



MINUTES ATTACHMENT BOOKLET FOR ORDINARY COUNCIL MEETING

14 December 2022 at 5:00pm

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MINUTES OF THE ORDINARY COUNCIL MEETING

19 OCTOBER 2022

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**MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD IN COUNCIL CHAMBERS ON
19 OCTOBER 2022 COMMENCING AT 5.00PM**

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 5:00pm.

2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

Councillors

Cr GJ Cosgrove	Shire President
Cr JR Holmes	Councillor
Cr HR McTaggart	Councillor
Cr AT Pearse	Councillor
Cr AR Smyth	Councillor

Staff

Mr Matt Fanning	Chief Executive Officer
Mr Jeremy Clapham	Finance and Administration Manager
Ms Erin Greaves	Governance and Community Manager

Gallery

Mrs Naomi Obst

Mrs Annette Thomas

Energy Resources - Ms Leah Fuller – Land Access Manager, Mr Shawn Nagra – Senior Project Manager and Rowan Hill – General Manager Operations & Development

Apologies

Cr JD Bagley	Deputy President
Cr CV Farr	Councillor (Leave of Absence approved at 17 August 2022 Council meeting)

3.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

4.0 PUBLIC QUESTION TIME

Mrs Naomi Obst addressed Council as follows in relation to Energy Resources' activities within the Shire:

1. Is there concern in regard to heavy vehicles at the entry and exit points to Strawberry North-East Road and the impact this has/will have on the road condition?
As the matter to consider approval land development is before Council at this meeting for which the question relates, the Shire President advised that the question would be taken on notice.
2. It appears that vehicle activity along Strawberry North-East Road has already commenced, is Council aware of the current road condition?
An inspection of the affected roads would be completed by the Shire tomorrow.
3. How will Council be enforcing an acceptable road standard? Are the current conditions proposed for the development approval adequate? What happens if the road condition is already poor?

10.0 RECOMMENDATIONS OF COMMITTEES

10.1 SHIRE OF MINGENEW AUDIT & RISK COMMITTEE

10.1.1 MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD 21 SEPTEMBER 2022

COMMITTEE RECOMMENDATION - 10.1.1

That the Minutes of the Shire of Mingenew Audit & Risk Committee Meeting held on 21 September 2022 be received.

10.1.2 INTERIM AUDIT 201/21

COMMITTEE RECOMMENDATION - 10.1.2

Council receives the Interim Audit Report and Management Letter from the Auditor General, noting that the following recommendations were made as a management control for risks identified from the Audit:

- Review of new creditors (moderate risk)
- Purchases Cut-off Error (minor risk)

10.1.3 RISK MANAGEMENT POLICY REVIEW

COMMITTEE RECOMMENDATION - 10.1.3

Council endorses the proposed amendments to Council Policy 1.4.1 Risk Management and notes the updated Risk Management Procedures.

10.2 SHIRE OF MINGENEW LOCAL EMERGENCY MANAGEMENT COMMITTEE

10.2.1 MINUTES OF THE LOCAL EMERGENCY MANAGEMENT COMMITTEE MEETING HELD
10 OCTOBER 2022

COMMITTEE RECOMMENDATION - 10.2.1

That the Minutes of the Shire of Mingenew Local Emergency Management Committee Meeting held on 10 October 2022 be received.

10.3 SHIRE OF MINGENEW BUSH FIRE ADVISORY COMMITTEE

10.3.1 MINUTES OF THE BUSH FIRE ADVISORY COMMITTEE MEETING HELD 12 OCTOBER
2022

COMMITTEE RECOMMENDATION - 10.3.1

That the Minutes of the Shire of Mingenew Bush Fire Advisory Committee Meeting held on 12 October 2022 be received.

COMMITTEE RECOMMENDATIONS AND COUNCIL DECISION ENBLOC - ITEM 10.1.1-10.3.1 – RESOLUTION# 02191022

MOVED: Cr JR Holmes

SECONDED: AR Smyth

AUDIT & RISK COMMITTEE - 10.1.1

That the Minutes of the Shire of Mingenew Audit & Risk Committee Meeting held on 21 September 2022 be received.

AUDIT & RISK COMMITTEE RECOMMENDATION - 10.1.2

Council receives the Interim Audit Report and Management Letter from the Auditor General, noting that the following recommendations were made as a management control for risks identified from the Audit:

- Review of new creditors (moderate risk)
- Purchases Cut-off Error (minor risk)

AUDIT & RISK COMMITTEE RECOMMENDATION - 10.1.3

Council endorses the proposed amendments to Council Policy 1.4.1 Risk Management and notes the updated Risk Management Procedures.

LOCAL EMERGENCY MANAGEMENT COMMITTEE - 10.2.1

That the Minutes of the Shire of Mingenew Local Emergency Management Committee Meeting held on 10 October 2022 be received.

BUSH FIRE ADVISORY COMMITTEE - 10.3.1

That the Minutes of the Shire of Mingenew Bush Fire Advisory Committee Meeting held on 12 October 2022 be received.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 5/0

11.0 CHIEF EXECUTIVE OFFICER

11.1 APPOINTMENTS TO SHIRE COMMITTEE & EXTERNAL ORGANISATION DELEGATES

Location/Address:	Shire of Mingenew
Name of Applicant:	Shire of Mingenew
File Reference:	GV.CMT.5
Disclosure of Interest:	Nil
Date:	17 August 2022
Author:	Matt Fanning, CEO
Voting Requirements:	Absolute Majority

Summary

Consideration of appointments to Committees, Working Groups, External Organisations, etc.

Key Points

- The Shire President and Chief Executive Officer reserve the right to attend any meeting
- The Shire of Mingenew Executive Management Committee is the only Committee of Council with delegated authority.
- The Audit & Risk Committee has statutory functions under the Local Government Act 1995
- The list of Committees and groups are based on previous appointments made by Council. It is up to Council to consider if the same level of Council representation is relevant and whether a reduction or increase to appointments are necessary.
- Cr AT Pearse has met with the CEO to discuss which Committees, Working Groups, External Organisations, etc., he would like to nominate for. This is reflected in the Staff Recommendation.

OFFICER RECOMMENDATION AND COUNCIL DECISION - ITEM 11.1 – RESOLUTION# 03191022
MOVED: Cr HR McTaggart SECONDED: JR Holmes

Council, by Absolute Majority appoints Cr AT Pearse to Council's:

- **Audit & Risk Committee; and**
- **Bush Fire Advisory Committee as proxy delegate (to replace former Cr GF Pearse).**

VOTING REQUIREMENTS:

CARRIED BY ABSOLUTE MAJORITY 5/0

Attachments

- 11.1.1 Audit Terms of Reference
- 11.1.2 Behaviour Complaints Committee Terms of Reference
- 11.1.3 Bush Fire Advisory Committee Terms of Reference
- 11.1.4 Local Emergency Management Committee Terms of Reference
- 11.1.5 Terms of Reference for Elected Member Representation on External Committees/Groups

Background

Council Committee delegates are generally reviewed and appointed at the first Ordinary Council meeting following an ordinary election however, due to the number of extraordinary elections held since October 2021, it has been necessary to review the delegates after each new Elected Member appointment.

Cr Alex Pearse was appointed by Council decision in July 2022.

A similar report was presented at the 17 August 2022 Ordinary Council meeting, at which only one appointment was made for Cr HR McTaggart to be appointed to the RDMAG Community Stakeholder

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Reference Group (Community Capability and Capacity Building). Cr AT Pearse requested further time to consider the Committees.

Cr Pearse has since met with the Shire's Temporary CEO at the time, Maurice Battilana and indicated an interest in joining the Audit & Risk Committee and Bushfire Advisory Committee.

The following table outlines Council's most recently endorsed appointments:

Audit & Risk Committee Cr HR McTaggart, Cr AR Smyth, Cr JR Holmes, Cr GJ Cosgrove and Independent Member
Behaviour Complaints Committee Cr JD Bagley, Cr AR Smyth and Cr CV Farr Cr JR Holmes, Cr HR McTaggart and Cr Cosgrove proxy delegates
Bush Fire Advisory Committee Cr JD Bagley and Cr <u>vacant</u> as proxy delegate
Executive Management Committee Cr GJ Cosgrove, Cr HR McTaggart and Cr JD Bagley Cr AR Smyth proxy delegate
Local Emergency Management Committee Cr AR Smyth and Chief Executive Officer (or nominee) Cr CV Farr proxy delegate
Community Assistance Scheme Panel Cr HR McTaggart and Cr JR Holmes
Community Resource Centre Management Committee Cr HR McTaggart and CDO Cr CV Farr proxy delegate
Silver Chain Branch Committee CDO
Tourist and Promotions Committee CDO
Joint Development Assessment Panel Cr GJ Cosgrove and Cr JD Bagley Cr JR Holmes and Cr CV Farr proxy delegates
Midwest Regional Road Group Cr GJ Cosgrove and Cr JD Bagley Cr AR Smyth proxy delegate
Northern Country Zone of WALGA Cr GJ Cosgrove and Cr HR McTaggart Cr JR Holmes proxy delegate
Wildflower Country Inc. Cr CV Farr and CDO Chief Executive Officer proxy delegate
CBH Expansion Project Working Group Cr JD Bagley, Cr GJ Cosgrove and Chief Executive Officer Cr AR Smyth proxy delegate
RDAMG Community / Stakeholder Reference Group (Community Capability and Capacity Building) Cr HR McTaggart

Comment

Should Cr Alex Pearse be appointed to the Audit & Risk Committee, Council may wish to consider removing a Council delegate to maintain four Council delegates (plus one independent member). The Committee Terms of Reference does not restrict the number of Council delegates but suggests 5 members.

The Bush Fire Advisory Committee (BFAC) has been carrying a vacancy (for Council's proxy delegate) since the resignation of Cr Gavin Pearse. Cr Alex Pearse is a regular attendee of BFAC meetings and is captain of the Mingenew North Brigade.

Statutory Environment

Local Government Act 1995

Local Government (Administration) Regulations 1996

Emergency Management Act 2005

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Strategic Community Plan 2019-2029:

- 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner
- 1.3.2 Provide services and processes to enhance public safety

Prior to consideration of Item 11.2, Cr JR Holmes, having disclosed a financial interest in item 11.2 as a landowner impacted by Energy Resources Limited's operations proposed, left the meeting at 5:11pm. Cr JR Holmes did not participate in discussion or vote on the matter.

11.2 PROPOSED WORKFORCE ACCOMMODATION

Location/Address: Lots 433 & 435 Mooriary Road, Mooriary & Lot 5 Strawberry North East Road, Lockier
Name of Applicant: Energy Resources Limited
Disclosure of Interest: Nil
File Reference: A603 / A986 / A753
Date: 12 October 2022
Author: Simon Lancaster, Planning Advisor
Senior Officer: Matt Fanning, Chief Executive Officer
Voting Requirements: Simple Majority

Summary

Council is in receipt of an application to establish temporary workers accommodation camps upon the following locations:

- main camp – Lot 435 Mooriary Road; Mooriary
- drill site camp – Lot 433 Mooriary Road, Mooriary; &
- drill site camp – Lot 5 Strawberry North East Road, Lockier.

The advertising period for this application has concluded and no objections were received.

This report recommends that Council approve the application subject to conditions.

OFFICER RECOMMENDATION AND COUNCIL DECISION - ITEM 11.2 – RESOLUTION# 04191022
MOVED: Cr AR Smyth SECONDED: HR McTaggart

That Council grant formal planning approval for temporary workforce accommodation camps upon Lots 433 & 435 Mooriary Road, Mooriary & Lot 5 Strawberry North East Road, Lockier subject to compliance with the following:

Conditions:

- 1 Development shall generally be in accordance with the approved plans dated 19 October 2022 and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.
- 2 Any additions to or change of use of any part of the development or land (not the subject of this consent/approval) considered by the Chief Executive Officer to represent significant variation from the approved development plan requires further application and planning approval for that use/addition.
- 3 The applicant is to prepare, submit and adhere to a Management Plan to the approval of the local government.
- 4 The applicant is to implement and maintain reporting mechanisms for complaints concerning the operation of the development. In the event of a substantiated complaint being received the applicant is required to demonstrate mitigation response(s) to the approval of the local government. Such response(s) will be treated as conditions of approval/required modifications to the Management Plan.
- 5 The location, design and construction/upgrading of the access point(s) onto the road network shall be to the requirements of the local government.

- 6 The installation of any directional/traffic/warning/safety signage in the vicinity of the development's access point(s) onto the road network and relating to the development shall be to the requirements of the local government.
- 7 All parking of vehicles associated with the development shall be provided for within the property boundary.
- 8 The applicant shall make payment to the local government for the repair, reinstatement or replacement of any road infrastructure that is damaged, becomes unsafe or fails to meet appropriate engineering standards where the damage to the road network is caused by reason of use of the road in connection with the approved development (or where agreed to by the local government, the applicant may instead arrange for such repair, reinstatement or replacement works to be undertaken to the satisfaction of the local government).
- 9 The development shall be connected to on-site wastewater and effluent disposal systems that are located, designed, installed and operated to the requirements of the Department of Health and the approval of the local government.
- 10 The development shall comply with the requirements of the *Food Act 2008* and *Food Regulations 2009*.
- 11 The applicant must obtain any/all necessary consents of the landowners relevant to the site and the access to the sites.

Advice Notes:

- (a) In relation to condition 3 the Management Plan is to include sections relating to Fire Management, Emergency Response Plan, Waste Management, Noise/Light/Dust Management and Post Camp Rehabilitation (that details post-closure obligations and clean-up and rehabilitation of the site) to the approval of the local government. In the event that the camps are sited within an area identified upon the Department of Fire & Emergency Services State Map of Bushfire Prone Areas the Fire Management Plan must be submitted as a separate document and prepared and implemented to the requirements of the Department of Fire & Emergency Services.
- (b) The applicant is advised that this planning approval does not negate the requirement for any additional approvals which may be required under separate legislation including but not limited to the obtaining of any required approvals from the Department of Health, the Department of Mines, Industry Regulation & Safety, the Department of Water & Environment Regulation, and Main Roads WA. It is the applicant's responsibility to obtain any additional approvals required before the development/use lawfully commences.
- (c) The applicant will need to consult with the Main Roads WA Heavy Vehicle Services branch to ascertain any approval requirements that may be required for their proposed heavy vehicle combinations, transport routes and operations.
- (d) If an applicant is aggrieved by this determination there is a right pursuant to the *Planning and Development Act 2005* to have the decision reviewed by the State Administrative Tribunal. Such application must be lodged within 28 days from the date of determination.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 4/0

Attachments

Attachment 11.2(a) - Main Camp application (provided as separate attachment)

Attachment 11.2(b) - Drill Site Camp application (provided as separate attachment)

Attachment 11.2(c) - Copy of received submissions (provided as separate attachment)

Background

The applicant has been issued with a petroleum exploration permit (EP368) by the Department of Mines, Industry Regulation & Safety under the *Petroleum and Geothermal Energy Resources Act 1967* over the western portion of the Shire of Mingenew and eastern portion of the Shire of Irwin. The applicant proposes to

continue their exploratory drilling for conventional gas resources and is seeking approval to operate the following temporary workforce accommodation camps:

- main camp – Lot 435 Mooriary Road, Mooriary;
- drill site camp – Lot 433 Mooriary Road, Mooriary; &
- drill site camp – Lot 5 Strawberry North East Road, Lockier.

Figure 11.2(a) – Overall Development Layout



The proposed main camp would be located upon Lot 435 Mooriary Road, Mooriary which is a 1,206ha property used for agricultural purposes owned by Perpetual Corporate Trust Limited. The property is largely cleared excepting for pockets of remnant vegetation on outcrops and along tributary lines.

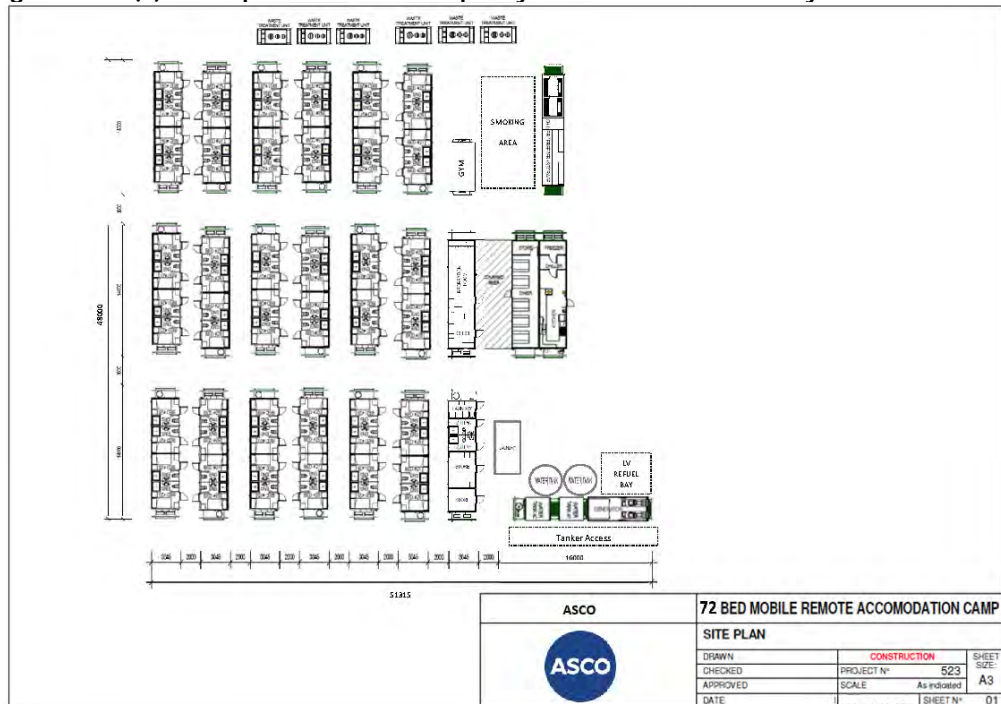
The main camp is proposed to be located immediately west of Mooriary Road (and 9km south of Midlands Road) and would accommodate an average of 52 personnel to support the drilling operations, with a maximum of 72 personnel at full camp occupancy to support other well operations in the area.

The main camp would consist of 18 transportable accommodation units that would each contain 4 x 1 bedroom/1bathroom workers accommodation. The main camp would also have transportable buildings providing amenities such as kitchen, dining area, gyms, storerooms and laundry, along with generators, refuelling areas, water tanks and on-site aerobic waste treatment systems. The main camp application is provided as **separate Attachment 11.2(a)**.

