

ORDER OF BUSINESS

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Minutes of an Ordinary Meeting of Council held in the Council Chambers on Wednesday 21 June 2017 commencing at 4.14pm

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Attendance

BD West	President	West Ward
RD Duckworth	Deputy President	West Ward
HT McInnes	Councillor	Town Ward
MJ Ledwith	Councillor	West Ward
G Robins	Councillor	Town Ward
R Bowey	Councillor	Town Ward
BP Taylor	Councillor	Central Ward
R O'Brien	Councillor	Central Ward
L Varone	Councillor	East Ward
N Mason	Chief Executive Officer	
C Vandenberg	Deputy CEO	
N Thompson	ESO/Minutes	
L Hobson	Manager of Works (outgoing)	
J Hobson	Manager of Works (incoming)	

3. PUBLIC QUESTION TIME

Nil

4. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Shire of Kulin Ordinary Meeting – 17 May 2017

01/0617

Moved Cr Robins Seconded Cr Ledwith that the minutes of the Ordinary Council Meeting held on 17 May 2017 be confirmed as a true and correct record.

Carried 9/0

Kulin Bush Races – General Meeting 10 May 2017

02/0617

Moved Cr Duckworth Seconded Cr O'Brien that the minutes of the Kulin Bush Races General Meeting held 10 May 2017 be confirmed as a true and correct record.

Carried 9/0

6 MATTERS REQUIRING COUNCIL DECISION

6.1 List of Accounts – May 2017

RESPONSIBLE OFFICER: DCEO
FILE REFERENCE: 12.06
AUTHOR: DCEO
STRATEGIC REFERENCE/S: 12.01
DISCLOSURE OF INTEREST: Nil

SUMMARY:

Attached is the list of accounts paid during the month of May 2017 for Council's consideration.

BACKGROUND & COMMENT:

Nil

FINANCIAL IMPLICATIONS:

Nil

STATUTORY AND PLANNING IMPLICATIONS:

Nil

POLICY IMPLICATIONS:

Nil

COMMUNITY CONSULTATION:

Nil

WORKFORCE IMPLICATIONS:

Nil

OFFICER'S RECOMMENDATION:

That May payments being cheque No's 232 - 234 (Trip Fund) 359 - 364 (Trust Fund) 1993 - 1995 (Bush Races), 36789 - 36807 (Municipal), EFT No's 12615 - 12717, DD6145.1 - DD6158.12 (Municipal), credit card payments, creditor payments, and other vouchers from the Municipal Fund totalling \$901,685.62 be passed for payment.

VOTING REQUIREMENTS:

Simple majority required.

03/0617

Moved Cr McInnes Seconded Cr Robins that May payments being cheque No's 232 - 234 (Trip Fund) 359 - 364 (Trust Fund) 1993 - 1995 (Bush Races), 36789 - 36807 (Municipal), EFT No's 12615 - 12717, DD6145.1 - DD6158.12 (Municipal), credit card payments, creditor payments, and other vouchers from the Municipal Fund totalling \$901,685.62 be passed for payment.

Carried 9/0

6.2 Financial Reports – May 2017

RESPONSIBLE OFFICER: DCEO

FILE REFERENCE: 12.01

AUTHOR: DCEO

STRATEGIC REFERENCE/S: 12.01

DISCLOSURE OF INTEREST: Nil

SUMMARY:

Attached is the financial report for the period ending 31 May 2017.

BACKGROUND & COMMENT:

Nil

FINANCIAL IMPLICATIONS:

Nil

STATUTORY AND PLANNING IMPLICATIONS:

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires local governments to prepare each month a statement of financial activity reporting on the revenue and expenditure of funds for the month in question.

POLICY IMPLICATIONS:

Nil

COMMUNITY CONSULTATION:

Nil

WORKFORCE IMPLICATIONS:

Nil

OFFICER'S RECOMMENDATION:

That Council endorse the monthly financial statement for the period ending 31 May 2017.

VOTING REQUIREMENTS:

Simple majority required.

04/0617

Moved Cr Robins Seconded Cr O'Brien that Council endorse the monthly financial statement for the period ending 31 May 2017.

Carried 9/0

6.3 Adoption of Percentage and Value for the Reporting of Material Variances

RESPONSIBLE OFFICER: DCEO
FILE REFERENCE: 12.01
AUTHOR: DCEO
STRATEGIC REFERENCE/S: 12.01
DISCLOSURE OF INTEREST: Nil

SUMMARY:

Financial Management Regulations that came into effect on 1 July 2005 require the adoption of a percentage or value, calculated in accordance with *Australian Accounting Standard AASB 1031 Materiality* to be used in the statements of financial activity for reporting material variances.

BACKGROUND & COMMENT:

Currently the variance reported is +/- 10% and +/- \$5,000.

STATUTORY AND PLANNING IMPLICATIONS:

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires local governments to prepare each month a statement of financial activity reporting on the revenue and expenditure of funds for the month in question.

