCHA) will be returning our call on Monday, in relation to the availability of any funding that is held in trust on our behalf. Advice to date is that there would be in excess of \$70,000 held in Trust. In the Management Agreement with GSCHA and the Shire the reference is as follows;

All surplus funds will be utilised for further “Social and Affordable Housing” provision in the Shire of Lake Grace.....If the Department of Housing (DoH) has a financial interest in existing properties, and/or is contributing to the project, subsequent proposals will need to be assessed by the DoH in line with the “Community Housing Project Guidelines”.

On considering our Reserve funds options exist with the Newdegate Hall Reserve \$160,000, Works & Services Reserve \$30,000, Staff Housing Reserve \$30,000 and Land Development Reserve \$70,000.

In utilising reserve funds consideration needs to be given to the provisions of the Local Government Act 1995 as the purpose of use may need to be changed. The provisions are listed under Legal Implications.

The Works & Services Reserve could be used to fund the roadways, parking and drainage aspects. They would fit within the purpose of the reserve.

The other Reserves would be required to advertise the proposed change of purpose and use. This excludes the \$88,303 that was previously identified to have come from the Newdegate Hall Reserve for the purpose of this project.

Legal Implications

Local Government Act 1995

6.11. Reserve accounts

- (1) Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.
- (2) Subject to subsection (3), before a local government —
 - (a) changes* the purpose of a reserve account; or
 - (b) uses* the money in a reserve account for another purpose, it must give one month's local public notice of the proposed change of purpose or proposed use.

* Absolute majority required.

- (3) A local government is not required to give local public notice under subsection (2) —
 - (a) where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or
 - (b) in such other circumstances as are prescribed.
- (4) A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.
- (5) Regulations may prescribe the circumstances and the manner in which a local government may set aside money for use for a purpose in a future financial year without the requirement to establish and maintain a reserve account.

Local Government (Financial Management) Regulations 1996

17. Reserve accounts, title of etc.

- (1) A reserve account is to have a title that clearly identifies the purpose for which the money in the account is set aside.
- (2) In the accounts, annual budget and financial reports of the local government a reserve account is to be referred to —
 - (a) in the information required by regulations 27(g) and 38, by its full title; and
 - (b) otherwise, by its full title or by an abbreviation of that title.

18. When local public notice not required for change of use of money in reserve account (Act s. 6.11(3)(b))

A local government is not required to give local public notice of a proposed change of use of money in a reserve account —

- (a) where the money is to be used to meet expenditure authorised by the mayor or president under section 6.8(1)(c); or
- (b) where the total amount to be so used does not exceed \$5 000 in a financial year.

Local Government Act 1995

6.8. Expenditure from municipal fund not included in annual budget

- (1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —
 - (a) is incurred in a financial year before the adoption of the annual budget by the local government; or
 - (b) is authorised in advance by resolution*; or
 - (c) is authorised in advance by the mayor or president in an emergency.

* Absolute majority required.

Policy Implications

Policy 3.7 Purchasing Policy

Objectives

To provide compliance with the Local Government Act 1995 and the Local Government (Functions and General) Regulations, 1996 (as amended).

To provide clear guidelines to the Council and its officers for purchasing goods and services where the value of goods will be equal to or less than \$100,000 excluding GST.

To ensure consistency for all purchasing activities that integrates within all the Local Government operational areas.

To establish Council's support for local business.

Consultation

Internal - Neville Hale, Chief Executive Officer

Financial Implications

As detailed above an estimated project shortfall of \$160,688 exists. Sources of funding are;

Newdegate Hall Reserve	\$160,000
Works & Services Reserve	\$30,000
Staff Housing Reserve	\$30,000
Land Development Reserve	\$70,000

Investigation is ongoing to ascertain if we are able to use the \$44,669 in restricted cash for LOGCHOP Housing or surplus trust funds held by Great Southern Community Housing Association Inc.

Strategic Implications

Shire of Lake Grace Strategic Plan

Focus 2 – Social and Community Well Being

- Upgrade Newdegate Town Hall, confirm plan and seek funding for Rejuvenation Project Stage Two
- Facilitate development of self-funded retiree villages (Regional Country Local Government Fund Project):
 - Lake Grace
 - Newdegate Rejuvenation Project Stage Three

Voting Requirements

Simple majority required

Recommendation / Resolution

MOTION 12218

Moved Cr Stanton
Seconded Cr Hunt

That Council acknowledges the funding options available to fund the projected project shortfall and authorise the Chief Executive Officer to advertise the change of use of money held in the Newdegate Hall Reserve and the Staff Housing Reserve.

MOTION CARRIED 7/0

6.0 CLOSURE

There being no further business, the Chairperson closed the meeting at 5:38 pm.

7.0 CERTIFICATION

I _____, certify that the minutes of the special meeting held on the 21 December 2015 as shown were confirmed as a true record at the meeting held on the 24 February 2016.

Chairman

Date