Figure 11.2(b) – Aerial Photo of Lot 435 Mooriary Road, Mooriary



Figure 11.2(c) – Proposed Main Camp Layout - Lot 435 Mooriary Road, Mooriary



The initial drill site camp would be located upon Lot 433 Mooriary Road, Mooriary which is a 2,359ha property used for agricultural purposes owned by Perpetual Corporate Trust Limited. The property is also largely cleared excepting for pockets of remnant vegetation on outcrops and along tributary lines.

The drill site and camp would be located immediately 1km west of Mooriary Road (and 4km south of Midlands Road) and consist of 2 x 3 person transportable accommodation buildings and other modular buildings (typically 12m x 2.72, 32.64m²) associated with the drill operations delivered to the site by truck. Food preparation will be undertaken off-site at the main camp, and the camp would be serviced by a mobile waste water system

The drill sites would have drilling activities conducted continuously on a 24-hour basis with 2 crews (6 personnel operating the drill and up to 22 additional personnel) working on 12-hour shifts necessitating a workforce accommodation camp at the drill site.

The drill site camps would be in place for approximately 60 days at each site before being transferred to the next drill site, with some potential returning to the site for further exploration, maintenance and testing work over the subsequent 2 year period.

The drill camp application is provided as **separate Attachment 11.2(b)**.

Figure 11.2(d) – Aerial Photo of Lot 433 Mooriary Road, Mooriary



The drill camp would subsequently be moved to Lot 5 Strawberry North East Road, Lockier which is a cleared 159ha property used for farming purposes owned by Holmwood Pty Ltd.

The drill site and camp would be located in the south-east corner of Lot 5, 3km east of Strawberry North East Road and 2.2km east of the Irwin River. The site would also be 3.3km north of Midlands Road and 2.4km north of the Lockier River.

Comment

The applicant is also seeking to site the drill camp on 2 other locations:

- Lot 428 Midlands Road, Moorriary which is a 639ha property owned by Clancy Michael Nominees Pty Ltd; &
- Lot 2385 Burma Road, Lockier which is a 301ha property owned by BF Kelly & Sons Pty Ltd.

However, at this time the applicant has not obtained the necessary consents of these landowners and the Shire is therefore unable to accept the application as it relates to these properties, and the applicant will be required to lodge these as separate application(s) should they obtain the agreeance of the relevant landowners.

Council previously approved at its 16 June 2021 meeting an application for a temporary workforce accommodation camp from the same applicant (Energy Resources Limited) upon Lot 686 Watson Road, Lockier owned by BF Kelly & Sons Pty Ltd. This previous camp site was 3.1km south-west of the proposed Lot 5 Strawberry East Road drill camp site.

Figure 11.2(g) – Aerial photo of previous camp site upon Lot 686 Watson Road, Lockier



Consultation

The application was advertised for comment from 16 September 2022 until 10 October 2022 with the Shire undertaking the following actions:

- notice being placed on the Shire website;
- correspondence inviting comment being sent to the landowners of the 34 titles within 2km of the 3 proposed temporary workforce accommodation sites;
- correspondence inviting comment being sent to the following government agencies and service authorities:
 - Australian Gas Infrastructure Group;
 - ATCO Gas
 - Department of Biodiversity, Conservation & Attractions
 - Department of Fire & Emergency Services
 - Department of Health
 - Department of Jobs, Tourism, Science & Innovation
 - Department of Mines, Industry Regulation & Safety
 - Department of Planning, Lands & Heritage
 - Department of Primary Industries & Regional Development
 - Department of Water & Environment Regulation
 - Main Roads WA
 - Telstra
 - Water Corporation
 - Western Power

- display of the application at the Shire office.

At the conclusion of the advertising period the Shire has received 6 submissions, with all of these being from government agencies either offering no objection or technical comment. A summary of the received comments is provided below, and copies of the received submissions have been included as **separate Attachment 11.2(c)**.

(Department of Health)

Each development proposal will be required to demonstrate the volume of each wastewater treatment plant or system to accommodate the number of personnel based on the current health sewage legislation. The disposal area is required to be adequately sized based on the site and soil evaluation report findings.

Approval is required for any on-site wastewater treatment process (by the DoH or local government)

Drinking water provided on any mine site or exploration camp in WA must comply with DoH requirements

Any non-drinking water that is provided in this location should be clearly identified so as to not be mistaken for drinking water.

All food related areas (kitchen, preparation areas, etc.) to comply with the provisions of the Food Act 2008 and related code, regulations and guidelines.

To address this submission it is recommended that the approval be made subject to the following conditions:

“The development shall be connected to on-site wastewater and effluent disposal systems that are located, designed, installed and operated to the requirements of the Department of Health and the approval of the local government.”

“The development shall comply with the requirements of the Food Act 2008 and Food Regulations 2009.”

It is also recommended that the approval include advice note stating that:

“The applicant is advised that this planning approval does not negate the requirement for any additional approvals which may be required under separate legislation including but not limited to the obtaining of any required approvals from the Department of Health, the Department of Mines, Industry Regulation & Safety, the Department of Water & Environment Regulation, and Main Roads WA. It is the applicant’s responsibility to obtain any additional approvals required before the development/use lawfully commences.”

(Western Power)

Information provided relating to ability to determine if works impact Western Power’s electricity network at Before You Dig Australia, Landgate and Western Power Safety & Access website addresses.

It is recommended that the advice of Western Power be provide to the applicant so that they may undertake the necessary consultations with the provided databases.

(Department of Primary Resources & Regional Development)

DPIRD does not object to the proposal and offers the following comments:

The main campsite will be located on the soil-landscape type referred to as the Mount Horner Munja subsystem. Soils of this subsystem are comprised of grey deep sandy duplexes, pale deep sands and shallow gravels. These soils have a high–very high risk of wind erosion. They also have a low –moderate risk of water erosion, and a low-moderate risk of phosphorus export.

DPIRD recommends that the applicant prepares an erosion management plan to ensure the soil of the campsite is protected. This will also improve the amenity for staff residing onsite.

The soils of this area also have low soil water storage and this creates a low ability for microbial purification. As there is a tributary of the Irwin River that is located close to the south east corner of the site, DPIRD recommends that management of effluent associated with the workforce accommodation, as well as any stored fuels, is closely monitored to prevent any leaks or spillage and potential contamination of soils or groundwater.

While the campsite is located within a large property, the "Separation Distances between Industrial and Sensitive Land Uses, 2005" define residential development as a sensitive land use. Agricultural emissions may include gaseous and particulate emissions; noise; dust; light and odour; where the levels of emissions may at times exceed amenity levels considered acceptable in residential areas or at other sensitive and uses. DPIRD requests that an appropriate buffer is established around the proposed temporary facility to ensure existing rural operations surrounding the accommodation site can continue to function and any potential impacts on the health and amenity of people and the environment are appropriately avoided, mitigated or managed.

As the drilling program is expected to be completed within a period of 2 years and no plans are outlined for the ongoing use of these facilities after the completion of the drilling program, DPIRD requests approval should be conditional on a decommissioning and rehabilitation plan to ensure the land is restored to either its current or improved agricultural potential or revegetated to prevent wind erosion.

To address this submission it is recommended that the approval be made subject to the following conditions:
"The applicant is to prepare, submit and adhere to a Management Plan to the approval of the local government."

"The applicant is to implement and maintain reporting mechanisms for complaints concerning the operation of the development. In the event of a substantiated complaint being received the applicant is required to demonstrate mitigation response(s) to the approval of the local government. Such response(s) will be treated as conditions of approval/required modifications to the Management Plan."

It is also recommended that the approval include advice notes stating that:

"The Management Plan is to include sections relating to Fire Management, Emergency Response Plan, Waste Management, Noise/Light/Dust Management and Post Camp Rehabilitation (that details post-closure obligations and clean-up and rehabilitation of the site) to the approval of the local government. In the event that the camps are sited within an area identified upon the Department of Fire & Emergency Services State Map of Bushfire Prone Areas the Fire Management Plan must be submitted as a separate document and prepared and implemented to the requirements of the Department of Fire & Emergency Services."

The applicant is advised that this planning approval does not negate the requirement for any additional approvals which may be required under separate legislation including but not limited to the obtaining of any required approvals from the Department of Health, the Department of Mines, Industry Regulation & Safety, the Department of Water & Environment Regulation, and Main Roads WA. It is the applicant's responsibility to obtain any additional approvals required before the development/use lawfully commences."

(Department of Biodiversity, Conservation & Attractions)

DBCA has no objections to the proposal. It is anticipated that the proposed workforce accommodation and any associated environmental impacts will be appropriately managed through the existing planning framework.

(Main Roads WA)

MRWA has noted that the main camp and a drill camp area are located on Mooriary Road. This road intersects with Midlands Roads at SLK 227.45, a state road managed by MRWA. The other drill camp is located along Strawberry North East Road. This road intersects with Midlands Road at SLK 236.43.

MRWA will require a Traffic Impact Statement which includes further detail of the construction and operation traffic, vehicle type and volume in order to assess the impact of this proposal on the State Road Network. Once we have received this information MRWA will be in a position to provide further comment.

In relation to the MRWA submission it is noted that similar comments arose in the advertising of the applicant's previous workforce accommodation camp 3.1km south-west in 2021 and in that instance the applicant was provided with a copy of the received submissions and invited to make comment in relation to any of the issues raised during the advertising period. The applicant's comments at that time were as follows:

“Mobilisation

Based on the proposed schedule the plan is to move the rig late June, 2021 from its current location off Natta road where it is operating for Strike Energy to the Energy Resources Lockyer Deep-1 well location. This move would take ~5 days and involve ~75 trailers. The load list is attached to this email. The transport would enter onto Midlands Road off Moorari Road, travel ~9kms along Midlands Road and exit Midlands Road into Strawberry Northeast Road and into the Kelly's farm.

Operation

The drilling activity will be undertaken over an ~2 month period with completion by end of August 2021. Would anticipate on average one semi trailer every second day from Perth to site and return throughout the activity until the rig is demobilised as well as small vehicle personnel movement from the main camp off Natta Road to site.

Demobilisation

On completion of the activity the rig will be released back to Strike Energy who have multiple options for the rig after this well in the area.”

It is recommended that the approval include advice note stating that:

“The applicant will need to consult with the Main Roads WA Heavy Vehicle Services branch to ascertain any approval requirements that may be required for their proposed heavy vehicle combinations and transport routes.”

(Department of Fire & Emergency Services)

It is unclear from the documentation provided if the Shire of Mingenew has applied State Planning Policy 3.7 – Planning in Bushfire Prone Areas (SPP3.7) to this proposal.

Exemptions from the requirements of SPP3.7 should be applied pragmatically by the decision maker and are identified in Guidelines for Planning in Bushfire Prone Areas (Section 2.6).

Should you apply SPP 3.7 then, we request the relevant information pursuant to this policy be forwarded to DFES to allow us to review and provide comment prior to the Shire of Mingenew endorsement of the proposal. If there is some other reason which has given you cause to consider a referral to DFES, could you please provide detail on the attached 'Referral to DFES Checklist'.

The submitted application, and subsequent discussion with the applicant, identified the 3 proposed camp sites are immediately outside the area identified as bushfire prone on the DFES State Map of Bushfire Prone Areas. The Shire advised the applicant that in the event that habitable buildings (which are the subject of the development application) were to be located within a bushfire prone area then this would trigger requirement for the lodgement of a Fire Management Plan that the Shire would forward to DFES for review and comment.

To address this aspect it is recommended that the approval be made subject to the following conditions:

“The applicant is to prepare, submit and adhere to a Management Plan to the approval of the local government.”

“The applicant is to implement and maintain reporting mechanisms for complaints concerning the operation of the development. In the event of a substantiated complaint being received the applicant is required to demonstrate mitigation response(s) to the approval of the local government. Such response(s) will be treated as conditions of approval/required modifications to the Management Plan.”

It is also recommended that the approval include advice notes stating that:

“The Management Plan is to include sections relating to Fire Management, Emergency Response Plan, Waste Management, Noise/Light/Dust Management and Post Camp Rehabilitation (that details post-closure obligations and clean-up and rehabilitation of the site) to the approval of the local government. In the event that the camps are sited within an area identified upon the Department of Fire & Emergency Services State

The objectives for development within the 'Rural' zone are identified under Scheme Clause 16 as:

- *To provide for the maintenance or enhancement of specific local rural character.*
- *To protect broad acre agricultural activities such as cropping and grazing and intensive uses such as horticulture as primary uses, with other rural pursuits and rural industries as secondary uses in circumstances where they demonstrate compatibility with the primary use.*
- *To maintain and enhance the environmental qualities of the landscape, vegetation, soils and water bodies, to protect sensitive areas especially the natural valley and watercourse systems from damage."*

Section 9 – Aims of the Scheme notes the following:

"The aims of this Scheme are...

...(g) ensuring that mining-related land uses and developments such as workforce accommodation are developed within existing townsites where appropriate."

In this instance, given that the drill is required to be manned at all times and will be operating 24 hours a day for 30-60 days at each site it is considered appropriate that the workforce should be housed at the drill site rather than a remote location.

Schedule 1 Clause 11 of the Scheme notes the following in relation to the issue of 'Workforce Accommodation':

"The local government may only grant development approval for Workforce Accommodation where –

- (a) it is satisfied that the Workforce Accommodation can be adequately serviced with water, power and effluent disposal;*
- (b) an operation is proposed and not yet operational, it can be adequately demonstrated that the operation will proceed prior to the approval for permanent Workforce Accommodation being issued;*
- (c) a management plan is prepared and submitted with the development application that outlines how the Workforce accommodation will be decommissioned should it no longer be required; and*
- (d) proposed within the Residential and Rural Townsite zones it is to be setback from boundaries in accordance with Part 5 of the R-Codes Volume 1 to the satisfaction of the local government."*

Schedule 2 Part 9 Clause 67 of the *Planning and Development (Local Planning Schemes) Regulations 2015* lists the following relevant matters to be considered by local government in considering a development application:

- "(a) the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;...*
- (fa) any local planning strategy for this Scheme endorsed by the Commission;...*
- ...(m) the compatibility of the development with its setting, including –*
 - (i) the compatibility of the development with the desired future character of its setting; and*
 - (ii) the relationship of the development to development on adjoining land or on other land in the locality including, but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development;*
- (n) the amenity of the locality including the following –*

- (i) *environmental impacts of the development;*
- (ii) *the character of the locality;*
- (iii) *social impacts of the development;*
- (o) *the likely effect of the development on the natural environment or water resources and any means that are proposed to protect or to mitigate impacts on the natural environment or the water resource;...*
- ...(q) *the suitability of the land for the development taking into account the possible risk of flooding, tidal inundation, subsidence, landslip, bush fire, soil erosion, land degradation or any other risk;*
- (r) *the suitability of the land for the development taking into account the possible risk to human health or safety;*
- (s) *the adequacy of —*
 - (i) *the proposed means of access to and egress from the site; and*
 - (ii) *arrangements for the loading, unloading, manoeuvring and parking of vehicles;*
- (t) *the amount of traffic likely to be generated by the development, particularly in relation to the capacity of the road system in the locality and the probable effect on traffic flow and safety;...*
- ... (x) *the impact of the development on the community as a whole notwithstanding the impact of the development on particular individuals;*
- (y) *any submissions received on the application;...*
- ...(zb) *any other planning consideration the local government considers appropriate."*

Policy Implications

The Western Australian Planning Commission’s ‘Workforce Accommodation Position Statement provides guidance in relation to the assessment of this application.

The Position Statement notes that under the *Planning and Development Act 2005* planning decision-makers can:

Control	Not control
1) Where a planning application is required, the terms of an approval related to: <ul style="list-style-type: none"> (a) timeframe (b) setbacks (c) landscaping (d) parking and access (e) location and appearance of buildings (f) integration with surrounding areas (g) any other land use planning matters relevant to the site. 2) Where a planning application is required, the ability to approve/refuse a proposal considering local planning scheme requirements.	1) Any matters specified by a State Agreement Act. 2) The issuing of a mining tenement made under the <i>Mining Act 1978</i> – which can include a general purpose lease for ‘any other purpose directly connected with mining operations’ (may be located in a townsite). 3) That workforce accommodation needs to be met by permanent accommodation rather than ‘camps’. 4) That workforce accommodation be located in a town rather than a mine- site. 5) Whether the land for workforce accommodation is owned by the Crown or held in fee simple. 6) Requirements for ‘community contributions’ by workforce accommodation proponents. 7) Requirements for workforce accommodation to achieve ‘legacy benefits’.

A copy of the WAPC Position Statement can be viewed at the following link:

https://www.wa.gov.au/system/files/2021-07/POS-Position-Statement_Workforce_Accommodation.pdf

Financial Implications

In the event that the applicant's operations have an impact on the condition of the local road network, it is considered reasonable that a contribution to maintenance be required of the applicant to avoid financial burden on the Shire, and ensure the applicant provides compensation commensurate with additional wear imposed by traffic movements associated with their operations.

Strategic Implications

Section 8.8 of the Shire of Mingenew Local Planning Strategy (2006) notes the following:

"8.8 Mining Activity

General Industrial land will need to be identified for possible expansion of Mingenew.

Appropriate controls will also need to be put in place for mining activity in the Rural-Mining Zone. These include controls to ensure that the environmental and landscape qualities are not detrimentally affected, that adequate provision is made for any intensive use of rural roads, and that there is no conflict with existing rural activities undertaken in the area.

In determining an application for extractive industry Council shall have regard to and may impose conditions relating to the demand for additional services, facilities and infrastructure, the impact on surrounding land uses, and shall require a management plan to manage the impact of the extractive industry."

Prior to consideration of Item 11.3, Cr JR Holmes returned to the meeting at 5:16pm

11.3 PROPOSED SITING OF ICE CREAM VAN

Location/Address: Reserve 47995 Midlands Road, Mingenew
Reserve 20735 Bride Street, Mingenew
Name of Applicant: S. Hollands
Disclosure of Interest: Nil
File Reference: LE.LIC.2
Date: 10 October 2022
Author: Simon Lancaster, Planning Advisor
Senior Officer: Matt Fanning, Chief Executive Officer
Voting Requirements: Simple Majority

Summary

Council resolved at its 17 August 2022 meeting to approve the siting of an ice cream van at the following locations in the Shire (outside of the Mingenew townsite) subject to conditions:

- Depot Hill Road car park; and
- Reserve 900 Coalseam Road, Holmwood (Coalseam Conservation Park).