1. The statement is to contain the following detail:
 - a) annual budget estimates, taking into account any expenditures incurred for an additional purpose under Section 6.8(1)(b) or (c) (i.e. the revised budget);
 - b) budget estimates to the end of the month to which the statement relates;
 - c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
 - d) material variances between the comparable amounts referred to in (b) and (c) above; and
 - e) the net current assets at the end of the month to which the statement relates (ie. surplus/(deficit) position).
2. The statement of financial activity is to be accompanied by:
 - a) explanation of the composition of the net current asset of the month to which the statement relates, less committed assets and restricted assets;
 - b) an explanation of each the material variance referred to in sub regulation 1(d) above; and;
 - c) such other supporting information as is considered relevant by the local government.
3. The information in a statement of financial activity may be shown:
 - a) according to nature and type classification; or
 - b) by program; or
 - c) by business unit.
4. A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be:
 - a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
 - b) recorded in the minutes of the meeting at which it is presented.
5. Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the Australian Accounting Standards (AAS), to be used in statements of financial activity for reporting material variances.

POLICY IMPLICATIONS:

Adoption of the proposed percentage and value will become Council policy to guide the preparation of monthly statements.

COMMUNITY CONSULTATION:

Nil

WORKFORCE IMPLICATIONS:

Nil

OFFICER’S RECOMMENDATION:

That staff report material variances of +/- 10% and +/- \$5,000, whichever is the greater, from the budget figure and report these variances by way of a supporting note to the Monthly Statement of Financial Activity for the financial year 2017/18.

VOTING REQUIREMENTS:

Simple majority required.

05/0617

Moved Cr O’Brien Seconded Cr Robins that staff report material variances of +/- 10% and +/- \$5,000, whichever is the greater, from the budget figure and report these variances by way of a supporting note to the Monthly Statement of Financial Activity for the financial year 2017/18.

Carried 9/0

6.4 Unbudgeted Reserve Account Transfers

NAME OF APPLICANT: DCEO
FILE REFERENCE: 12.04 Budget
STRATEGIC REFERENCE/S:
AUTHOR: Cassi-Dee Vandenberg

SUMMARY:

To transfer surplus funds from our municipal account to reserve. These funds are unbudgeted and therefore need to be approved by Council.

Transfer receipts from the Wheatbelt General Practice Business Support Service Shire Governance Committee reserve held by Rural Health West to a new Reserve, thereby quarantining funds for the possible replacement of a GP in the future.

BACKGROUND & COMMENT:

Proposed Transfers:

Camp Kulin (New Reserve)	\$ 25,000
Fuel Facility (New Reserve)	\$ 30,000
Medical Services Reserve (New Reserve)	\$ 77,000

Reserve Purpose

Camp Kulin Reserve

To restrict funds received from grants in the 2016/17 financial year which will not be spent until 2017/18.

Fuel Facility Reserve

Profits from the sale of fuel will be placed in this reserve to fund the replacement of the asset in the future.

Medical Services Reserve

For the recruitment and employment of a General Practitioner for the Kulin/Kondinin Practice.

Note: Previous annual contributions by Shire of Kulin were held by Rural Health West. With the Committee now finishing, funds are being returned to Shire. Approx. \$77,000 will be returned to the Shire prior to the end of the financial year.

The funds will be placed on deposit with Bendigo Bank earning interest of approximately 2%.

FINANCIAL IMPLICATIONS:

These transfers will allow us to draw from these funds in future years rather than fund our operating budget if they remain in our carried forward surplus.

STATUTORY AND TOWN PLANNING IMPLICATIONS:

Nil

RECOMMENDATION:

That Council approve the transfer of \$132,000 to the Reserve Fund prior to the end of the financial year.

VOTING REQUIREMENTS:

Absolute majority required.

06/0617

Moved Cr Duckworth Seconded Cr Taylor that Council approve the transfer of \$132,000 to the Reserve Fund prior to the end of the financial year.

Carried 9/0

6.5 Eastern Wheatbelt Primary Care Project Wheatbelt General Practice Business Support Service Shire Governance Committee (EWPCP WGPBSS Shire Governance Committee) – Continuation of Committee

NAME OF APPLICANT: RoeROC Chief Executive Officers
FILE REFERENCE: 09.09
STRATEGIC REFERENCE/S:
AUTHOR: CEO

SUMMARY:

RoeROC Local Government CEO's (Corrigin, Kondinin, Kulin & Narembeen) were charged with the task of considering the future composition, operations and functionality of the Eastern Wheatbelt Primary Care Project Wheatbelt General Practice Business Support Service Shire Governance Committee (EWPCP WGPBSS Shire Governance Committee), which operates on behalf of each local government with the direct support of Rural Health West (RHW). The Shire of Lake Grace is also a party to the EWPCP WGPBSS Shire Governance Committee and the MOU amongst Shires.

CEO's were asked to look at elements of the EWPCP WGPBSS Shire Governance Committee and RHW arrangement and to make recommendations. The unanimous decision of CEO's after considering the matter was to disband the EWPCP WGPBSS Shire Governance Committee, with each Shire addressing their own particular circumstances.

It is recommended that RoeROC develop a standing agenda item to discuss GP Services and that RoeROC maintain a relationship with RHW either through collective membership or at the local Shire membership level. The questions of future composition resulted following discussions at EWPCP WGPBSS Shire Governance Committee and RoeROC meetings where it was agreed that a number of the fundamental drivers for the original establishment had shifted.

BACKGROUND & COMMENT:

The questions of future composition resulted following discussions at EWPCP WGPBSS Shire Governance Committee and RoeROC meetings where it was agreed that a number of the fundamental drivers for the original establishment had shifted.

To recap;

- The original tender accepting First Health to be the service provider has only attracted one Shire to the service (Corrigin) and questions arise as to the validity of other Shires now joining these many years later under this tender process;
- Both Narembeen and Kondinin/Kulin have potential to keep current GP's for the mid to long term, and both have indicated they could not/would not afford the First Health option;
- Lake Grace is currently in a contract dispute with First Health over the provision of services (or not) which has the potential to lead to Court determination, therefore the likelihood of remaining Shires to enter into arrangements with First Health is even more remote;
- The contract service provider model is unlikely to be used now except by Corrigin;
- The original MOU amongst Shires (possibly signed but not endorsed by Council's) to opt for the First Health model is under question and a recent EWPCP WGPBSS Shire Governance Committee resolution allowing Kondinin/Kulin to claim locum fees further erodes the MOU validity if not intent;
- Rural Health West support is limited to operations of the Committee and little more via the EWPCP WGPBSS Shire Governance Committee in terms of the GP practices. GP's have the ability to access RHW services direct without the need for the EWPCP WGPBSS Shire Governance Committee;
- RHW support to EWPCP WGPBSS Shire Governance Committee GP practices may be "toned down" due to the involvement of First Health, even though First Health only service one GP Practice;
- The overall marketplace has shifted, with more GP's now interested in country practices.

CEO's recognised that there were options:-

1. Continue unchanged and re-write the MOU to reflect current practice;
2. Re-negotiate with RHW in relation to the nature and type of support that could be provided to the Shires and practices now each LG's GP circumstances had shifted;
3. End the relationship and operations of the EWPCP WGPBSS Shire Governance Committee and position Shires individually ready for the future likely changes in GP servicing,
4. End the collective EWPCP WGPBSS Shire Governance Committee fund and return balances to each Shire on the basis of overall contribution minus drawdown. Any shortfall in the balances to be shared equally between contributors;
5. Opt to continue the RoeROC GP conversation/relationship with RHW and have RoeROC list as a standing agenda item "GP Services".
6. That individual Shires determine the question of continued membership of RHW (\$100pa) though the CEO's view was that this would be a beneficial relationship,
7. Invite RHW and Lake Grace Shire to participate in the RoeROC Agenda discussions when it suits them.

CEO's considered that RHW provides a valuable service and that if circumstances change into the future RoeROC may again jointly consider the need to utilise RHW, but at present little additional support to the GP was generated by EWPCP WGPBSS Shire Governance Committee involvement.

To that end, a re-write of the MOU was not viewed as contributing any additional benefit to the service.

CEO's recognised that politically each Shire Council may have a political imperative to maintain the EWPCP WGPBSS Shire Governance Committee because uncertainty surrounding GP replacement can be unstable times. CEO's were of the view that these risks can be addressed by retaining greater Reserve balances to allow immediate reaction (via tender or otherwise) to the news that a GP was leaving the community. In the past, Shires were not in this position. Risk can be addressed without the need for a EWPCP WGPBSS Shire Governance Committee service.

CONSULTATION:

RoeROC CEO's

STATUTORY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

It is acknowledged that each Shire has a considerable investment in the joint EWPCP WGPBSS Shire Governance Committee fund with most having contributed \$15k per annum since inception.

Whilst each Shire has received a direct financial or reduced fee benefit (except Narembeen) under the arrangement, continued Shire investment in the joint fund at the current levels was seen as excessive. Council's should reconsider their position and may like to hold funds for future needs in Reserves.

A potential saving of \$15k pa from the annual Budget, less determined transfers to Reserves for GP recruitment purposes.

POLICY IMPLICATIONS:

Nil

COMMUNITY CONSULTATION:

It is acknowledged that Lake Grace Shire has not been a party to this discussion or recommendation.

OFFICER'S RECOMMENDATION:

That the Shire of Kulin support RoeROC Shires and agree to;

1. End the operations of the EWPCP WGPBSS Shire Governance Committee and position individually for future changes in GP servicing;
2. End the collective EWPCP WGPBSS Shire Governance Committee fund and return balances to each Shire on the basis of overall contribution minus drawdown. Any shortfall in the balances to be shared equally between Shire contributors;
3. Consider placing all funds returned from EWPCP WGPBSS Shire Governance Committee in a new Shire Reserve Fund for the purpose of "Medical Services Support" and that Council give consideration in the 2017/2018 budget of a continued allocation to the fund to assist with future proofing the provision of medical services (current allocation \$15,000).

4. Continue the RoeROC GP conversation/relationship with RHW and have RoeROC list as a standing agenda item "GP Services".
5. Continued membership of RHW (\$100pa),
6. Invite RHW and Lake Grace Shire to participate in the RoeROC Agenda discussions when it suits them.