Council also resolved to advertise the proposed siting of an ice cream van at the following locations within the Mingenew townsite:

- Reserve 47995 Midlands Road, Mingenew (car parking bay opposite Mingenew Bakery & Mingenew Hotel); &
- Reserve 20735 Bride Street, Mingenew (adjacent to Bowling Club car park);

The advertising period has now concluded and no objections were received to the proposed locations within the Mingenew townsite.

This report recommends conditional approval for a trial period of 12 months to provide Council with the opportunity to review the development's operation in event that complaint is received or concerns raised.

OFFICER RECOMMENDATION AND COUNCIL DECISION - ITEM 11.3 – RESOLUTION# 05191022
MOVED: Cr HR McTaggart SECONDED: AR Smyth

That Council grant formal planning approval for the siting of an ice cream van at the following locations subject to the below conditions:

- Reserve 47995 Midlands Road, Mingenew (car parking bay opposite Mingenew Bakery & Mingenew Hotel);
- Reserve 20735 Bride Street, Mingenew (adjacent to Bowling Club car park).

Conditions:

- 1** The approval is valid for a period of 12 months (until 19 October 2023) after which time the application shall be reconsidered by the Shire Chief Executive Officer (under the delegated authority of Council) as to any impacts arising from the operation of the development in the local government's determination on whether to grant any extension to the approval period.
- 2** Any additions to or change of use of any part of the development (not the subject of this consent/approval) considered by the Shire Chief Executive Officer to represent significant variation from the approved development requires further application and planning approval for that use/addition.

- 3 The location of the ice cream van, and maintenance of public access about the ice cream van, being to the approval of the local government.
- 4 The applicant shall ensure that the ice cream van and immediate surrounding area is kept clean and tidy to the approval of the local government.
- 5 The applicant shall ensure that rubbish associated with the operation of the ice cream van is managed to the approval of the local government.
- 6 No freestanding signs or hoardings advertising the operation of the ice cream van are permitted to be erected whether temporary or permanent in nature without the approval of the local government.
- 7 The use of mechanical chimes or amplified music at the approved locations which could cause a noise nuisance is not permitted. The ice cream van shall at all times comply with the *Environmental Protection (Noise) Regulations 1997*.
- 8 The ice cream van shall comply with the requirements of the *Food Act 2008* and *Food Regulations 2009*.
- 9 The applicant shall obtain the written approval of the local government that the ice cream van meets the required food, health, waste management and access standards before the commencement of operations.
- 10 The applicant must possess (and provide copy to the local government) public liability insurance cover of not less than \$10 million.
- 11 This approval is issued only to the applicant and is not transferable to any other party.

Notes:

- (a) The applicant is advised that this approval is only issued for a trial period of 12 months and the operation of this development will be monitored by the local government and should complaints arise and not be adequately managed to the satisfaction of the local government, then it should not be construed that further approval would be granted.
- (b) That Council delegate authority to the Shire Chief Executive Officer for the annual renewal of the approval should no written, author-identified complaints be received during the preceding 12 month period, and there being no change in the circumstances under which the previous approval was granted. In the event that written, author-identified complaints are received in relation to the development this matter is to be returned to Council for further consideration.
- (c) In relation to conditions 8 & 9 the applicant is advised that they are required to liaise with the Shire's Environmental Health Officer to ensure compliance before the commencement of the operations (and as required by legislation thereafter to continue operations).
- (d) The applicant is advised that this planning approval does not negate the requirement for any additional approvals which may be required under separate legislation and it is the applicant's responsibility to obtain any additional approvals required before the development commences.
- (e) This planning approval issued to the applicant is not to be construed as the granting of an exclusive commercial use and the local government reserves the right to issue approval to other parties who may seek to conduct commercial activities.
- (f) If an applicant is aggrieved by this determination there is a right (pursuant to the *Planning and Development Act 2005*) to have the decision reviewed by the State Administrative Tribunal. Such application must be lodged within 28 days from the date of determination.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 5/0

Attachments

Attachment 11.3 - Copy of submitted application (provided as separate attachment)

Background

The applicant is seeking approval to site their ice cream van at 3 locations in the Mingenew townsite which are on Crown Land under the management of the Shire of Mingenew, these being:

- Reserve 47995 Midlands Road, Mingenew (car parking bay opposite Mingenew Bakery & Mingenew Hotel); &
- Reserve 20735 Bride Street, Mingenew (adjacent to Bowling Club car park).

The applicant also sought approval to site the ice cream van upon vacant Lot 108 to the west of the Mingenew Roadhouse site which is owned by Ridge Star Pty Ltd. As the applicant has not obtained the necessary consent of the landowner the Shire has advised the applicant that it is unable to accept the application as it relates to this property.

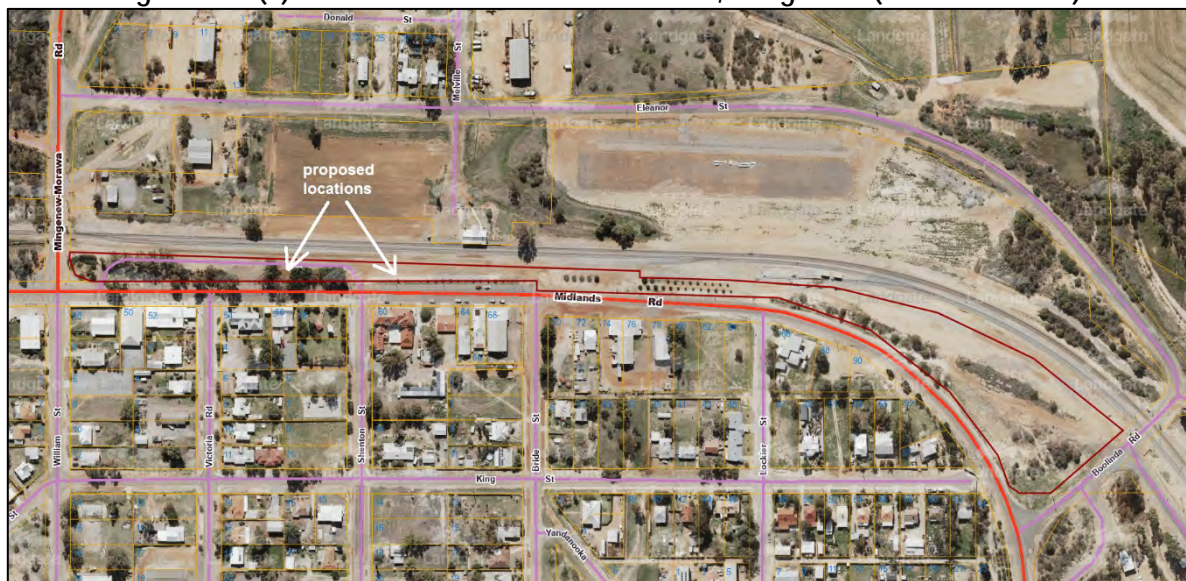
The applicant is seeking approval to sell ice creams from their van with the intended hours of operation being between 11:00am-4:00pm Thursday to Sunday on any given day. The submitted application that provides further background information is provided as **separate Attachment 11.3**.

When not in use the ice cream van would be parked at the applicant's residential address of 39 (Lot 12) King Street in the Mingenew townsite.

Comment

Reserve 47995 Midlands Road, Mingenew is a 2.3493ha Crown Reserve that contains a car parking area with a management order for 'Civic Purposes' issued to the Shire of Mingenew. The applicant is proposing to site the ice cream van at 2 locations in this reserve, opposite the Mingenew Bakery and opposite the Mingenew Hotel.

Figure 11.3(a) – Reserve 47995 Midlands Road, Mingenew (outlined in red)



Reserve 20735 Bride Street, Mingenew is an 81.957ha Crown Reserve that contains the Mingenew Recreation Grounds and has a management order for 'Recreation, Racecourse, Showground & Aerial landing Ground' issued to the Shire of Mingenew. The applicant is proposing to site the ice cream van adjacent to the Bowling Club car park.

Figure 11.3(b) – Reserve 20735 Bride Street, Mingenew (outlined in red)



Consultation

Given that the last application for a mobile food & coffee van led to some local business owner complaint, Council resolved to invite comment upon the application for the proposed locations within the Mingenew townsite. It was not considered that the Depot Hill Road car park or Coalseam Conservation Park location, being some way out of town, presented the proximity issues that led to business owner complaint previously and were therefore approved at the 17 August 2022 meeting.

The application was advertised from 26 August 2022 until 30 September 2022 with a notice being placed on the Shire website, the application being made available for viewing at the Shire office, and the Shire writing to landowners within 200m of the 3 proposed ice cream van sites and businesses of relevance as well as the Public Transport Authority, Arc Infrastructure and Main Roads WA.

At the conclusion of the advertising period, no submissions had been received, and this may be considered to demonstrate a general level of acceptance or indifference to the proposed development.

Statutory Environment

Part 1 Section 4 of the *Planning & Development Act 2005* ('the Act') defines development as follows:

“development means the development or use of any land, including —

- (a) any demolition, erection, construction, alteration of or addition to any building or structure on the land;*
- (b) the carrying out on the land of any excavation or other works;*
- (c) in the case of a place to which a Conservation Order made under section 59 of the Heritage of Western Australia Act 1990 applies, any act or thing that —*
 - (i) is likely to change the character of that place or the external appearance of any building; or*
 - (ii) would constitute an irreversible alteration of the fabric of any building.”*

Whilst the proposed siting of an ice cream van does not constitute a development as defined within parts (a)-(c) it should still be considered a development as by operating a commercial/retail activity from the land it does constitute the “use of any land”.

The proposal is further considered to constitute the use of land as it would be established for extended periods, and should therefore be viewed differently to a more transitory operation such as when an ice cream van is generally in motion and might typically only be stationary when hailed by customers, that might be able to be considered under the exemption provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* ('Regulations').

Schedule 2 Part 7 Clause 61(2)(d) of the Regulations provides for exemption from the requirement to obtain development approval for a temporary use which is in existence for less than 48 hours, or a longer period agreed by the local government, in any 12 month period. This application is not considered to meet this requirement as whilst the ice cream van would be sited for periods of less than 48 hours, it would be sited in any of the proposed locations for a period of greater than 48 hours across a 12 month period.

Mobile Food Van is not a listed use in the Shire of Mingenew Local Planning Scheme No.4 ('the Scheme'), and it is not considered that the proposed land use would meet with the following Regulations definitions as it does not involve a premises:

"fast food outlet/lunch bar means premises, including premises with a facility for drive-through service, used for the preparation, sale and serving of food to customers in a form ready to be eaten -

- (a) without further preparation; and*
- (b) primarily off the premises"*

"restaurant/cafe means premises primarily used for the preparation, sale and serving of food and drinks for consumption on the premises by customers for whom seating is provided, including premises that are licenced under the Liquor Control Act 1988"

On this basis Clause 18(4) of the Scheme is therefore considered to apply in this instance:

"The local government may, in respect of a use that is not specifically referred to in the zoning table and that cannot reasonably be determined as falling within a use class referred to in the zoning table –

- (a) determine that the use is consistent with the objectives of a particular zone and is therefore a use that may be permitted in the zone subject to conditions imposed by the local government; or*
- (b) determine that the use may be consistent with the objectives of a particular zone and give notice under clause 64 of the deemed provisions before considering an application for development approval for the use of the land; or*
- (c) determine that the use is not consistent with the objectives of a particular zone and is therefore not permitted in the zone."*

Clause 9 of the Scheme includes the following aims of the scheme:

- "(a) to preserve, protect and enhance the amenity and character of Mingenew Townsite, and areas of cultural, heritage and natural and biodiversity significance across the Shire; and"*
- "(d) provide opportunities for the ongoing use and potential expansion of commercial areas, and tourist facilities to serve the needs of the residents and visitors"*

Reserve 47995 Midlands Road, Mingenew (car parking bay) is zoned 'Railways' and Clause 14 of the Scheme lists the objectives for this zone as being:

- "• To set aside land required for passenger rail and rail freight services."*

Reserve 20735 Bride Street, Mingenew is zoned 'Public Open Space' and Clause 14 of the Scheme lists the objectives for this zone as being:

- "• To set aside areas for public open space, particularly those established under the Planning and Development Act 2005 s. 152.*
- To provide for a range of active and passive recreation uses such as recreation buildings and courts and associated car parking and drainage."*

Schedule 2 Part 9 Clause 67 of the *Planning and Development (Local Planning Schemes) Regulations 2015* lists the following relevant matters to be considered by local government in considering a development application:

- “(a) the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;...*
- ... (j) in the case of land reserved under this Scheme, the objectives for the reserve and the additional and permitted uses identified in this Scheme for the reserve;...*
- ... (m) the compatibility of the development with its setting including –*
 - (i) the compatibility of the development with the desired future character of its setting; and*
 - (ii) the relationship of the development to development on adjoining land or on other land in the locality including, but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development;*
- (n) the amenity of the locality including the following –*
 - (i) environmental impacts of the development;*
 - (ii) the character of the locality;*
 - (iii) social impacts of the development;...*
- ... (s) the adequacy of –*
 - (i) the proposed means of access to and egress from the site; and*
 - (ii) arrangements for the loading, unloading, manoeuvring and parking of vehicles;*
- (t) the amount of traffic likely to be generated by the development, particularly in relation to the capacity of the road system in the locality and the probable effect on traffic flow and safety;...*
- ... (v) the potential loss of any community service or benefit resulting from the development other than potential loss that may result from economic competition between new and existing businesses;*
- (w) the history of the site where the development is to be located;*
- (x) the impact of the development on the community as a whole notwithstanding the impact of the development on particular individuals;...*
- ... (zb) any other planning consideration the local government considers appropriate.”*

Policy Implications

Nil

Financial Implications

The application would not have a budgetary impact to Council.

Strategic Implications

The Shire of Mingenew Strategic Community Plan 2019 sets the following strategic objective:

“Strategy 5: Making Business Easy in Mingenew

Goal: Ensure Mingenew is supporting local businesses to grow and maintain employment within the community”

It may be considered that an ice cream van whilst offering a new service to the residents of, and visitors to, the Shire of Mingenew also has the potential to impact upon existing Mingenew businesses and should be considered with regard to the Strategic Community Plan.

Competition and impact on existing local businesses is an issue that local governments have often been forced to grapple with, particularly where arguments have been mounted that an existing retailing operation

offers multiple services and employment to a local community, and when faced with an arriving (sometimes mobile, or unmanned, or non-locally employing) competitor that offers a more limited service (in terms of products or hours of operation) that undermines their profitability, this can result in the existing service provider no longer being viable and the local community resultantly losing those associated services and employment. Existing businesses might also note that they are required to pay local government rates and service authority charges (e.g. power and water) and these are not required of mobile food outlets who might seek to park in the most advantageous locations and only in periods of high activity whereas permanent business support local communities all year round.

Council can have some regard for this issue under Clause 67 of the Deemed Provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* including the requirements of orderly and proper planning, having regard for the amenity of the locality including social impacts of the development, the amount of traffic likely to be generated by the development particularly in relation to the capacity of the local road system in the locality, the impact of the development on the community as a whole, and any submissions received on the application. However, it is noted that the Clause 67 of the Regulations also lists the following matter to be considered by local government:

“(v) the potential loss of any community service or benefit resulting from the development other than potential loss that may result from economic competition between new and existing businesses.”

This is also an issue that Section 3.3.7 ‘Economic Competition’ of the Western Australian Planning Commission publication ‘Development Assessment Panel Training Notes – Making Good Planning Decisions’ (2011) addresses as follows:

“The threat of competition to existing businesses is not a relevant planning consideration. It only becomes a relevant planning consideration if there is a prospect that there will be a reduction in the facilities available to the community.

This was made clear in the High Court decision of Kentucky Fried Chicken Pty Ltd v Gantidis (1979) 140 CLR 675. In that case, Barwick CJ at [681] said that:

“economic competition feared or expected from a proposed use is not a planning consideration within the terms of the planning ordinance governing this matter”.

Stephen J at [687] noted that:

“...the mere threat of competition to existing businesses, if not accompanied by a prospect of a resultant overall adverse effect upon the extent and adequacy of facilities available to the local community if the development be proceeded with, will not be a relevant town planning consideration.”

However, it is also noted that Section 2.10 of the *Local Government Act 1995* lists one of the roles of a Councillor as being:

“A councillor —

(a) represents the interests of electors, ratepayers and residents of the district;”

Prior to discussion of Item 11.4, Cr JR Holmes, having disclosed a proximity interest as a landowner of property adjacent to the applicant, left the meeting at 5:17pm. Cr JR Holmes did not participate in discussion or vote on the matter.

11.4 PROPOSED REPURPOSED DWELLING

Location/Address: 21 (Lots 253, 254 & 255) Field Street, Mingenew
Name of Applicant: R. Warren & C. Nacilla
Disclosure of Interest: One of the landowners is an employee of the Shire
File Reference: A784 / A785 / A786
Date: 12 October 2022
Author: Simon Lancaster, Planning Advisor
Senior Officer: Matt Fanning, Chief Executive Officer
Voting Requirements: Simple Majority

Summary

Council is in receipt of an application seeking to site 2 x transportable buildings alongside each other and construct a verandah along the front and one side to create a residence upon 21 (Lots 253, 254 & 255) Field Street, Mingenew.

The application has been advertised for comment and no objections were received.

This report recommends that the application be approved subject to conditions.

OFFICER RECOMMENDATION AND COUNCIL DECISION - ITEM 11.4 – RESOLUTION# 06191022
MOVED: Cr Smyth SECONDED: McTaggart

That Council approve the application for a repurposed dwelling upon 21 (Lots 253, 254 & 255) Field Street, Mingenew subject to the following:

Conditions

- 1 Development shall generally be in accordance with the approved plans dated 19 October 2022 and subject to any modifications required as a consequence of any condition(s) of this approval. The endorsed plans shall not be modified or altered without the prior written approval of the local government.**
- 2 Any additions to or change of use of any part of the building or land (not the subject of this consent/approval) considered by the local government CEO to represent significant variation from the approved development plan may require further application and planning approval for that use/addition.**
- 3 The development must not be located over the property (side) boundary lines.**
- 4 The development must be of materials, finish and colours to the approval of the local government.**
- 5 Skirting is required to be installed between the floor level of the building and the ground level to the approval of the local government and using materials and colours that are to the approval of the local government.**
- 6 Landscaping is required to be installed and maintained about the development for the purpose of softening the visual impact of the building to the approval of the local government.**
- 7 Front fencing to a height not greater than 1.2m is required to be installed and maintained along the property frontage for the purpose of softening the visual impact of the building to the approval of the local government and must be of materials, finish and colours to the approval of the local government.**

- 8 The development shall be connected to on-site wastewater and effluent disposal systems that are located, designed, installed and operated to the requirements of the Department of Health and the approval of the local government.
- 9 The conditions relating to this approval (inclusive of the completion of the verandah and fencing) are to be complied with to the approval of the local government within 12 months of the buildings being sited upon the property.