07/0617

Moved Cr Robins Seconded Cr Varone that the Shire of Kulin support RoeROC Shires and agree to;

1. **End the operations of the EWPCP WGPBSS Shire Governance Committee and position individually for future changes in GP servicing;**
2. **End the collective EWPCP WGPBSS Shire Governance Committee fund and return balances to each Shire on the basis of overall contribution minus drawdown. Any shortfall in the balances to be shared equally between Shire contributors;**
3. **Consider placing all funds returned from EWPCP WGPBSS Shire Governance Committee in a new Shire Reserve Fund for the purpose of "Medical Services Support" and that Council give consideration in the 2017/2018 budget of a continued allocation to the fund to assist with future proofing the provision of medical services (current allocation \$15,000).**
4. **Continue the RoeROC GP conversation/relationship with RHW and have RoeROC list as a standing agenda item "GP Services".**
5. **Continued membership of RHW (\$100pa),**
6. **Invite RHW and Lake Grace Shire to participate in the RoeROC Agenda discussions when it suits them.**

Carried 9/0

7 COMPLIANCE

7.1 Compliance Reporting – General & Financial Compliance – May 2017

NAME OF APPLICANT: CEO
RESPONSIBLE OFFICER: CEO
FILE REFERENCE: 12.05 Compliance 12.06 – Accounting Compliance
STRATEGIC REFERENCE/S: CBP 4.1 Civic Leadership, 4.1.8 Compliance methods
AUTHOR: CEO/DCEO
DISCLOSURE OF INTEREST: Nil

SUMMARY:

This report addresses General and Financial Compliance matters for May 2017. This process is not definitive, each month additional items and/or actions may be identified that are then added to the monthly checklist. Items not completed each month e.g. quarterly action - will be notations.

The report provides a guide to the compliance requirements being addressed as part of staff workloads and demonstrates the degree of internal audit being completed.

BACKGROUND & COMMENT:

The Compliance Team and works staff commence the monthly compliance effort immediately after the Shire meeting each month. At that time, the executive support officer will email the assigned staff member their compliance requirements for the coming month.

As the month progresses, staff in conjunction with their manager, the CEO or DCEO will determine the extent of work/action needed to complete items. During Agenda week, the Compliance Team again meets to ensure the monthly report/list is reviewed and that compliance items are completed. In preparing the Agenda report, the CEO or DCEO will sign off on completed items.

Prior month items not completed previously will be reported in the following month so Council remains aware of what items are still outstanding.

MATTERS OF NON COMPLIANCE FEBRUARY 2017 - GENERAL COMPLIANCE:

1. **Fair Value Calculations for Inclusion in accounting reporting**
In this year Council is required to undertake a fair value assessment for land and buildings. A Contractor has been engaged to undertake this work during June – Now completed.

MATTERS OF NON COMPLIANCE – FINANCE COMPLIANCE: MARCH 2017

1. **Annual pre Budget Inspection of Roads** – Completed.
Works Manager and CEO completed inspection on the 1st June 2017.
2. **Health Fees & Charges** – EHO Input required – Completed

MATTERS OF NON COMPLIANCE APRIL 2017 – GENERAL COMPLIANCE

1. **Freedom of Information Statement** - advertise Annual Statement. Completed in June 2017.
2. **Fire Break Order/ Fire Break Notice** – Not required to be published in government gazette. Available for distribution with Rate Notices. – Completed
3. **FBT Return** – *annual return to be completed by DCEO – Completed.*
4. **Air-conditioner filters clean** – all properties. *Staff memo sent - Organised for completion by building maintenance staff – still to be done.*
5. **Reticulation Controller batteries** – normally completed by D Thomas who is on leave at present – *Gardening staff will complete – still to be done.*
6. **Smoke Detector Batteries** - check - *Staff memo sent - Organised for completion of building maintenance staff when available - still to be done.*

MATTERS OF NON COMPLIANCE MAY 2017 – GENERAL COMPLIANCE

1. **Equal Employment Management Plan review**
Last review done 2011, have now listed for June 2017 work.

FINANCIAL IMPLICATIONS:

In the generation of the report, nil in terms of meeting compliance. There may be items that require additional administrative effort to complete or require external assistance to resolve. In those cases, individual financial implications will be reported.

STATUTORY AND PLANNING IMPLICATIONS:

Nil

POLICY IMPLICATIONS:

Identified as necessary – this report Nil

COMMUNITY CONSULTATION:

Nil

WORKFORCE IMPLICATIONS:

Nil

OFFICER'S RECOMMENDATION:

That Council receive the General & Financial Compliance Reports for May 2017 and note the matters of non-compliance.

VOTING REQUIREMENTS:

Simple majority required.

08/0617

Moved Cr Taylor Seconded Cr O'Brien that Council receive the General & Financial Compliance Reports for May 2017 and note the matters of non-compliance.

Carried 9/0

7.2 Compliance Reporting – Delegations Exercised – May 2017

NAME OF APPLICANT: CEO
RESPONSIBLE OFFICER: CEO
FILE REFERENCE: 12.05 - Compliance
STRATEGIC REFERENCE/S: CBP 4.1 Civic Leadership, 4.1.8 Compliance methods
AUTHOR: CEO
DISCLOSURE OF INTEREST: Nil

SUMMARY:

To report back to Council actions performed under delegated authority for the period ending 15 June 2017.