Notes:

- (a) This planning consent does not constitute a building permit, which must be sought and obtained from the Shire's Building Department and will require the applicant's demonstration of compliance with the requirements of the *Building Act 2011* and Building Code of Australia. Also, other separate approvals to undertake certain activities may be required from other government agencies under separate legislation of which it is the applicant's responsibility to investigate and address.
- (b) If an applicant is aggrieved by this determination there is a right (pursuant to the *Planning and Development Act 2005*) to have the decision reviewed by the State Administrative Tribunal. Such application must be lodged within 28 days from the date of determination.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 4/0

Attachment

Attachment 11.4 - Application

Background

Lots 253, 254 & 255 are 852m² properties comprising a total 2,556m² landholding that is located on the northern side of Field Street in the Mingenew townsite.

Figure 11.4(a) – Location Plan for 21 (Lots 253, 254 & 255) Field Street, Mingenew



There is an existing outbuilding upon Lots 254 & 255 and the available Department of Lands aerial photography indicates that it has been in place since at least 1998, and it is likely that it pre-dates this by some way.

The older (indistinct) aerial photography of the Mingenew townsite indicates that there was a residence once sited upon Lot 253 that was removed/demolished at some point after 2002.

Figure 11.4(b) – Aerial Photo of 21 (Lots 253, 254 & 255) Field Street, Mingenew



Figure 11.4(c) – View north-east, north & north-west at Lots 253, 254 & 255 from Field St



The applicant is seeking approval to site 2 x transportable buildings (each being 6m x 2.4m, 14.4m²) upon the property immediately alongside each other to create a 1 bedroom, 1 bathroom residence with kitchen and lounge area. The buildings would be setback 10m from the front/southern boundary of the property. The applicant would then construct a 2m wide verandah on the southern (Field Street) and western sides of the building, thereby creating a residence with a total roof area of 55.6m² (28.8m² enclosed area + 32.8m² unenclosed verandah area).

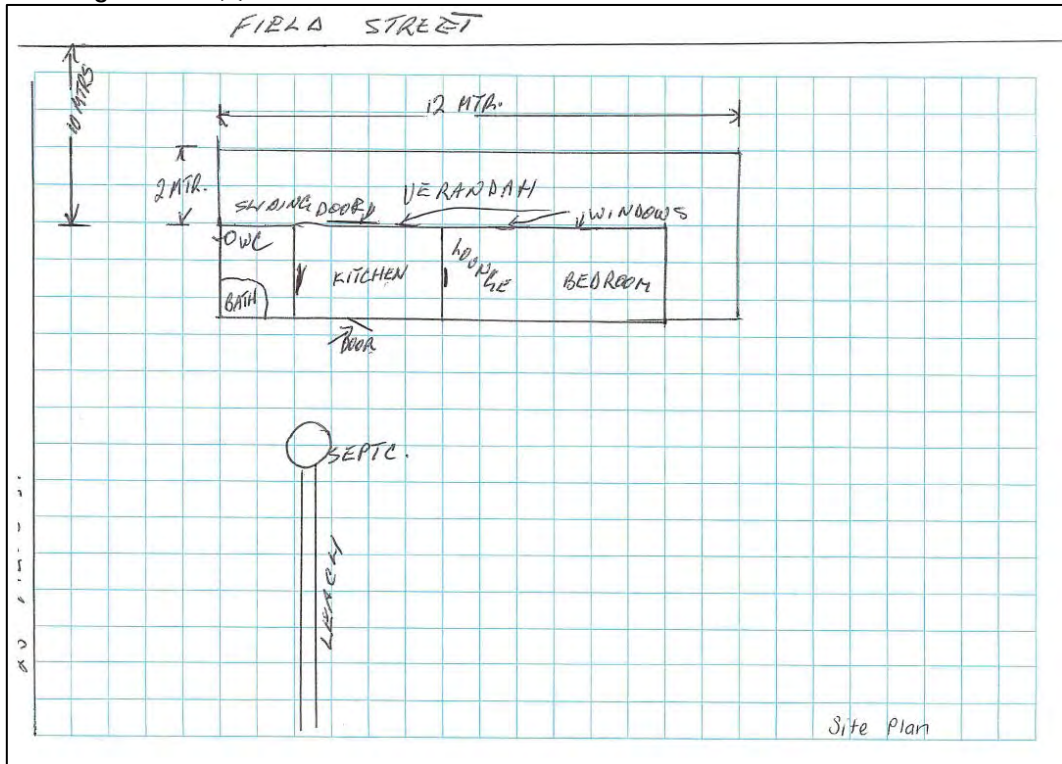
The transportable buildings are 2.6m in height and the applicant is proposing that they would be set 150mm above the ground at the front/south elevation and 300mm above the ground at the rear/north elevation due to the sloping nature of the site.

The application is provided as **separate Attachment 11.4**.

Figure 11.4(d) – Building (x2) proposed to be sited upon Lots 253, 254 & 255 Field Street



Figure 11.4(e) – Site Plan submitted for Lots 253, 254 & 255 Field Street



Comment

The appearance of the transportable buildings in isolation might be considered too small, or more akin to a workers accommodation camp, than would be appropriate within the context of a residential townsite, however, when placed alongside each other and with a verandah along the front and one side and skiting between the ground level and floor level, might be considered an acceptable form of development.

There is also the ability for Council to require the applicant to install and maintain 1.2m high fencing along the property, and landscaping, and this would further reduce the visual impact of the development, and these measures have been included within the officer recommendation.

Council might also consider that a condition be imposed requiring the lodgement of a bond by the applicant, that would be held by the Shire until the additional external works had been completed, to encourage the applicant to complete the works in a timely fashion.

In the event that Council deems that the application should not be supported it might consider the following alternative wording appropriate in its deliberations:

"That Council refuse the application for a repurposed dwelling upon 21 (Lots 253, 254 & 255) Field Street, Mingenew for the following reasons:

- 1 The proposed development is not deemed to meet the objectives for the 'Residential' zone as established in Clause 3 of the Shire of Mingenew Local Planning Scheme No.4.*
- 2 The proposed development is not deemed to meet the requirements for a repurposed dwelling/second hand dwelling as established in Schedule 1 of the Shire of Mingenew Local Planning Scheme No.4.*
- 3 In its consideration of the application Council is not satisfied that the development satisfies the matters under Clause 67 of the deemed provisions of the Planning and Development (Local Planning Schemes) Regulations 2015.*
- 4 Approval of this application would set an undesirable precedent for future variation to the Shire's statutory and policy requirements, which in time could prove to be detrimental to the amenity of the 'Residential' zone.*

Advice Note:

Should the applicant be aggrieved by this determination there is a right pursuant to the Planning and Development Act 2005 to request to have the decision reviewed by the State Administrative Tribunal. Such application must be lodged within 28 days from the date of determination."

Consultation

The application was advertised for comment from 5 September 2022 until 30 September 2022 with the Shire writing to the landowners of the 13 surrounding properties, placing an advisory sign on-site, placing a copy of the application on the Shire website, and making the application available for viewing at the Shire office.

At the conclusion of the advertising period 1 submission had been received, this being from the landowner on the opposite side of the road who might be considered the party most likely to be impacted by the development, expressing support for the application.

Statutory Environment

21 (Lots 253, 254 & 255) Field Street, Mingenew are zoned 'Rural Townsite' under the Shire of Mingenew Local Planning Scheme No.4. Table 2 of the Scheme lists the objectives of the 'Residential' zone as being:

- "• To provide for a range of land uses that would typically be found in a small country town.*
- To provide for the variety of predominantly commercial, service, social and administrative uses required to service the needs of local residents and visitors alike."*

The development is considered to be a 'Repurposed Dwelling' which is defined by the Scheme as being:

"repurposed dwelling means a building or structure not previously used as a single house which has been repurposed for use as a dwelling."

Repurposed Dwellings are listed as an 'A' use within the 'Rural Townsite' which is a use that must be advertised for comment prior to consideration.

Schedule 1 of the Scheme notes the following for 'Repurposed dwellings and second-hand dwellings':

- "1 The standards of finish of Repurposed Dwellings and/or Second-Hand Dwellings shall be agreed on between the applicant and the local government prior to the issue of development approval and must be consistent with those prevailing in the locality in which the building is to be located or any policy adopted by local government.*
- 2 Local government may permit the erection or placement of a Repurposed Dwelling and/or Second-Hand Dwelling on a lot providing that the design of the building is to the satisfaction of the local government and:
 - (a) is in a satisfactory condition;*
 - (b) will not detrimentally affect the amenity of the area;*
 - (c) is permanently affixed to the ground; and*
 - (d) is finished to a high standard."**

Schedule 1 of the Scheme also notes the following more generally for the 'Rural Townsite' zone:

- "1 All development within the Rural Townsite zone shall be designed and constructed from materials that complement the existing character and amenity of the townsite as determined by the local government or as outlined in any local government policy.*
- 2 All residential development within the Rural Townsite zone shall comply with the relevant provisions of the R-Codes to a maximum density of R12.5.*
- 3 Where non-residential development is proposed in the Rural Townsite zone on or adjacent to land with an existing residential development, the local government shall have regard to the following when assessing an application for development approval:
 - (a) the bulk, scale and height of the proposed building in relation to adjacent buildings;*
 - (b) the location of access ways, car parking, storage areas and waste disposal facilities;*
 - (c) the location of services including power, water and effluent disposal systems;*
 - (d) the interface between non-residential and residential uses in accordance with State policy and other guidelines."**

Schedule 2 Part 9 Clause 67 of the *Planning and Development (Local Planning Schemes) Regulations 2015* lists the following relevant matters to be considered by local government in considering a development application:

- "(a) the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;...*
- ...(fa) any local planning strategy for this Scheme endorsed by the Commission;...*
- ...(m) the compatibility of the development with its setting, including –
 - (i) the compatibility of the development with the desired future character of its setting; and*
 - (ii) the relationship of the development to development on adjoining land or on other land in the locality including, but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development;**
- (n) the amenity of the locality including the following –*

- (i) *environmental impacts of the development;*
- (ii) *the character of the locality;*
- (iii) *social impacts of the development;...*
- ...(p) *whether adequate provision has been made for the landscaping of the land to which the application relates and whether any trees or other vegetation on the land should be preserved;...*
- ...(w) *the history of the site where the development is to be located;*
- (x) *the impact of the development on the community as a whole notwithstanding the impact of the development on particular individuals;*
- (y) *any submissions received on the application;...*
- ...(zb) *any other planning consideration the local government considers appropriate."*

Policy Implications

Nil

Financial Implications

The application would not have a budgetary impact to Council.

Strategic Implications

The Mingenew Townsite Local Planning Strategy notes in Section 4.2.6 'Architectural Style' that:

"Architectural style refers to a combination of factors that influence building construction, such as built form, construction materials and local character. Architectural styles evolve over time and reflect the historic context and growth of an area. The local architecture of Mingenew spans many eras from the 1890s to the present, and there are still common elements from different periods that can, when possible, be incorporated into new development. Older development in Mingenew is characterised by the usage of local stone, gabled roofs and fenestration detail (see Plates 6 and 7).

Early residences incorporate hipped roofs and large verandahs (see Plate 6).

Present day residential development is characterised by houses with little to no roof pitch, constructed of weatherboard, corrugated iron and/or Colorbond sheeting (see Plate 8). Some newer homes have returned to passive climate responses typical of earlier housing and incorporate eaves and verandah into the design detail. In keeping with the rural nature of the community many homes have open style fencing, larger sheds and outbuildings, rain water tanks and other modern improvements.

To promote flexibility and encourage new residential development, it is not recommended that any design controls be implemented for residential dwellings, however developers will be encouraged to draw from the architectural palette of traditional homes in the townsite when planning new development."

Prior to discussion of Item 11.5, Cr JR Holmes returned to the meeting at 5:19pm.

Cr AR Smyth, Cr HR McTaggart and JR Holmes disclosed an impartiality interest in Item 11.5, as members of the Mingenew Tennis Club. In accordance with the Local Government Act 1997, the Council Members remained in the meeting and voted on the matter based on its merits.

11.5 RFT1 2022/23 – MINGENEW TENNIS CLUBHOUSE REPLACEMENT – TENDER EXEMPT PROCESS

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference: FM.TEN.22.23
Date: 20 July 2022
Author: Matt Fanning, Chief Executive Officer
Voting Requirement: Absolute Majority

Summary

To consider the award of request for tender RFT1 2022/23 - Mingenew Tennis Clubhouse Replacement under a tender exempt process.

Key Points

- Reason for tender - The Mingenew Tennis Club Clubhouse was damaged in STC Seroja with the Shire Insurers accessing the damage significant enough to declare the building be written off.
- The Shire received a lump sum payout for the Building from the Insurer for the amount of \$32,231 (GST Excl). These funds are to be used as part of the Shire contribution to the project
- Council at its 20 July Special Meeting resolved to reject all tenders and request quotations under a tender exempt process.
- Final pricing has resulted in the need to amend the financial contribution set by Council should additional, funding sources not be successfully identified.

**OFFICER RECOMMENDATION AND COUNCIL DECISION - ITEM 11.5 – RESOLUTION# 07191022
MOVED: Cr AR Smyth SECONDED: AT Pearse**

That with respect to the award of RFT 1 2022/23 Mingenew Tennis Clubhouse Replacement, Council,

1. By Absolute Majority, under section 6.8.(1)(b) of the *Local Government Act 1995*, allocate an additional \$50,000 from its municipal fund for the renewal of the Mingenew Tennis Clubhouse, bringing Council's contribution up to \$94,000 plus \$36,000 in kind.
2. Seek Disaster Recovery Funding Arrangement WA (known as DRFAWA) Category B funding for the reinstatement of essential public assets for the replacement of the Clubhouse.
3. On acceptance of part (1) and (2) of this resolution
 - a) Notes the Evaluation Matrix, as included in Confidential Attachment 11.5.1,
 - b) In accordance with the *Local Government (Functions and General) Regulations 1996* Regulation 18, accept Evoke Living Homes as the preferred tenderer and authorises the Chief Executive Officer to successfully negotiate a contract for the delivery of the Mingenew Tennis Clubhouse Replacement.

VOTING REQUIREMENTS:

CARRIED BY ABSOLUTE MAJORITY 5/0

Total Cash \$315,000

The Shire's in-kind contribution was to be for demolition, levelling, installation of sand-pad and correcting drainage at back of building (base of hill from Bowling Green – basically put in a trench with some blue metal to get the water to run towards Yandanooka St, and not down through the building/onto the courts).

There is an issue with the demolition of existing building as this building contains asbestos material. The Shire staff would not be able to undertake demolition until the site has been professionally cleared of asbestos materials and site determined clear of this material. The cost for removal of asbestos material has been finalised at a cost of \$4,680. The tender specifications were presented with a clean site for builders to commence work.

Comment

Even with the revised costings and best efforts to obtain a lower build cost, the project costs still exceed the current funding allocation.

In order to deliver the project additional funds will be required. There are several avenues for this funding being an additional general fund allocation or seeking further grant funding. One avenue being explored is Disaster Recovery Funding Arrangement WA (known as DRFAWA) Category B funding for the reinstatement of essential public assets.

These discussions have commenced with the Department of Fire and Emergency Services (DFES) regarding this possibility. However, in order to commence the project and secure the other funding streams it is recommended that the Council consider the allocation of additional funds with the expectation that the alternate DRFAWA funds will be forthcoming.

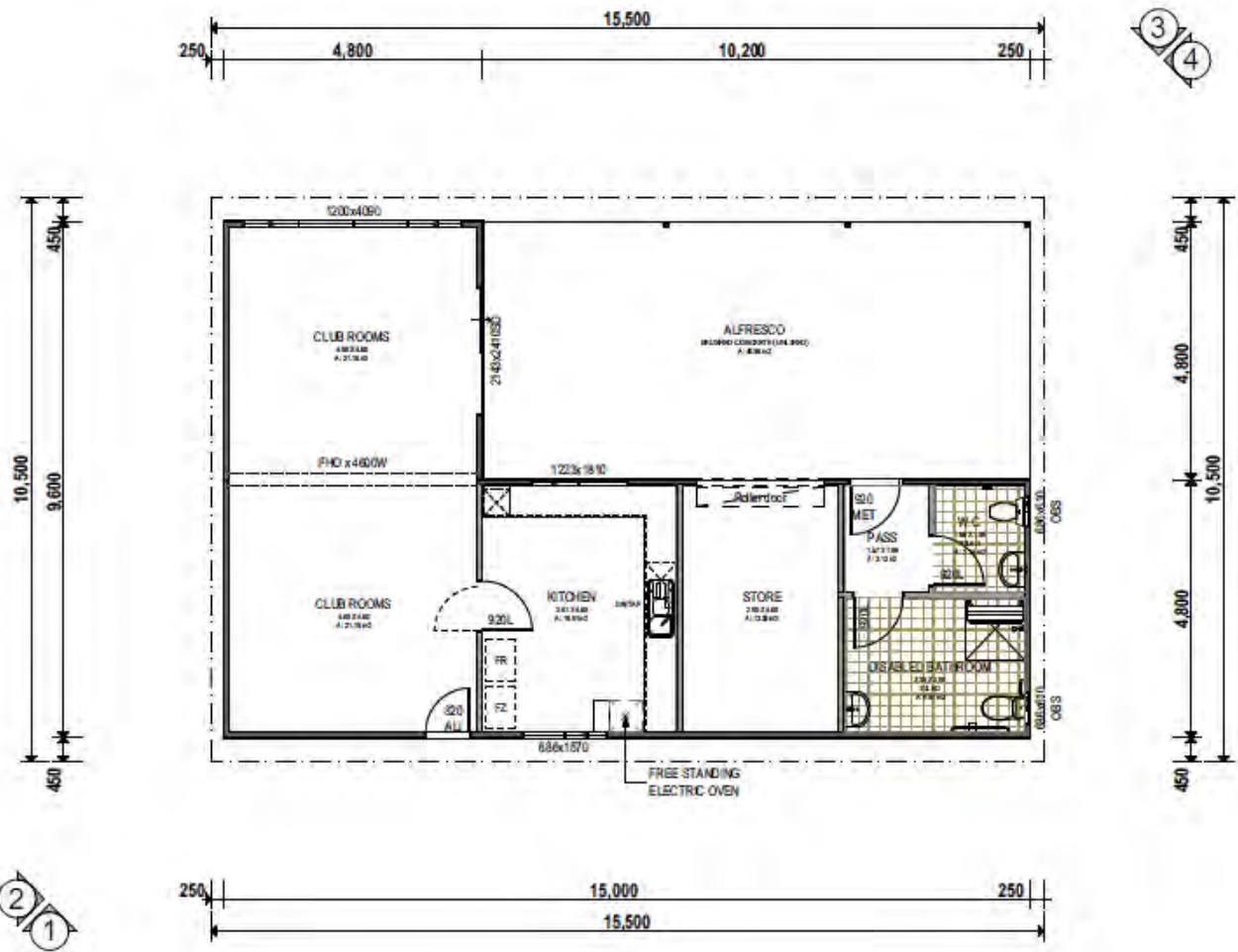
Five (5) additional quotes were received and assessed as part of the tender exempt process. The evaluation matrix can be viewed as confidential attachment 11.5.1.