BACKGROUND & COMMENT:

This report is prepared for Council detailing actions performed under delegated authority by the respective officers:

Finance

- Investment of Surplus Funds (DCEO)
- Agreements for the payment of debts to Council (DCEO)
- Writing Off debts to Council – Up to \$100 (CEO)
-

Approvals

- Building Licenses issued (Building Officer)
- Swimming Pool Inspections completed (EHO)
- Health approvals issued or actions taken (EHO)
- Development Applications (DA's) issued (CEO)
-

Other Delegations

- Fire Fighting – plant hire (CEO)
- Temporary Road Closures (Works Manager)
- Cemeteries Act – exhumations (CEO)
- Use of the Common Seal (CEO)

COMMENT:

The following tables outline the actions performed within the organisation relative to the delegated authority for the month and are submitted to Council for information.

Finance

Investment of Surplus Funds (DCEO) - Local Government Act 1995, section 6.14

Delegation exercised for May 2017.

Municipal funds

At Call	1.5%	-200,000
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Reserve Funds

Term Deposit	2.25%	142,086
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Agreements for the payment of debts to Council (DCEO) - Local Government Act 1995 section 6.49

No delegated decisions were undertaken by staff pursuant to the establishment of agreements for the payment of debts to Council.

Writing Off debts to Council – Up to \$100 (CEO) - Local Government Act 1995 section 6.12

No delegated decisions were undertaken by staff pursuant to the payment of debts for the reporting period.

Approvals - Building Licenses

No delegations for Building Licenses issued (Building Officer) - Building Act 2011, Building Code of Australia were undertaken by staff pursuant to this reporting period.

Swimming Pool Inspections completed (EHO)

No delegated decisions were undertaken by staff pursuant to the Inspection of Pools for the reporting period.

Health approvals issued or actions taken (EHO) - Health Act 1911, section 26

No delegated decisions were undertaken by staff pursuant to the issue of Health Approvals for the reporting period.

Development Applications (DA's) issued (CEO) – Shire of Kulin TPS2

No delegated decisions were undertaken by staff pursuant to Development Applications issued under the Shire.

Other Delegations

Fire Fighting – plant hire (CEO) - Local Government Act sections 5.42 and 5.44 and Bush Fires Act section 38 (3), (4) and (5).

No delegated decisions were undertaken by staff pursuant to the hire of firefighting plant for the reporting period.

Temporary Road Closures (Works Manager) - Local Government Act 1995 section 3.50

No delegated decisions were undertaken by staff pursuant to the temporary closure of roads for the reporting period.

Cemeteries Act – exhumations (CEO) - Cemeteries Act 1986 sections 6 and 59

No delegated decisions were undertaken by staff pursuant to exhumations for the reporting period.

Use of the Common Seal (CEO) - Local Government Act 1995 – Section 9.49A

No delegated decisions were undertaken by staff pursuant to the use of the Common Seal for the reporting period.

STATUTORY ENVIRONMENT:

Building Act 2011

Bushfires Act 1954

Cemeteries Act 1986

Health Act 1911, section 26

Health Act 1991 – s.107

Local Government Act 1995

Shire of Kulin TPS2

Town Planning Development Act

Town Planning Scheme

Trustees Act, Part III,

FINANCIAL IMPLICATIONS:

Nil in terms of exercising delegation and reporting to Council though there may be financial implications in the case of each delegation exercised.

STATUTORY AND PLANNING IMPLICATIONS:

Nil

POLICY IMPLICATIONS:

There are no known policy implications relating to this report.

COMMUNITY CONSULTATION:

Nil

WORKFORCE IMPLICATIONS:

Nil

OFFICER'S RECOMMENDATION:

That Council receive the Delegation Exercised Report for June 2017.

VOTING REQUIREMENTS:

Simple majority required.

09/0617

Moved Cr McInnes Seconded Cr Bowey that Council receive the Delegation Exercised Report for June 2017.

Carried 9/0

7.3 Register of Delegations – Review

RESPONSIBLE OFFICER: CEO
FILE REFERENCE: 04.04
AUTHOR: CEO
DISCLOSURE OF INTEREST: Nil

SUMMARY:

Council is required to review the Delegations Register on an annual basis. This document was last reviewed in May 2016.

Attached to the agenda is a copy of the register for adoption by Council.

BACKGROUND & COMMENT:

This Delegation Register June 2017 now contains all the new delegations created as a result of the review of the policy manual and the development of the Administrative Procedures and Operational Guideline Manual (APOG); therefore Council will find it a lot more extensive than in the past.

It is not the intention to capture every decision making process of the CEO and staff in the delegation register, more so those items where it could be possible for the Council to be involved in the decision. In these cases, the policy, practice or guideline creates the detail of how the decision will be taken and in those cases the Council feels comfortable with the staff making the decision and reporting back at the next meeting.

Each of the reviewed policies, practices or guidelines details where the delegation is given and to whom. The Delegation Register June 2017 captures these.

FINANCIAL IMPLICATIONS:

Nil

STATUTORY AND PLANNING IMPLICATIONS:

Nil

POLICY IMPLICATIONS:

Review of Delegations Register is required on an annual basis.

COMMUNITY CONSULTATION:

Not applicable – Council function.

WORKFORCE IMPLICATIONS:

Nil

OFFICER'S RECOMMENDATION:

That the Delegations Register June 2017 be adopted.

VOTING REQUIREMENTS:

Absolute majority required.

10/0617

Moved Cr Bowey Seconded Cr Varone that the Delegations Register June 2017 be adopted, with a change in Delegation A.9 Payments from Municipal and Trust Funds to show the authority to issue Municipal Fund purchase orders for the Deputy CEO as \$50,000.

Carried 9/0

Reason for Change to Officers Recommendation – CEO as writer of the report requested a change of the recommendation to extend the delegation under A.9 to the Deputy CEO – increase to \$50,000 to accommodate higher value transactions.

7.4 Review of Policy Manual

NAME OF APPLICANT: CEO
RESPONSIBLE OFFICER: CEO
FILE REFERENCE: 04.04
AUTHOR: CEO
STRATEGIC REFERENCE/S:
DISCLOSURE OF INTEREST: Nil

SUMMARY:

Council is required to review the Policy Manual on an annual basis. The policy manual was last reviewed at the June 2016 Council Meeting.

Electronic copies sent out to Councillors with the Agenda and an overhead will be available at the meeting for the review.

BACKGROUND & COMMENT:

The Council discussed the use and function of the Policy Manual at the May 2017 forum, when the CEO was arguing that much of the information contained in the new draft was more of an operations nature. It was decided to split the manual into purely "Policy items" and Procedures and Guidelines. The results of this change are significant. Policy Manual now contains 23 pages of Policy, and the Administrative Procedures and Operational Guidelines (APOG) manual is up to 153 pages.

The reality of this change will be that whilst the Policy Manual will hold the majority of unchangeable fixed requirements (usually by statute) the APOG provide more flexibility in terms of what the processes used will contain. In a work sense – the day that an APOG instruction needs adjustment because it isn't workable for current needs, is the day it can be adjusted. It is intended to table all secondary documentation every 2 years; so that Councillors are familiar with what staff use to operationally manage the organisation. It is my intention to adopt the Policy Manual now (a simple process and not too difficult) and then will place before the Council as tabled items the APOG once it is finalized and printed (one Original Copy) and then from that moment on utilise the APOG and Secondary Documents (making changes where necessary for the next 12 months).

Staff will also be undertaking training on the documents to bring to their attention the policy and APOG that applies. This is viewed as a transition period to the new items and will take some time to adjust, though noticeably looking in from the outside, not much will change.

The list of Primary and Secondary Documents that staff will use in relation to Policy (still being added to) and the Index of the APOG Manual is detailed for you information and understanding of coverage.

This ends the task that was commenced by the CEO in June 2016. The bulk of the risks associated with not having up to date Policy and Procedure documented is now addressed.

PRIMARY DOCUMENTS - SHIRE OF KULIN

Shire of Kulin Policy Manual 2017 ed.

Shire of Kulin Administrative Procedures & Operational Guidelines (APOG) Manual June 2017

Shire of Kulin Community Strategic Plan 2017 ed.

Shire of Kulin Corporate Business Plan 2017 ed.

Shire of Kulin Employee Safety Manual – Policies and Procedures (ed. Nov 2016)

Shire of Kulin Employee Induction Manual (ed. Aug 2016)

SECONDARY DOCUMENTS – SHIRE OF KULIN

Shire of Kulin Workforce Plan 2017 ed.

Shire of Kulin Asset Management Plan 2017 ed.

Shire of Kulin Long Term Financial Plan 2017 ed.

Shire of Kulin Bushfire Brigade Register

Shire of Kulin Classification Guide

Shire of Kulin Contracts and Legal Documents Register

Shire of Kulin Complaints Register

Shire of Kulin Corporate Style Guide

Shire of Kulin Councillor Attendance Register

Shire of Kulin Delegation Register June 2017

Shire of Kulin Disability Access and Inclusion Plan (DIAP) 2014-2019;

Shire of Kulin Disclosure of Financial Interests Register

Shire of Kulin Equal Employment Opportunity Plan (ed.2011);

Shire of Kulin Freedom of Information Statement 2017;

Shire of Kulin Gifts Register

Shire of Kulin Incident Investigation Procedure 2017;

Shire of Kulin Induction and Training Procedure 2017;

Shire of Kulin – Kulin Aquatic Centre Operations Manual for Pool Plant, Equipment & Slide (ed. May 2014);

Shire of Kulin Management Orders (Landholdings) & Vesting Orders Register

Shire of Kulin Municipal Inventory of Heritage Places

Shire of Kulin Pecuniary Interest Register

Shire of Kulin Records Management Manual

Shire of Kulin Safe Work Method Statements (as listed) 108, 109, 110.

Shire of Kulin Tender Register

Shire of Kulin Town Planning Scheme No 2 2017ed.

Shire of Kulin Training and Development Practice (to be drafted) 2017 ed.

Shire of Kulin APOG INDEX

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- A17 KEY TO KULIN
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- W7 STREET TREES
- W8 STREETScape - IMPROVEMENTS
- W9 ROADSIDE BURNING

FINANCIAL IMPLICATIONS:

In the creation of the Policy and APOG nil.

STATUTORY AND PLANNING IMPLICATIONS:

Review of the Policy Manual is required on an annual basis.

POLICY IMPLICATIONS:

Nil, unless some changes are proposed by Council.

COMMUNITY CONSULTATION:

Nil

WORKFORCE IMPLICATIONS:

Nil

OFFICER’S RECOMMENDATION:

That the Policy Manual June 2017 be adopted.