The final best value for money quote has been received with a lump sum offer of \$338,829 exclusive of GST which is to deliver a building of approximately 150 square metres with a floor plan as shown below.



Based on the revised costings the cost per gross floor area has reduced from \$6,600 to \$3,400 representing significantly better value for money.

The floor plan of the preferred offer is included below for information.



The delivery time from point of order is 12 to 13 months. The sport and Recreation Grant funding runs out in December 2023 and has already received an extension of time.

Consultation

Department of Fire & Emergency Services (DRFAWA Grant Providers):
 Discussion of possibility of obtaining additional funding through the DRFAWA Category B Program
 Mingenew Tennis Club

Statutory Environment

Local Government Act 1995

Section 3.57 – Tenders for providing goods or services

A local government is required to invite tenders before it enters a contract of a prescribed kind under which another person is to supply goods or services.

Local Government (Functions and General) Regulations 1996

Regulation 11 – When tenders must be publicly invited – Tenders for providing goods or services (s. 3.57)

- (2) *Tenders do not have to be publicly invited according to the requirements of this Division if –*
- (c) *within the last 6 months –*
- (i) *the local government has, according to the requirements of this Division, publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications or satisfied the value for money assessment*

Regulation 18 – Rejecting and accepting tenders

18. Rejecting and accepting tenders

(4) *Tenders that have not been rejected under subregulation (1), (2), or (3) are to be assessed by the local government by means of a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept and it is to decide which of them (if any) it thinks it would be most advantageous to the local government to accept.*

Amending Budgets

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.*

(1a) *In subsection (1) —*

additional purpose means a purpose for which no expenditure estimate is included in the local government's annual budget.

(2) *Where expenditure has been incurred by a local government —*

- (a) *pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and*
- (b) *pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.*

Policy Implications

In obtaining a public tender, the Shire's Purchasing Policy (1.3.1) requirements have been met.

Financial Implications

As previously report, there is an estimated \$50,000 cash funding shortfall from available funds and the lowest (preferred) tender. This report recommends attempting to obtain additional funding under the DFRAWA reinstatement of essential public assets or through the provision of an additional \$50,000 from the Councils Municipal Funds. This request for budget amendment has also been included in the 12.4 Budget Amendment report being presented to this meeting.

Strategic Implications

Strategic Community Plan 2019-2029:

- 1.1.1 Provide buildings, facilities and services to meet community needs.
- 1.2.1 Manage organisation in a financially sustainable manner.
- 2.4.2 Continue programs to improve the look and feel of community public spaces, places and services to support an active and inclusive lifestyle.

Corporate Business Plan 2019-2023:

- 2.4.2g Tennis Facilities Upgrade

Prior to discussion of Item 11.6, employees Erin Greaves and Jeremy Clapham disclosed a financial interest in this item, and therefore left the meeting at 5:23pm and did not provide any advice on the item.

Mrs Annette Thomas also left the meeting at 5:23pm.

11.6 REVIEW OF EMPLOYEE SUPERANNUATION POLICY

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Erin Greaves and Jeremy Clapham
File Reference: CM.POL.1 / PE.SUP
Date: 6 September 2022
Author: Erin Greaves, Governance and Community Manager
Voting Requirement: Simple Majority

Summary

This report outlines proposed amendments to Council's Employee Superannuation Policy to consider changes in legislation impacting the Superannuation Guarantee and Council's matched contributions.

Key Points

- The super guarantee percentage for the period 1 July 2022 to 30 June 2022 has increased from 10% to 10.5% and is set to increase up to 12% by 2025.
- Council's policy currently provides for a maximum total super contribution (super guarantee percentage and Council-matched contribution combined) of 15%
- This means the Policy requires that when the super guarantee increased to 10.5%, the Council-matched contribution is reduced to 4.5%
- It is recommended that Council-matched contribution be fixed to 5%

OFFICER RECOMMENDATION COUNCIL DECISION - ITEM 11.6 – RESOLUTION# 08191022

MOVED: Cr AT Pearse

SECONDED: AR Smyth

Council:

1. amends its Policy 1.3.8 'Employee Superannuation' to set Council's maximum matching superannuation contribution to 5% of the employee's gross salary where an employee makes a voluntary superannuation contribution, presented in CEO Attachment Booklet – October 2022; and
2. applies the Policy change retrospectively to 1 July 2022.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 5/0

Attachments

11.6.1 Amended 1.3.8 'Employee Superannuation' Policy (tracked changes)

Background

Under the superannuation guarantee, employers have to pay superannuation contributions of 10.5% of an employee's ordinary time earnings. Super guarantee (SG) is the minimum amount an employer must pay to avoid the super guarantee charge.

Council adopted an Employee Superannuation Policy as an employee benefit in March 2019. The Policy outlined that Council committed to match an employee's voluntary contribution to a maximum of 5% of the employees' gross salary; subject to the combined total contribution from the Shire not exceeding 15% of the employees'

salary. The Policy also provided that as the SGC component increases, the maximum matching contribution by the Shire will decrease once the SGC component is more than 10%.

It has been determined that a matching contribution of 5% has actually been paid to those employees making voluntary contributions and receiving the co-contribution in 2022/23 therefore receiving a 15.5% total contribution from the Shire. Noting that Council's Budget factors in the 15.5% contribution.

Council last reviewed its Employee Superannuation Policy in December 2020 however; significant legislation changes have since been imposed with regard to the SG percentage. From 2021, a gradual increase of 0.5%, up to 12% by 2025/26 is to be implemented, as follows:

Period	Super Guarantee (%)
1 Jul 2020 – 30 June 2021	9.5
1 July 2021 – 30 June 2022	10
1 July 2022 – 30 June 2023	10.5
1 July 2023 – 30 June 2024	11
1 July 2024 – 30 June 2025	11.5
1 July 2025 – 30 June 2026	12

Comment

A review of local government Policies in regard to super co-contributions of other local governments reveals that between 3-5% is typical; with 5% for local governments in regional or remote areas (often used as an attraction and retention strategy).

This Policy provides a significant benefit to employees who wish to boost their retirement savings and reduce their tax obligations. Feedback from Exit interviews conducted with staff has been received, indicating that this is a valued employee benefit and something that helped attract them to the role.

Consultation

Australian Taxation Office

Statutory Environment

Local Government Act 1995

Superannuation Guarantee Contribution (Administration) Act 1992

Policy Implications

As outlined.

Financial Implications

The Shire has budgeted to allow for the full 5% co-contribution in 2022/23. Total amount budgeted for co-contributions in 2022/23 is \$42,300.

Comparatively Council budgeted \$29,800 (Budget) in 2021/22 and paid \$30,174 (Actual) in matching contributions. This reflects an increase in take up of Council's co-contribution by staff.

Strategic Implications

Strategic Community Plan 2019-2029:

1.2.3 Provide sound corporate governance of Shire and create an attractive work environment.

Prior to discussion of Item 11.7, Erin Greaves and Jeremy Clapham returned to the meeting at 5:25pm.

11.7 ROAD BUILDING MATERIAL ACQUISITIONS POLICY

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference: CM.POL.1
Date: 23 September 2022
Author: Erin Greaves, Governance and Community Manager
Voting Requirement: Simple Majority

Summary

To consider amendments to Council's 'Gravel Acquisitions' Policy, including a retitle to 'Road Building Material Acquisitions'.

Key Points

- In response to increased demand for Council to pay for road building materials available on private property, a review of current practice and standard rates has been undertaken and a number of changes proposed
- The review also identified that gravel is not the only material used for road construction activities, so the policy title has been amended to reflect this
- Local governments may acquire building materials in accordance with the Local Government Act 1995

OFFICER RECOMMENDATION AND COUNCIL DECISION - ITEM 11.7 – RESOLUTION# 09191022

MOVED: Cr JR Holmes

SECONDED: AR Smyth

Council adopts the Council Policy 1.5.1 'Road Building Material Acquisitions' as presented, superseding the former Policy titled 'Gravel Acquisitions'.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 5/0

Attachments

11.7.1 Proposed amended Policy 1.5.1 'Road Building Materials' Policy

Background

Council adopted and reviewed the current 'Gravel Acquisitions' Policy in June 2018. The current Policy is available on the Shire's website at <https://mingenew.wa.gov.au/wp-content/uploads/2022/01/1.5.1-Gravel-Acquisitions.pdf>.

Council Policy Review Schedule indicates its Works Policies should be reviewed at least once every three years.

Comment

Council's Policy for providing compensation to landowners for the acquisition of road building material provides officers with direction to negotiate up to \$2.00 per m³

Feedback has been received from certain supplier landowners, that contractors operating within the Shire are offering higher rates and offering compensation for accessing water. However, many landowners donate available materials to the Shire at no cost.

A review of compensation rates in the region has been undertaken to determine if the Mingenew Shire's rates are comparable:

Perenjori	\$1.50
Carnamah	\$2.00
Morawa	\$0.85 - \$1.65
Three Springs Nil (have own supply)	
None currently pay for water	

Therefore, it seems that the Shire of Mingenew's rate is comparatively reasonable, taking into account market conditions.

The Department of Water has indicated there is no regulation preventing landowners charging anyone for accessing water from private dams, soaks or bores.

Should Council be charged for any road material acquired for road construction and maintenance activities, the overall cost of such activities would increase, and that additional cost would be passed on to all ratepayers which could mean an increase in rates or reduction in projects or services in other areas.

As outlined below, the local government does have the right to acquire material should it be considered necessary for road works.

Statutory Environment

Local Government Act 1995

3.27. Particular things local governments can do on land that is not local government property

- (1) A local government may, in performing its general function, do any of the things prescribed in Schedule 3.2 even though the land on which it is done is not local government property and the local government does not have consent to do it.*
- (2A) In subsection (1) land includes Crown land the subject of a pastoral lease within the meaning of the Land Administration Act 1997 section 3.*
- (2) Schedule 3.2 may be amended by regulations.*
- (3) If Schedule 3.2 expressly states that this subsection applies, subsection (1) does not authorise anything to be done on land that is being used as the site or curtilage of a building or has been developed in any other way, or is cultivated.*
- (4A) For the purposes of subsection (3), planting pasture on land for grazing does not amount to cultivating the land.*
- (4) Nothing in subsection (3) prevents regulations amending Schedule 3.2 from stating that subsection (3) applies, or excluding its application, in relation to a particular matter.*

Schedule 3.2 – Particular things local governments can do on land even though it is not local government property

- 3. Take from land any native growing or dead timber, earth, stone, sand, or gravel that, in its opinion, the local government requires for making or repairing a thoroughfare, bridge, culvert, fence, or gate.*

Section 3.36 of the Act provides direction in regard to opening fences (if applicable) under Schedule 3.2.

Policy Implications

As outlined.

Financial Implications

As outlined within the Policy.

Strategic Implications

Strategic Community Plan 2019-2029:

- 1.1.1 Provide and support cost effective transport networks
- 1.2.1 Manage organisation in a financially sustainable manner

Comment

Summary of Funds as per bank statements – Shire of Mingenew as at 31 August 2022	
Municipal Funds – Corporate cheque account	\$207,664
Cash on Hand	\$100
Trust Fund	\$1
Municipal Funds – Business Maximiser	\$1,587,837
Term Deposit – Reserves	\$563,254

Debtor's accounts continue to be monitored with all efforts being made to ensure that monies are recovered.

The Statement of Financial Activities Report contains explanations of Councils adopted variances for the 2022/23 financial year.

The 2021/22 Annual Financial Report has not been audited and is subject to change, this may alter the opening surplus for the 2021/22 financial year.

Consultation

Nil

Statutory Environment

Local Government Act 1995 Section 6.4

Local Government (Financial Management) Regulations 1996 Section 34

34. Financial activity statement required each month (Act s. 6.4)

(1A) In this regulation —

committed assets means revenue unspent but set aside under the annual budget for a specific purpose.

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

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

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

- (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
- (b) an explanation of each of the material variances referred to in sub regulation (1)(d); and

- (c) such other supporting information as is considered relevant by the local government.

- (3) The information in a statement of financial activity 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 AAS, to be used in statements of financial activity for reporting material variances.

Policy Implications

Nil

Financial Implications

No financial implications are indicated in this report.

Strategic Implications

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

Comment

Summary of Funds as per bank statements – Shire of Mingenew as at 30 September 2022	
Municipal Funds – Corporate cheque account	\$2,289,601
Cash on Hand	\$100
Trust Fund	\$1
Municipal Funds – Business Maximiser	\$352
Term Deposit – Reserves	\$563,254

Debtor's accounts continue to be monitored with all efforts being made to ensure that monies are recovered.

The Statement of Financial Activities Report contains explanations of Councils adopted variances for the 2022/23 financial year.

The 2021/22 Annual Financial Report has not been audited and is subject to change, this may alter the opening surplus for the 2021/22 financial year.

Consultation

Nil

Statutory Environment

Local Government Act 1995 Section 6.4

Local Government (Financial Management) Regulations 1996 Section 34

34. Financial activity statement required each month (Act s. 6.4)

(1A) In this regulation —

committed assets means revenue unspent but set aside under the annual budget for a specific purpose.

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

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

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

- (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
- (b) an explanation of each of the material variances referred to in sub regulation (1)(d); and

- (c) such other supporting information as is considered relevant by the local government.

- (3) The information in a statement of financial activity 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 AAS, to be used in statements of financial activity for reporting material variances.

Policy Implications

Nil

Financial Implications

No financial implications are indicated in this report.

Strategic Implications

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

12.3 LIST OF PAYMENTS FOR THE PERIOD 1 AUGUST 2022 TO 30 SEPTEMBER 2022

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
File Reference: FM.CRD
Attachment/s: List of Payments – August 2022 and Sept 2022
Disclosure of Interest: Nil
Date: 11 October 2022
Author: Maria Snowden-Giles Payroll/Finance Officer
Approved by: Jeremy Clapham Finance & Admin Manager
Voting Requirement: Simple Majority

Summary

This report recommends that Council receive the list of payments for period 1 August 2022 to 30 September 2022 in accordance with the Local Government (Financial Management) Regulations 1996 section 13(1).

OFFICER RECOMMENDATION AND COUNCIL DECISION - ITEM 12.3 – RESOLUTION# 12191022
MOVED: Cr AR Smyth SECONDED: JR Holmes

That Council in accordance with *Local Government (Financial Management) Regulations 1996* Regulation 13 confirms the list of payments for the period of 1 August 2022 to 30 September 2022, as included at Attachment 12.3.1. as follows:

\$1,569,034.18 Municipal EFTs;
\$92,190.70 Municipal Direct Debit Department of Transport (Licencing) Payments;
\$62,923.83 Municipal Direct Debit Other;
\$2,808.96 Municipal Other Charges;
\$160,367.47 Net Salaries
\$1,887,325.14 Total Payments

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 5/0

Attachment

12.3.1 List of Payments – August 2022 and September 2022

Background

Financial Regulations require a schedule of payments made through the Council bank accounts to be presented to Council for their inspection. The list includes details for each account paid incorporating the payee's name, amount of payment, date of payment and sufficient information to identify the transaction.

Comment

Invoices supporting all payments are available for inspection. All invoices and vouchers presented to Council have been certified as to the receipt of goods and the rendition of services and as to prices, computations and costings, and that the amounts shown were due for payment.

Consultation

Nil

Statutory Environment

Local Government Act 1996, Section 6.4

Local Government (Financial Management) Regulations 1996, Sections 12, 13 and 15

Policy Implications

Payments have been made under delegation.

Financial Implications

Funds available to meet expenditure.

Strategic Implications

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

12.4 BUDGET AMENDMENT – OCTOBER 2022

Location/Address: Shire of Mingenew – 21 Victoria Street Mingenew 6522
Name of Applicant: Shire of Mingenew
File Reference: FM.BU.22.23
Disclosure of Interest: Nil
Date: 12 October 2022
Author: Jeremy Clapham – Finance & Administration Manager
Approved by: Matt Fanning – Chief Executive Officer
Voting Requirements: Absolute Majority

Summary

This Report lists the details of Budget Amendments required

Key Points

- There have been a few adjustments to the Estimated Opening Surplus for the year ended 30 June 2023, resulting in an estimated Budget Surplus of \$54,872 after the processing of the Budget Amendment in August 2022.
- This figure is subject to change by the auditors until such time as the audit has been completed, which should be by the end of November 2022.
- Further Budget Amendments are suggested and are detailed further in this report.