VOTING REQUIREMENTS:

Absolute majority required.

11/0617

Moved Cr Bowey Seconded Cr O’Brien that the Policy Manual June 2017 be adopted.

Carried 9/0

12/0617

Moved Cr McInnes Seconded Cr Robins that Council now move to go into the meeting as Audit and Risk Committee.

Carried 9/0

7.5 Quarterly Risk Management Report to June 2017

RESPONSIBLE OFFICER: CEO

FILE REFERENCE: 04.04

STRATEGIC REFERENCE/S: Corporate Business Plan, Civic Leadership 4.1.1 a; CEO KRA 3.3 Financial Management, 3.5 Integrated Planning

AUTHOR: CEO

DISCLOSURE OF INTEREST: Nil

SUMMARY:

Shire of Kulin Audit and Risk Committee is required to undertake a review of the Council's risk profile by the 30 June 2017, on the basis of a report prepared by the CEO.

It is intended that this report and attachment be the June Risk Report 2017. Attachment details risk items remaining which also in part appear in the Corporate Action Plan for completion.

The Shire of Kulin CEO and DCEO now report monthly compliance to the full Council focussing on general and accounting compliance. The new compliance changes adopted since the CEO's appointment in May 2016, collectively address the Audit Regulation 17 framework for dealing with risk and reporting compliance.

BACKGROUND & COMMENT:

The Audit and Risk Committee is required to meet to assess compliance and risk. The Shire of Kulin currently meets quarterly (including our Audit review and hook-up with Auditors) to consider strategic and operational risks including financial and non-financial systems, compliance with legislation, regulations, policies and known best practice. Recommendations are developed and agreed with management for follow-up to ensure that they are implemented as agreed.

A Risk Register prepared by CEO N Mason in June 2017, (adopted by the Audit and Risk Committee in June) has been the basis of the compliance work undertaken in the past 6 months. It should be noted that on-going items now appear where relevant in the Compliance Calendar listing and CAP report which managers use each month for the compliance reports to Council.

The Shire had already adopted a Risk Management Framework that includes matrixes that allows for the assessment of identified risk and again this was used to select priorities.

The new processes adopted now provide a degree of certainty that risk and compliance matters are addressed.

FINANCIAL IMPLICATIONS:

Nil

STATUTORY AND PLANNING IMPLICATIONS:

The Local Government (Audit) Regulations 1996 require local government authorities to establish audit committees. The Department of Local Government amended the Audit Regulations inserting regulation 17, requiring the CEO to review and report on systems and procedures.

Regulation 17 – CEO to review certain systems and procedures

A new regulation 17 has been inserted and states as follows:

- 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 –*
- (i) *risk management; and*
- (ii) *internal controls; and*
- (iii) *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.*

This report meets that requirement.

POLICY IMPLICATIONS:

Since June 2016 significant improvements have been made to the risk profile. Council is already aware of these items as they flowed through into the monthly meeting process, namely;

- Development of a **Compliance Calendar**;
- Establishment of a **Compliance team** (CEO, DCEO, TO, ESO, SFO) – required to meet monthly after Council meetings to plan the compliance work;
- The ESO send out **compliance actions to each** staff member;
- CEO reports compliance each month (**Compliance Items 7.1**) in Council Agenda (**General and Accounting compliance**);
- **Delegation Exercised report** where all CEO/DCEO delegations exercised for the month are reported to Council.

- The **Corporate Action Plan** (reported to Council Forum) every two months brings together information on future work. This give Council a degree of confidence that nothing is being overlooked, forgotten, avoided or misplaced when it comes to ensuring that programmes, projects, policy or legislative changes are being considered and actioned.
 - CEO KRA's are reported every two months showing how agreed KRA's are being actioned.
- New Policy Manual in June 2017 will assist in management of actions and will ensure actions adopted by policy are included in the Compliance calendar.

STRATEGIC IMPLICATIONS:

The Department of Local Government Operational Guidelines 2013 relating to Audit Committees suggests;

That a Council's internal control environment includes the following components:

- *Structure of the organisation*
- *Culture of the organisation*
- *Knowledge, skills and experience of employees*
- *Processes employed by the organisation to conduct business.*

That the Chief Executive Officer plays a key role in the establishment and development of an effective internal control environment, as it ultimately sets the operational tone of the Council, and should reflect the ethics, integrity and values espoused by the Council.

An effective and transparent internal control environment would focus on the following key areas:

- *Integrity and ethical values*
- *Management's philosophy and operating style*
- *Organisation structure*
- *Performance measures*
- *Policies and procedures*
- *Human resources policy*
- *Internal Audit function*
- *The Audit Committee.*

The role of the Audit & Risk Committee is to govern the integrity of the entity's financial information, systems of internal control, and the legal and ethical conduct of management and the employees.

Internal Control actions taken since June 2016 include;

Integrity and Ethical Values

- Code of Conduct now positioned in Policy.

Organisational Structure

- Appointment of Senior Finance Officer and upgrade of role to ensure adequate support for the DCEO and the finance function;
- Refinement of the CRC Manager and Community Development Officer roles to ensure time available for broader Shire administrative activities;
- Enhancement of Technical Officers role to allow greater focus on Occupational Health and Safety plans and works road funding needs of the Shire.

Performance Measures

- Development of priority Key Result Area's (KRA's) for all administrative and managerial positions – reviewed every 6 months;
- Development of 2 monthly reporting for Corporate Action Plan, detailing action to date, Council/CEO priorities, anticipated workload, strategic and risk estimates;
- Bringing together of all action items in strategic plans into one plan - the Corporate Action plan. E.g. Community Strategic Plan, Corporate Business Plan, Workforce Plan;
- Creating dot point reporting and plans for Key subject items and priorities – Staff Accommodation, Camp Kulin, Doctor Services and Old Administration Building. Resulting actions then detailed in Corporate Action Plan.

Policy and Procedures

- Policy review now complete – draft for consideration June 2017;
- Administrative Procedures and Operational Guidelines (APOG) completed June 2017

Human Resource Policy

- Numerous HR procedures developed for APOG June 2017

Internal Audit Function

- Significant improvement as a result of the internal controls creditors
- No non-compliance matters discovered in Interim Audit May 2017
- Half yearly Budget review completed in Feb 2017 – Dept. LG queries addressed
- CEO counter signing accounts for payment. Financial statement checks each month to improve compliance and presentation;

The Audit and Risk Committee

- As per Council previous instruction – met in June (risk Report) November (Auditor phone hook-up) and December (Audit 17 Regulation/Risk Report)

The Shire of Kulin is addressing its strategic aim of being compliant and operating within the law whilst minimising exposure to risk. The action taken by Staff and CEO in the past 6 months have solidified processes to ensure there will be ongoing improvement in terms of focus on compliance.

It is evident that monthly reporting has developed more of a compliance focus. Audit and Risk Committee meetings scaled back to 3 meetings per year, June and December, with the face to face or phone contact meeting with the Auditor timed to coincide with receipt of the Audit report and management letter (between mid Sept – November).

COMMUNITY CONSULTATION:

Chief Executive Officer

WORKFORCE IMPLICATIONS:

Nil

OFFICER'S RECOMMENDATION:

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

1. Council adopt the Shire of Kulin's Risk Management Report June 2017 (and attachment) as required by Audit Regulation 17 incorporating the Risk Register;
2. Acknowledge that this report and the monthly compliance reporting processes developed by staff satisfies the intent of Audit Regulation 17 whereby the CEO is required to report on risk management, internal controls and legislative compliance;
3. Adopt the recommendation and actions contained in the Shire of Kulin's Risk Register Report June 2017 and where appropriate remove completed risk items;
4. Risk Register recommended actions be incorporated into the monthly Corporate Action Plan for follow-up.

VOTING REQUIREMENTS:

Simple majority required.

13/0617

Moved Cr McInnes Seconded Cr Robins that the Audit and Risk Committee recommend to Council that:-

- 1. Council adopt the Shire of Kulin's Risk Management Report June 2017 (and attachment) as required by Audit Regulation 17 incorporating the Risk Register;**
- 2. Acknowledge that this report and the monthly compliance reporting processes developed by staff satisfies the intent of Audit Regulation 17 whereby the CEO is required to report on risk management, internal controls and legislative compliance;**
- 3. Adopt the recommendation and actions contained in the Shire of Kulin's Risk Register Report June 2017 and where appropriate remove completed risk items;**
- 4. Risk Register recommended actions be incorporated into the monthly Corporate Action Plan for follow-up.**

Carried 9/0

14/0617

Moved Cr Taylor Seconded Cr Ledwith that Council adjourn as the Audit & Risk Committee and reconvene as the Council meeting.

Carried 9/0

15/0617

Moved Cr McInnes Seconded Cr Robins that:-

1. Council adopt the Shire of Kulin's Risk Management Report June 2017 (and attachment) as required by Audit Regulation 17 incorporating the Risk Register;
2. Acknowledge that this report and the monthly compliance reporting processes developed by staff satisfies the intent of Audit Regulation 17 whereby the CEO is required to report on risk management, internal controls and legislative compliance;
3. Adopt the recommendation and actions contained in the Shire of Kulin's Risk Register Report June 2017 and where appropriate remove completed risk items;
4. Risk Register recommended actions be incorporated into the monthly Corporate Action Plan for follow-up.

Carried 9/0

8 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

9 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

Nil

Cassi-Dee Vandenberg, Nicole Thompson, Len Hobson & Judd Hobson left the Council Chambers at 5.36pm.

10 MATTERS FOR WHICH THE MEETING IS CLOSED TO THE PUBLIC

"The President indicated that he wished to discuss a matter that affected the personal affairs of a community member.

Cr Ledwith declared an interest in the matter and left the Council Chambers at 5.38pm.

Upon initial discussion; Council agreed that the matter had been adequately addressed in an email from the CEO to the community member concerned; therefore the matter was resolved.

Cr Ledwith returned to the Council Chambers at 5.45pm.

"The President indicated that he wished to discuss a matter relating to the Chief Executive Officer."

11 DATE AND TIME OF NEXT MEETING

The next Ordinary Council meeting will be held on Wednesday 19 July at 1:00pm.

12 CLOSURE OF MEETING

There being no further business the meeting closed at 6.07pm