OFFICER RECOMMENDATION AND COUNCIL DECISION - ITEM 12.4 – RESOLUTION# 13191022
MOVED: Cr HR McTaggart **SECONDED: AR Smyth**

That Council, under section 6.8.(1)(b) of the *Local Government Act 1995* by absolute majority, adopts the Budget amendments for 2022/23 reflected as below:

- Increase Operating Expenditure RM000 – Road Maint General by \$30,000
- Reduce Operating Income 3100621 – PLAN Consulting Fees by \$15,000
- Reduce Capital Grant Income 3090310 – COM HOUSE Grant Inc by \$125,000
- Increase Operating Expenditure EM003 – Temp Worker Accom by \$10,000
- Increase Operating Grant income 3050710 – EM MGMT Grants by \$10,000
- Reduce Capital Grant Income 3050515 – ESL BFB Grants by \$400,000
- Reduce Capital Expenditure BC085 – 25 Victoria Rd Fire Shed by \$400,000
- Reduce Capital Expenditure BC999 – Comm Housing Project by \$250,000
- Increase Operating Expenditure BM500 – Public Conv Building Maint by \$10,000
- Reduce Capital Expenditure PC007 – Information Bay Sign by \$10,000
- Increase Capital Expenditure BC030 – 30 Bride St Tennis Club by \$50,000
- Increase Operating Expenditure W0013,14,16,17 – Rec Centre by \$30,000
- Increase Capital Expenditure OC006 – Transfer Station by \$25,000
- Increase Capital Grant Income 3100110 – SAN Grants by \$25,000
- Increase Operating Expenditure 2120252 – ROADM Consultants by \$30,000
- Increase Operating Expenditure W0049 – Marketing & Promotions by \$2,000

VOTING REQUIREMENTS:

CARRIED BY ABSOLUTE MAJORITY 5/0

Attachments

12.4.1 List of October 2022 Budget amendments for the year ended 30 June 2023.

Background

As the Annual Budget is usually completed before the audit of the previous year's Annual Financial Report, the opening surplus is subject to change. There have also been circumstances where errors have been identified in the Annual Budget, and other instances where Budget Amendments are required in order to account for income or expenditure that has changed. When this happens, it is prudent to do a Budget Amendment. Details of these Budget Amendments are listed below.

Comment

- Council agreed to extra funds being spent on Maintenance Grading in order to improve the condition of some of the roads. Due to the illness of a staff member, the full amount was not used. An estimated amount of \$30,000 has been used, mainly relating to staff overtime (with related overheads and plant costs) rather than the hire of contractors.
- There was an error where an amount of \$15,000 was shown as income (reimbursement for cyclone related worker accommodation); this has now been corrected.
- The first year of the Community Housing Project is no longer going ahead. The total of this project was \$250,000, of which half was to be Shire funded. This amount has been removed from the budget.
- There is an estimated increase in the costs for Temporary Worker Accommodation of \$10,000. This amount is fully funded by DFES.
- The new Fire Shed has not been approved by DFES, therefore this project (with related funding has been removed), amount \$400,000.
- There was a large repair project related to the leach drains connected to the Public Conveniences behind the MIG building that cost \$19,000.
- The Information Bay Signage project of \$10,000 has been removed, with the funding allocated elsewhere.
- An additional \$50,000 has been allocated to the Tennis Club House project, with the possibility that it will be funded by DRFAWA (DFES). Please see CEO Report in this regard.
- An amount of \$30,000 extra has been allocated to turf maintenance as agreed by Council at the September Concept Forum.
- An amount of \$25,000 has been allocated to work that needs to be done at the Transfer Station in relation to the rubble that has been placed there due to Cyclone Seroja. Funding from DRFAWA is being sought for this work.
- A request has been made to include \$30,000 for a heavy haulage bypass feasibility study, to be co-funded by CBH and MRWA.
- An amount of \$2,000 has been included as the Shire's contribution to Wildflower Country for the development of a Trails Master Plan.
- It is estimated that there will still be approximately \$13,872 surplus left over after these amendments have been made.

Consultation

Leadership Team

Statutory Environment

Local Government Act 1995, Local Government (Financial Management) Regulations 1996

Policy Implications

Nil

Financial Implications

It is estimated that there will be a surplus of \$13,872 after all of the budget amendments have been made, subject to the completion of the 2021/22 audit. There will be Budget Review carried out in the second half of the Financial Year.

Strategic Implications

Strategic Community Plan

- Strategy 1.2.1 Manage organisation in a financially sustainable manner
- Strategy 1.2.4 Seek innovating ways to improve organisational efficiency and effectiveness.

13.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

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

Nil.

15.0 CONFIDENTIAL ITEMS

Nil.

16.0 TIME AND DATE OF NEXT MEETING

Next Ordinary Council Meeting to be held on Wednesday 14 December 2022 commencing at 5.00pm.

17.0 CLOSURE

The meeting was closed at 5:35pm.

These minutes were confirmed at an Ordinary Council meeting on 14 December 2022.

Signed _____
Presiding Officer

Date: _____



MINUTES OF THE SPECIAL COUNCIL MEETING

16 NOVEMBER 2022

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**AGENDA FOR THE SPECIAL MEETING OF COUNCIL TO BE HELD IN COUNCIL CHAMBERS ON
16 NOVEMBER 2022 COMMENCING AT 5.00PM**

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Shire President opened the meeting at 5.00pm.

2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

Councillors

Cr GJ Cosgrove	Shire President
Cr JD Bagley	Deputy President
Cr CV Farr	Councillor
Cr JR Holmes	Councillor
Cr HR McTaggart	Councillor
Cr AT Pearse	Councillor

Staff

Mr Matt Fanning	Chief Executive Officer
Mr Jeremy Clapham	Finance and Administration Manager
Ms Erin Greaves	Governance and Community Manager

Apologies

Cr AR Smyth	Councillor
-------------	------------

3.0 PUBLIC QUESTION TIME/PUBLIC STATEMENT TIME

Nil.

4.0 APPLICATIONS FOR LEAVE OF ABSENCE

Nil.

5.0 DECLARATIONS OF INTEREST

Cr CV Farr disclosed a perceived impartiality interest in Item 6.1 Proposed Temporary Caravan Occupation, as the owner of the Mingenew Spring Caravan Park.

6.0 CHIEF EXECUTIVE OFFICER

6.1 PROPOSED TEMPORARY CARAVAN OCCUPATION

Location/Address: 6 (Lots 15 & 16) Bride Street, Mingenew
Name of Applicant: W. Bain
Disclosure of Interest: Nil
File Reference: A480
Date: 10 November 2022
Author: Simon Lancaster, Planning Advisor
Senior Officer: Matt Fanning, Chief Executive Officer
Voting Requirements: Simple Majority

Summary

A request to temporarily occupy a caravan upon a residential property in the Mingenew townsite is presented to Council for its consideration. This report recommends that the application be approved for a period not exceeding 12 months.

OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 6.1 – RESOLUTION# 01161122S
MOVED: Cr HR McTaggart SECONDED: Cr AT Pearse

That Council approve the temporary occupation of a caravan upon 6 (Lots 15 & 16) Bride Street, Mingenew subject to the following:

Conditions

- 1 There being a current residence building permit having been issued by the local government relating to the property.
- 2 The temporary occupation shall not exceed 12 months (i.e. an expiry date of 16 November 2023).
- 3 The occupation shall comply with all relevant building and health requirements, including but not limited to construction separation and safety requirements, and wastewater/effluent disposal requirements.

Notes:

If an applicant is aggrieved by this determination, there is a right (pursuant to the *Planning and Development Act 2005*) to have the decision reviewed by the State Administrative Tribunal. Such application must be lodged within 28 days from the date of determination.

VOTING REQUIREMENTS:

CARRIED UNANIMOUSLY: 6/0

Background

6 (Lot 16) Bride Street, Mingenew is a 1,113m² property on the north-east corner of Bride Street and King Street in the Mingenew townsite. The lot contained a residence that was damaged by Cyclone Seroja.

33 (Lot 15) King Street, Mingenew is a 1,113m² property immediately east of Lot 16 that is owned by the same landowner. The lot contains the outbuilding associated with the residence and the 2 lots appear to form one landholding on-ground.

The Shire has issued a demolition permit for the damaged residence and a building permit for a replacement 2 bedroom, 1 bathroom residence was issued on 16 September 2022.

Following Federal and State Government COVID economic spending in 2020/2021 designed to stimulate the construction industry there have been significant delays in building works, this has been exacerbated by the

inability for additional construction workers to enter Western Australia during the state's extended lockdown and shortages in certain building materials due to supply chain and production issues COVID related and otherwise. These pressures on the building industry have been further increased in the MidWest due to the rebuilding demands arising from Cyclone Seroja.

Due to the delays being experienced in the construction industry the residence intended for 6 (Lot 16) Bride Street, Mingenew has been delayed and the landowner is seeking Council support to live on their property whilst they await their replacement home.

Figure 6.1(a) – Location Plan for 6 (Lots 15 & 16) Bride Street, Mingenew

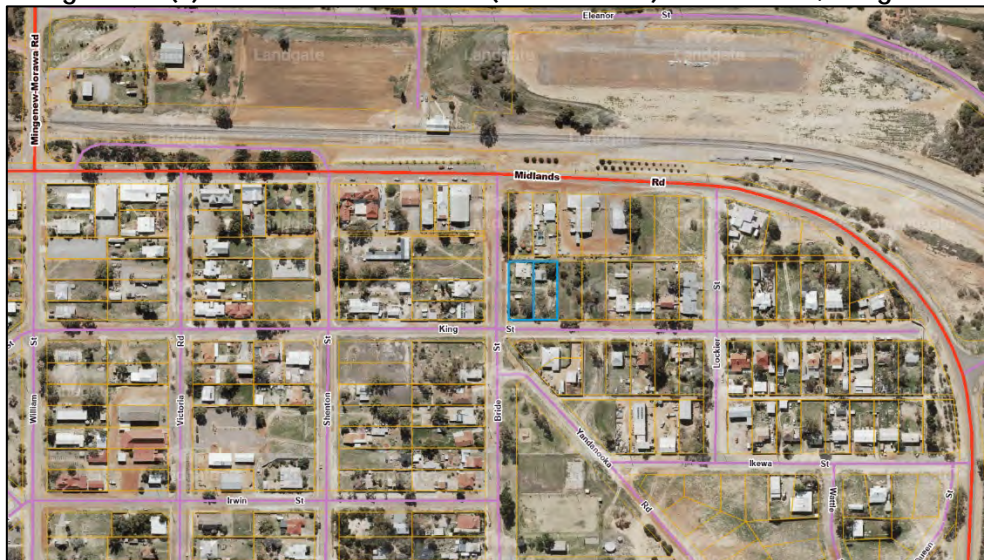


Figure 6.1(b) – Aerial Photo of 6 (Lots 15 & 16) Bride Street, Mingenew



Figure 6.1(c) – View of 6 (Lots 15 & 16) Bride Street, Mingenew looking north-east



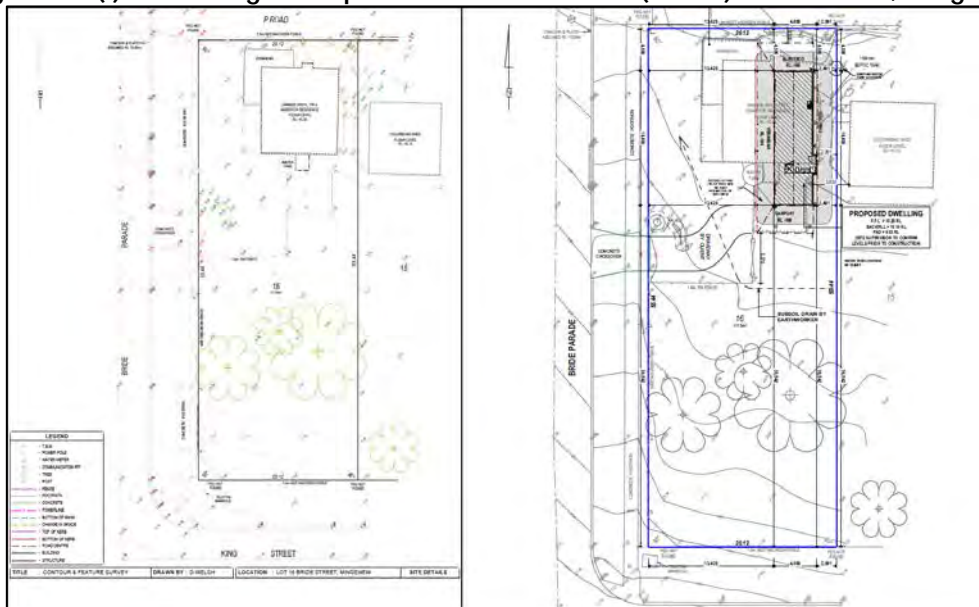
Figure 6.1(d) – Cyclone Seroja damage to residence upon 6 (Lot 16) Bride Street, Mingenew



Figure 6.1(e) – Replacement Residence for 6 (Lot 16) Bride Street, Mingenew



Figure 6.1(f) – Existing & Proposed Site Plans for 6 (Lot 16) Bride Street, Mingenew



Comment

It is considered that the hardship circumstances in this instance warrant Council support.

The landowner has obtained a building permit for a replacement home on their property and the delays are beyond their control with the residence unlikely to be completed prior to July 2023.

The landowner has been housed temporarily at the Mingenew Commercial Hotel, however, Department of Communities funding support for the accommodation has ceased and their stay has been extended until 10 November 2022 through support from charitable organisations. Beyond this time the landowner does not have accommodation prospects that suit their situation.

Consultation

Nil

Statutory Environment

6 (Lots 15 & 16) Bride Street, Mingenew, Mingenew are zoned 'Residential' under the Shire of Mingenew Local Planning Scheme No.4. Table 2 of the Scheme lists the objectives of the 'Residential' zone as being:

- *To provide for a range of housing and a choice of residential densities to meet the needs of the community.*
- *To facilitate and encourage high quality design, built form and streetscapes throughout residential areas.*
- *To provide for a range of non-residential uses, which are compatible with and complementary to residential development."*

Regulation 11(2)(c) of the *Caravan Parks & Camping Grounds Regulations 1997* allows for camping on-site with local government approval where a permit has been issued:

- "(2) Written approval may be given for a person to camp on land referred to in subregulation (1)(a) for a period specified in the approval which is longer than 3 nights —*
- (a) by the local government of the district where the land is situated, if such approval will not result in the land being camped on for longer than 3 months in any period of 12 months; or*
 - (b) by the Minister, if such approval will result in the land being camped on for longer than 3 months in any period of 12 months; or*
 - (c) despite paragraph (b), by the local government of the district where the land is situated —*
 - (i) if such approval will not result in the land being camped on for longer than 12 consecutive months; and*
 - (ii) if the person owns or has a legal right to occupy the land and is to camp in a caravan on the land while a permit has effect in relation to the land."*

The following Regulation 11(3) defines 'permit' as being:

"permit means a building permit or a demolition permit as defined in the Building Act 2011 section 3"

Under the Regulations therefore a local government can permit a landowner to live in a caravan on their property for a period not longer than 12 months.

However, this is subject to a building permit having been issued by the local government for that property (and potentially an accompanying septic approval if required).

Policy Implications

Nil

Financial Implications

Nil.

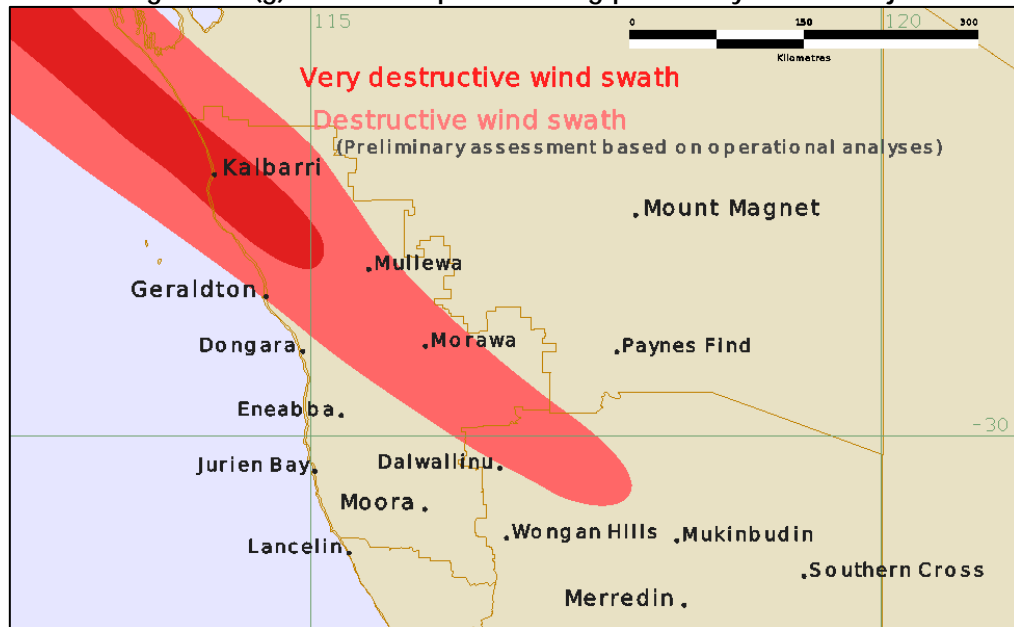
Strategic Implications

Tropical Cyclone Seroja was an event that led to the death of at least 177 people in Indonesia, 42 people in Timor, and the displacement of thousands, with the cyclone's impacts, along with widespread associated flooding and landslides, causing infrastructure damage running into the hundreds of millions of dollars in these countries.

The Midwest, Gascoyne and Central Midlands areas were also impacted by Cyclone Seroja when it crossed the West Australian coast on 11 April 2021 with the Insurance Council of Australia's data at close of 2021 indicating the damage bill had reached more than \$305 million.

Department of Fire & Emergency Services records as at 10 May 2021 indicated that there were 54 cyclone damaged buildings within the Shire of Mingenew.

Figure 6.1(g) – DFES Map illustrating path of Cyclone Seroja



Comment

In order for Council to facilitate such a fundraising mechanism and receive funds it is required to establish appropriate governance and financial controls. The Council will first need to endorse the development of a "Mingenew Day Care Centre Redevelopment Fund" as proposed by the proponent and endorse the establishment of the necessary accounting mechanisms being the creation of a new specific purpose Reserve Fund for the purpose of holding funds collected from community fund raising efforts for the redevelopment of the Mingeneew Day Care Centre.

Consultation

Erin Greaves – Governance and Community Manager
CEO – Matt Fanning

Statutory Environment

Local Government Act 1995, Part 6.11

Policy Implications

Policy 1.3.3 – Investment of Surplus Funds Management,
Policy 1.4.1 – Community Engagement,
Policy 1.4.2 – Supporting the Community.

Financial Implications

The costs for the redevelopment of the Mingeneew Day Care Centre from a 12 to 24 place facility at this stage is thought to be between \$800,000 and \$1M all depending on the redevelopment model chosen.

At this stage the only secured funding contributions are:

• Shire Local Roads & Community Infrastructure (Commonwealth)	\$150,000
• Shire Own Resource Funds	\$ 30,000
• CRC Contribution	\$150,000
	Total <u>\$330,000</u>

In addition, the Council has made the following funding applications:

• Building Better Regional (Commonwealth Gov't)	\$399,500
• Regional Economic Development Scheme (State Gov't)	\$250,000
	Total <u>\$649,500</u>

Council has however, been advised that the Building better Regions Grant will not be proceeding removing the possibility of \$399,500 resulting in significant funding shortfall. Other grant opportunities may be forthcoming however no information regarding their release is to hand.

The proposal recommended in this report has no financial implications other than a potential positive generation of funds to go towards this project.

Strategic Implications

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

MINGENEW SHIRE COUNCIL SPECIAL MEETING MINUTES – 16 November 2022

7.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING
Nil.

8.0 CONFIDENTIAL ITEMS
Nil.

9.0 TIME AND DATE OF NEXT MEETING
Next Ordinary Council Meeting to be held on Wednesday 14 December 2022 commencing at 5.00pm.

10.0 CLOSURE
The meeting was closed at 5:02pm.

These minutes were confirmed at an Ordinary Council meeting on 14 December 2022.

Signed _____
Presiding Officer

Date: _____



MINUTES OF THE SPECIAL COUNCIL MEETING

9 DECEMBER 2022

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**MINUTES OF THE SPECIAL MEETING OF COUNCIL HELD IN COUNCIL CHAMBERS ON
16 NOVEMBER 2022 COMMENCING AT 5.00PM**

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Shire President opened the meeting at 5.02pm.

2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

Councillors

Cr GJ Cosgrove	Shire President
Cr JD Bagley	Deputy President <i>joined via Microsoft Teams at 5:02pm</i>
Cr JR Holmes	Councillor
Cr HR McTaggart	Councillor
Cr AR Smyth	Councillor

In accordance with s.5.25 of the Local Government Act 1995 and Regulation 14C(5) of the Local Government (Administration) Regulations 1996, the Shire President has authorised Cr JD Bagley to attend the meeting by electronic means, being satisfied that the location and equipment are suitable for effective engagement in the meeting.

Staff

Mr Matt Fanning	Chief Executive Officer
Ms Erin Greaves	Governance and Community Manager <i>via Microsoft Teams at 5:02pm</i>

Apologies

Cr CV Farr	Councillor
Cr AT Pearse	Councillor

3.0 PUBLIC QUESTION TIME/PUBLIC STATEMENT TIME

Nil.

4.0 APPLICATIONS FOR LEAVE OF ABSENCE

Nil.

5.0 DECLARATIONS OF INTEREST

The following Councillors disclosed an Impartiality Interest in Items 6.1 and 6.2, as voting members of CBH Group in which no material financial benefit is provided as defined under Part 5, Division 6, Subdivision 1 of the Local Government Act 1996:

*Cr HR McTaggart
Cr JR Holmes
Cr GJ Cosgrove
Cr JD Bagley*

As a consequence, there may be a perception that impartiality on the matters may be affected. Each member declares that they will consider both matters on their merits and vote accordingly.

6.0 CHIEF EXECUTIVE OFFICER

6.1 TEMPORARY USE OF COUNCIL LAND FOR LUPIN STORAGE - CBH

Location/Address: Lot 4 Eleanor Street, Mingenew
Name of Applicant: Co-operative Bulk Handling Ltd (CBH)
File Reference: LP.APP / A870
Disclosure of Interest: Nil
Date: 6 December 2022
Author: Matt Fanning, CEO
Voting Requirements: Simple Majority

Summary

To consider an application from Co-operative Bulk Handling Ltd (CBH) to temporarily store Lupin on the hardstand between the Mingenew Railway Station and Mingenew Trye Service. It is proposed to offer CBH a non-exclusive licence agreement for a period of 12 months including a consideration of \$50,000 for the use of Lot 4 DP056161 for the temporary storage of lupins. In addition, it is proposed to request the council to consider not requiring the lodgement of a planning application due to the temporary nature of the request.

Key Points

- CBH have advised that they have fully exhausted existing Lupin storage areas and it is estimated that 20,000 Tonne of lupins will be stored on the site.
- A licence to occupy agreement is proposed to be established between the Shire of Mingenew and CBH, including a licence fee which is recommended to be set at \$50,000 as being a reasonable consideration for the use of the land.
- It is required that the use be non-exclusive and for a period of up to 12 months.
- Council has the ability under the local planning scheme to forego the need to lodge a development application as the use is temporary and for a set period of up to 12 months.
- Council sought public comment which will be tabled as part of the Councils consideration.
- The site has been historically used for the storage of Lupins in circa 2017.

OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 6.1 – RESOLUTION# 01091222S
MOVED: Cr Holmes SECONDED: Cr Smyth

Council:

1. **Advises CBH that is deems pursuant to Schedule 2 Part 7 Clause 60 and 61(17) of the Planning and Development (Local Planning Schemes) Regulations 2015 that the temporary storage of harvest by CBH upon Lot 4 Eleanor Street, Mingenew does not require lodgement of a planning application providing that the temporary use period is not greater than 12 months.**
2. **Advise CBH that the determination as outlined in part (1) is a temporary measure only to assist in the current harvest period and that Council requires the lodgement by CBH of a planning application outlining its longer-term storage and handling development plans for Lot 202 (and other Mingenew sites if considered necessary) for more formal consideration at a future meeting of Council."**
3. **Authorise the Chief Executive Office to grant a non-exclusive Licence to Occupy of Lot 4 DP056161 to Co-operative Bulk Handling Ltd (CBH) for a maximum period of 12 months, and a licence fee of \$30,000 for the first 6 months, then \$2,000 for any additional whole month thereafter the land is in use.**

VOTING REQUIREMENTS:

CARRIED UNANIMOUSLY: 5/0

OFFICER RECOMMENDATION - ITEM 6.1

Council:

1. Advises CBH that is deems pursuant to Schedule 2 Part 7 Clause 60 and 61(17) of the Planning and Development (Local Planning Schemes) Regulations 2015 that the temporary storage of harvest by CBH upon Lot 4 Eleanor Street, Mingenew does not require lodgement of a planning application providing that the temporary use period is not greater than 12 months.
2. Advise CBH that the determination as outlined in part (1) is a temporary measure only to assist in the current harvest period and that Council requires the lodgement by CBH of a planning application outlining its longer-term storage and handling development plans for Lot 202 (and other Mingenew sites if considered necessary) for more formal consideration at a future meeting of Council."
3. Authorise the Chief Executive Office to grant a non-exclusive Licence to Occupy of Lot 4 DP056161 to Co-operative Bulk Handling Ltd (CBH) for a maximum period of 12 months, and licence fee of \$50,000.
4. Place the consideration of \$50,000 into the Mingenew Daycare Facility Reserve.

Attachments

6.1.1 Letter of request from CBH

6.1.2 Draft Licence to Occupy Agreement

Background

Co-operative Bulk Handling Ltd (CBH), commonly known as CBHGroup, have made a request to the Shire of Mingenew for the temporary use of Lot 4 DP056161 Eleanor Street Mingenew for the temporary storage of Lupins.

The 2021 record harvest required CBH to construct 2.2 million tonnes of additional storage to its network. The modelling for the 2022 harvest suggests further strain on grain storage and handling facilities with CBH obtaining approvals for an additional 2.3 million tonnes of storage to accommodate the leftover carry from last year as well as storing this year's crop. With the Kwinana Port almost at capacity there is increasing need for growers to deliver further north towards the Geraldton Port placing further pressure on Midwest storage facilities.

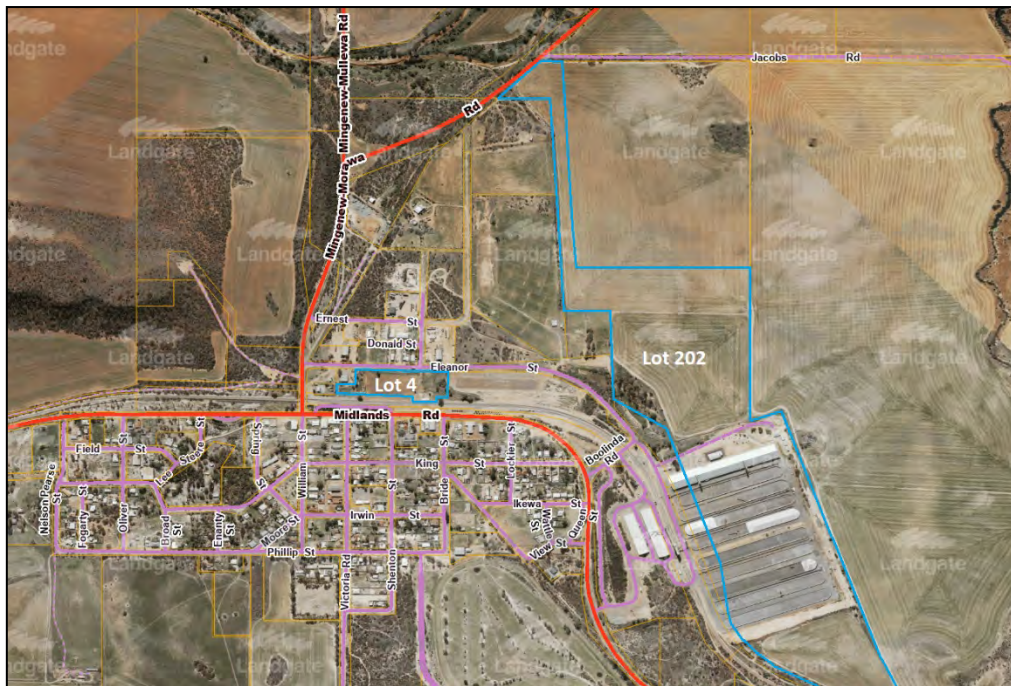
With this in mind, CBH have advised the Shire that they urgently are seeking to store further grain on the Shire's Lot 4 Eleanor Street, Mingenew.

Under section 30 of the *Local Government (Functions and General) Regulations 1996*, Council is exempt from the disposal of property requirements outlined in section 3.58 of the *Local Government Act 1995* and may lease land for a period of less than two years while not providing exclusive use of the land.

It is proposed to offer CBH a non-exclusive licence agreement for a period of 12 months including a consideration of \$50,000 for the use of Lot 4 DP056161 for the temporary storage of lupins.

In addition, it is proposed to request Council to consider not requiring the lodgement of a planning application due to the temporary nature of the request.

Below - Map of Lot 4 Eleanor Street & CBH Site Lot 202 Mingenew-Morawa Road, Mingenew



The storage of harvest product on a property can be considered to meet the definition of 'Warehouse/Storage' which is defined under the *Planning and Development (Local Planning Schemes) Regulations 2015* ('the Regulations') as being:

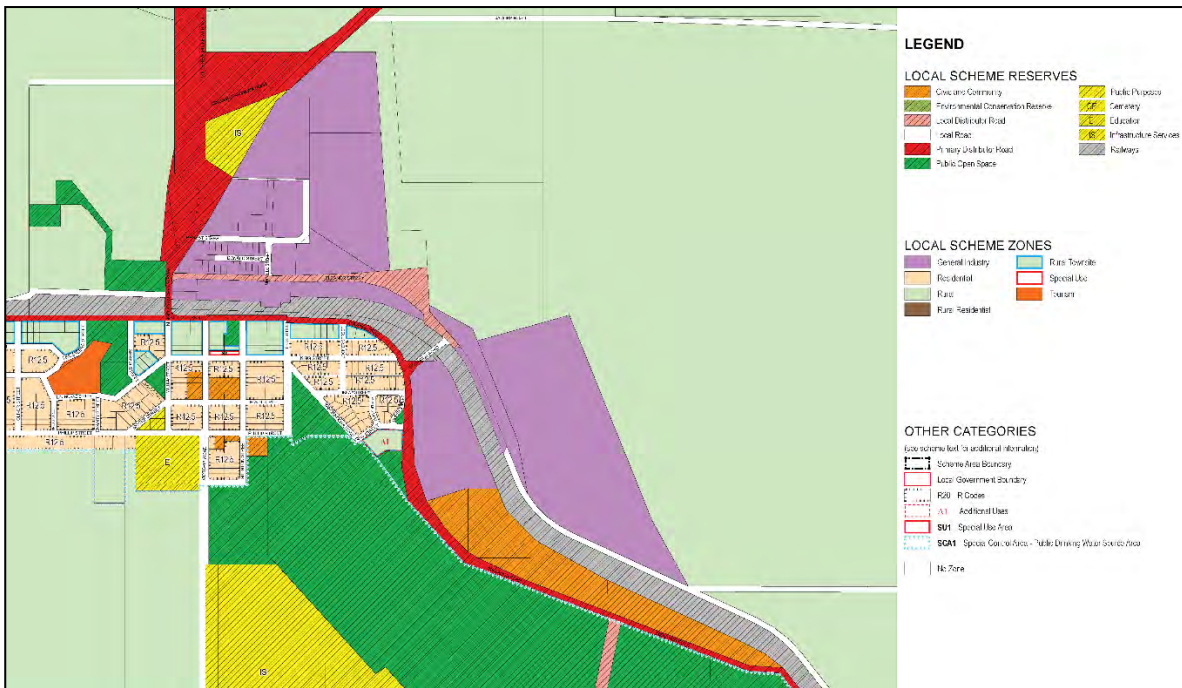
*"warehouse/storage means premises including indoor or outdoor facilities used for –(a) the storage of goods, equipment, plant or materials; or
(b) the display or sale by wholesale of goods"*

Lot 4 Eleanor Street, Mingenew (which is owned in freehold by the Shire of Mingenew) is zoned 'General Industry' and 'Warehouse/Storage' is a permitted use in the 'General Industry' zone.

Below – Lot 4 Eleanor Street, Mingenew



Below – Mingenew Townsite Scheme Map extract



Comment

There are two matters which will need to be addressed for the use of lot 4 Eleanor Street, Mingenev.

These being:

1. The ability of the applicant to use the land under the Planning instruments for the use of the land
2. The ability of and mechanism for the Council to permit the use of the land under the Local Government Act

Use of Land under the Planning Instruments

The Council has two possible pathways for determining this request under the planning instruments.

Option 1 – Planning Application Path

If the Council were to consider that the temporary storage of grain/lupins in open bulkheads requires lodgement of a planning application, it may choose to issue delegated authority to the Shire CEO to determine the applications as follows:

“That Council:

- i. Issue delegated authority to the Shire CEO to determine applications for the temporary storage of harvest by CBH upon Lot 4 Eleanor Street, Mingenew providing that the approval period is not greater than 12 months.*
- ii. Advise CBH that the delegation to the CEO as outlined in part (i) is a temporary measure only to assist in the current harvest period and that Council requires the lodgement by CBH of a planning application outlining its longer-term storage and handling development plans for Lot 202 (and other Mingenew sites if considered necessary) for more formal consideration at a future meeting of Council.”*

Option 2 – Temporary Use Provisions Pathway

Alternatively, Council may consider that the temporary storage of grain in open bulkheads does not require lodgement of a planning application and it instead may consider the following wording appropriate:

“That Council:

- i. Advise CBH that it deems pursuant to Schedule 2 Part 7 Clause 60 and 61(17) of the Planning and Development (Local Planning Schemes) Regulations 2015 that the temporary storage of harvest by CBH upon Lot 4 Eleanor Street, Mingenew does not require lodgement of a planning application providing that the temporary use period is not greater than 12 months.*
- ii. Advise CBH that the determination as outlined in part (i) is a temporary measure only to assist in the current harvest period and that Council requires the lodgement by CBH of a planning application outlining its longer-term storage and handling development plans for Lot 202 (and other Mingenew sites if considered necessary) for more formal consideration at a future meeting of Council.”*

Schedule 2 Part 7 Clause 60 and 61(17) of the *Planning and Development (Local Planning Schemes) Regulations* does make allowance for works that are in existence for less than 48 hours, or a longer period as agreed by the local government, in any 12 month period.

It is suggested that this clause is more commonly applied to minor developments such as pop-up shops and events and might be considered less appropriate for storage of grain in open bulkheads for approximately 8-10 months that will have some visual significance and associated truck movements, however given the circumstances, economic benefit to the region and potential additional infrastructure damage which would result should product need to be transported to other receival facilities this option is the recommended pathway.

Use of Land under the Local Government Act

The mechanism the Council has to permit the use of its land under the Local Government Act to any other party refers to the disposition of land under section 3.58. In the circumstances presented there is an ability to exclude the use of this section and its processes if the use can be described under section 30 of the Local Government (Functions and General) Regulations 1996.

It is proposed to enter into a Licence to Occupy for the use of Lot 4 Eleanor Street Mingenew under a maximum term of 12 months and non-exclusive use of the land with a recommended Licence fee of \$50,000, which is consistent with section 30(2)(e) of the Regulation.

Consultation

Council sought comment from the community regarding this proposal. Comments close 3pm Friday 9 December 2022.

Statutory Environment

Section 3.58 of the *Local Government Act 1995* deals with the requirements for disposing of Council land. Section 3.58(5)(d) provides for an exemption by section 30 of the *Local Government (Functions and General) Regulations 1996*.

Local Government Act 1995

3.58. Disposing of property

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

and

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

Local Government (Functions and General) Regulations 1996

Section 30(2)(e) of the *Local Government (Functions and General) Regulations 1996* provides exemption from these requirements when it is leasing land for a period of less than 2 years and the lease does not receive exclusive use of the land.

30. Dispositions of property excluded from Act s. 3.58

- (1) A disposition that is described in this regulation as an exempt disposition is excluded from the application of section 3.58 of the Act.
- (2) A disposition of land is an exempt disposition if —
 - (a) the land is disposed of to an owner of adjoining land (in this paragraph called the *transferee*) and —
 - (i) its market value is less than \$5 000; and
 - (ii) the local government does not consider that ownership of the land would be of significant benefit to anyone other than the transferee;
 - or
 - (b) the land is disposed of to a body, whether incorporated or not —
 - (i) the objects of which are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature; and
 - (ii) the members of which are not entitled or permitted to receive any pecuniary profit from the body's transactions;
 - or
 - (c) the land is disposed of to —
 - (i) the Crown in right of the State or the Commonwealth; or
 - (ii) a department, agency, or instrumentality of the Crown in right of the State or the Commonwealth; or
 - (iii) another local government or a regional local government;
 - or
 - (d) it is the leasing of land to an employee of the local government for use as the employee's residence; or
 - (e) it is the leasing of land for a period of less than 2 years during all or any of which time the lease does not give the lessee the exclusive use of the land; or
 - (f) it is the leasing of land to a person registered under the *Health Practitioner Regulation National Law (Western Australia)* in the medical profession to be used for carrying on his or her medical practice; or
 - (g) it is the leasing of residential property to a person.

The non-exclusive use of the land by CBH for a maximum period of 12 months complies with this exemption.

Schedule 2 Part 7 Clause 60 and 61(17) of the *Planning and Development (Local Planning Schemes) Regulations 2015*

60. Requirement for development approval

A person must not commence or carry out any works on, or use, land in the Scheme area unless —

- (a) the person has obtained the development approval of the local government under Part 8; or
- (b) development approval is not required for the development under clause 61.

Note:

1. Development includes the erection, placement and display of advertisements.

2. Approval to commence development may also be required from the Commission if the land is subject to a region planning scheme.

61. Development for which development approval not required

(1) Development approval is not required for works if —

- (a) the works are of a class specified in Column 1 of an item in the Table; and
- (b) if conditions are set out in Column 2 of the Table opposite that item — all of those conditions are satisfied in relation to the works.

	Column 1 Works	Column 2 Conditions
17.	Temporary Works	The works are in existence for less than 48 hours, or a longer period agreed by the local government, in any 12-month period.

Policy Implications

Nil

Financial Implications

The entering of a licence agreement for the use of Council land includes a matter of consideration. In this instance it is considered reasonable that a licence fee of \$50,000 should be set.

It is also suggested that this fee be placed into restricted reserve for the development of the Mingenew Daycare facility.

Strategic Implications

Strategic Community Plan 2019-2029:

- 1.2.2 Enhance open and trusting communication between Council and the community, and deliver high quality services in partnership with external stakeholders

6.2 TEMPORARY USE OF LOT 202 FOR ADDITIONAL GRAIN STORAGE - CBH

Location/Address: Lot 202 Mingenew-Morawa Road, Mingenew
Name of Applicant: Co-operative Bulk Handling Ltd (CBH)
File Reference: LP.APP / A994
Disclosure of Interest: Nil
Date: 6 December 2022
Author: Matt Fanning, CEO
Voting Requirements: Simple Majority

Summary

To consider an application from Co-operative Bulk Handling Ltd (CBH) for additional temporary storage on its owned land Lot 202 Mingenew-Morawa Road, Mingenew on Deposited Plan 419513. It is proposed to provide approval to CBH the temporary use of Lot 202 DP419513 for additional storage of grain for a period of up to 12 months, and in addition request that CBH lodge a planning application outlining its long-term storage solution for the site.

Key Points

- CBH have advised that they are reaching storage capacity for their site
- The 2022 Harvest has exceeded expectations and grower forecasts.
- Council has the ability under the local planning scheme to forego the need to lodge a development application as the use is temporary and for a set period of up to 12 months.
- The site referenced is currently vacant land that forms part of the existing CBH facility allotment

OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 6.2 – RESOLUTION# 02091222S
MOVED: Cr HR McTaggart SECONDED: Cr AR Smyth

Council:

1. Pursuant to Schedule 2 Part 7 Clause 60 and 61(17) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, determines that the temporary storage of grain by CBH upon 202 Mingenew-Morawa Road, Mingenew does not require lodgement of a planning application, providing that the temporary use period is not greater than 12 months.
2. Advises CBH that the determination, as outlined in part 1 of this resolution, is a temporary measure only, to assist in the current harvest period and that Council requires the lodgement by CBH of a planning application, outlining its longer-term storage and handling development plans for Lot 202 (and other Mingenew sites if considered necessary) for more formal consideration at a future meeting of Council.

VOTING REQUIREMENTS:

CARRIED UNANIMOUSLY: 5/0

Attachments

6.2.1 Letter of request from CBH

Background

Co-operative Bulk Handling Ltd (CBH), commonly known as CBHGroup, have made a request to the Shire of Mingenew for the temporary use of Lot 202 DP419513 Mingenew-Morawa Road, Mingenew, for the temporary storage of grain.

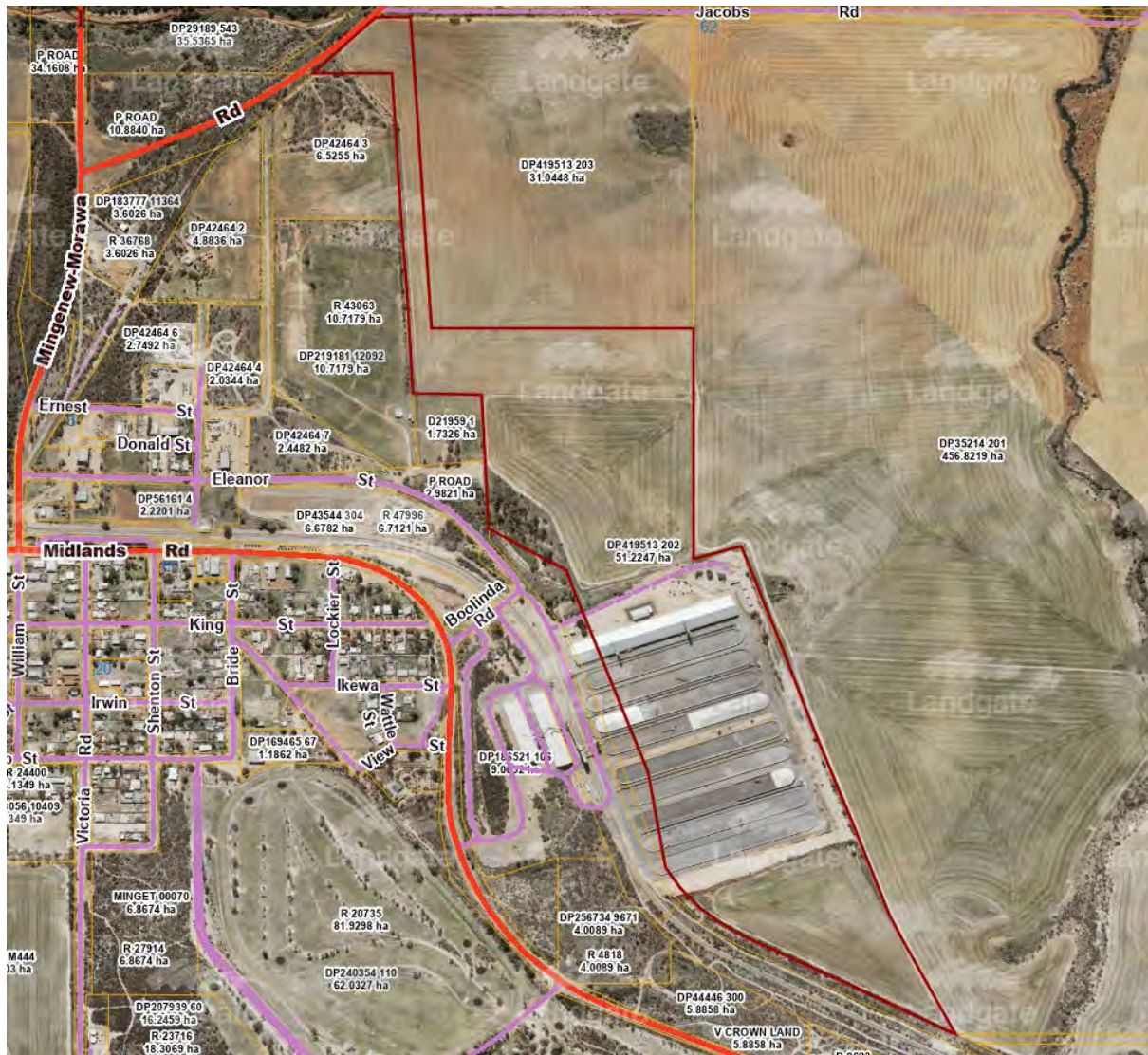
The 2021 record harvest required CBH to construct 2.2 million tonnes of additional storage to its network. The modelling for the 2022 harvest suggests further strain on grain storage and handling facilities with CBH obtaining approvals for an additional 2.3 million tonnes of storage to accommodate the leftover carry from last year as well as storing this year's crop. With the Kwinana Port almost at capacity there is increasing need

for growers to deliver further north towards the Geraldton Port placing further pressure on Midwest storage facilities.

Council, under Schedule 2 Part 7 Clause 60 and 61(17) of the *Planning and Development (Local Planning Schemes) Regulations 2015* have the ability to decide not to require a planning application should the request be considered temporary storage and for a period of less than 12 months.

With this in mind, CBH have advised the Shire that they urgently are seeking additional temporary storage for grain on their existing site west of the current temporary bulkheads.

Below - Map of CBH Site Lot 202 Mingenew-Morawa Road, Mingenew



The storage of harvest product on a property can be considered to meet the definition of 'Warehouse/Storage' which is defined under the *Planning and Development (Local Planning Schemes) Regulations 2015* ('the Regulations') as being:

*"warehouse/storage means premises including indoor or outdoor facilities used for –(a) the storage of goods, equipment, plant or materials; or
(b) the display or sale by wholesale of goods"*

Lot 202 Mingenew-Morawa Road, Mingenew (which is owned in freehold by CBH) is dual zoned, with the southern portion of the property that contains the existing grain storage and handling facilities zoned 'General Industry', and the northern, undeveloped portion zoned 'Rural' for which 'Warehouse/Storage' is listed as 'not

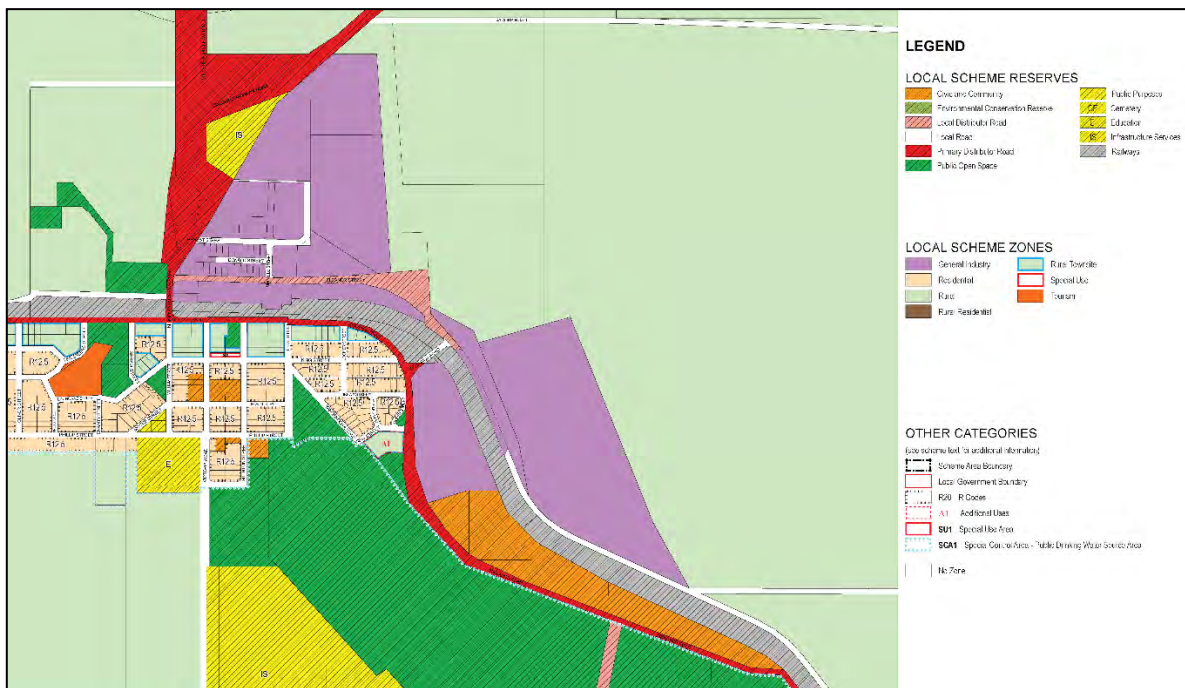
permitted’. However, Council might also consider that the storage of grain in open bulkheads meets with the definition of ‘Industry-Primary Production’ which is listed as a permitted use in the ‘Rural’ zone.

‘Industry-Primary Production’ is defined under the Regulations as being:

“industry — primary production means premises used —

- (a) to carry out a primary production business as that term is defined in the Income Tax Assessment Act 1997 (Commonwealth) section 995-1; or
- (b) for a workshop servicing plant or equipment used in primary production businesses”

Below – Mingenew Townsite Scheme Map extract



Comment

The Council will need to address the ability of the applicant to use the land under the Planning instruments for the use of the land.

Use of Land under the Planning Instruments

The Council has two possible pathways for determining this request under the planning instruments.

Option 1 – Planning Application Path

If the Council were to consider that the temporary storage of grain/lupins in open bulkheads requires lodgement of a planning application, it may choose to issue delegated authority to the Shire CEO to determine the applications as follows:

“That Council:

- iii. *Issue delegated authority to the Shire CEO to determine applications for the temporary storage of harvest by CBH upon 202 Mingenew-Morawa Road, Mingenew providing that the approval period is not greater than 12 months.*
- iv. *Advise CBH that the delegation to the CEO as outlined in part (i) is a temporary measure only to assist in the current harvest period and that Council requires the lodgement by CBH of a planning application outlining its longer-term storage and handling development plans for Lot 202 (and other Mingenew sites if considered necessary) for more formal consideration at a future meeting of Council.”*

Option 2 – Temporary Use Provisions Pathway

Alternatively, Council may consider that the temporary storage of grain in open bulkheads does not require lodgement of a planning application and it instead may consider the following wording appropriate:

“That Council:

- i. Advise CBH that is deems pursuant to Schedule 2 Part 7 Clause 60 and 61(17) of the Planning and Development (Local Planning Schemes) Regulations 2015 that the temporary storage of harvest by CBH upon 202 Mingenew-Morawa Road, Mingenew does not require lodgement of a planning application providing that the temporary use period is not greater than 12 months.*
- ii. Advise CBH that the determination as outlined in part (i)1 is a temporary measure only to assist in the current harvest period and that Council requires the lodgement by CBH of a planning application outlining its longer-term storage and handling development plans for Lot 202 (and other Mingenew sites if considered necessary) for more formal consideration at a future meeting of Council.”*

Schedule 2 Part 7 Clause 60 and 61(17) of the *Planning and Development (Local Planning Schemes) Regulations* does make allowance for works that are in existence for less than 48 hours, or a longer period as agreed by the local government, in any 12 month period.

It is suggested that this clause is more commonly applied to minor developments such as pop-up shops and events and might be considered less appropriate for storage of grain in open bulkheads for approximately 8-10 months that will have some visual significance and associated truck movements, however given the circumstances, economic benefit to the region and potential additional infrastructure damage which would result should product need to transported to other receival facilities this option is the recommended pathway.

Consultation

CBH senior management

Statutory Environment

Schedule 2 Part 7 Clause 60 and 61(17) of the *Planning and Development (Local Planning Schemes) Regulations 2015*

60. Requirement for development approval

A person must not commence or carry out any works on, or use, land in the Scheme area unless —

- (c) the person has obtained the development approval of the local government under Part 8; or*
- (d) development approval is not required for the development under clause 61.*

Note:

- 1. Development includes the erection, placement and display of advertisements.*
- 2. Approval to commence development may also be required from the Commission if the land is subject to a region planning scheme.*

61. Development for which development approval not required

(1) Development approval is not required for works if —

- (c) the works are of a class specified in Column 1 of an item in the Table; and*
- (d) if conditions are set out in Column 2 of the Table opposite that item — all of those conditions are satisfied in relation to the works.*

	Column 1 Works	Column 2 Conditions
17.	Temporary Works	The works are in existence for less than 48 hours, or a longer period agreed by the local government, in any 12-month period.

Policy Implications

Nil

Financial Implications

The permission by the Council to allow additional temporary storage on Lot 202 reduces the risk to Councils Road infrastructure being further damaged by Harvest transport should trucks be required to haul grain to other receival areas.

Strategic Implications

Strategic Community Plan 2019-2029:

- 1.2.2 Enhance open and trusting communication between Council and the community, and deliver high quality services in partnership with external stakeholders

MINGENEW SHIRE COUNCIL SPECIAL MEETING MINUTES – 9 December 2022

7.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING
Nil.

8.0 CONFIDENTIAL ITEMS
Nil.

9.0 TIME AND DATE OF NEXT MEETING
Next Ordinary Council Meeting to be held on Wednesday 14 December 2022 commencing at 5.00pm.

10.0 CLOSURE
The meeting was closed at 5:16pm.

These minutes were confirmed at an Ordinary Council meeting on 14 December 2022.

Signed _____
Presiding Officer

Date: _____



MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

8 DECEMBER 2022

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MINUTES OF THE SHIRE OF MINGENEW AUDIT AND RISK COMMITTEE MEETING HELD IN COUNCIL CHAMBERS ON 8 DECEMBER 2022 COMMENCING AT 4:00PM

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Chairperson, Cr McTaggart opened the meeting at 4:11pm.

2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

Committee Members

Cr HR McTaggart (Chairperson)

Cr AR Smyth

Ms J Bagshaw (Independent Member)

Staff

Matt Fanning, Chief Executive Officer

Jeremy Clapham, Finance and Administration Manager

Erin Greaves, Governance and Community Manager

Apologies

Cr GJ Cosgrove

Cr AT Pearse

Cr JR Holmes submitted his resignation as Committee member for the Audit & Risk Committee meeting via email on 7 December 2022, effective immediately. With the appointment of Cr AT Pearse to the Committee by Council on 19 October 2022, the Committee retains four elected members and one independent member, as per the Audit & Risk Committee Terms of Reference.

Guests

Liang Wong, Office of the Auditor General *via Microsoft Teams*

Justin Mulhair, Nexia Australia *via Microsoft Teams*

Cr McTaggart invited guests, Liang Wong from the Office of the Auditor General (OAG) and Justin Mulhair, of Nexia Australia (contracted to perform the Audit on behalf of the OAG) to present the methodology and outcomes of the Final Annual Financial Audit conducted for the year ended 30 June 2022. A summary of the points raised include:

- Pleased to present an unqualified and unmodified audit
- One "moderate" finding in relation to timing of the Financial Management Review not being completed in 2021/22 (non-compliance with Regulation 5 of the *Local Government (Financial Management) Regulations 1996*). It was noted however, that the Review has been completed and the report is presented at this Audit Committee meeting for consideration. The Compliance Calendar will schedule the FMR earlier (in the three year timeframe) as a contingency for delays due to contractor availability.
- Whilst not raised as a finding, it was suggested that an annual assessment of any matters that may impact on fair value of assets should be conducted i.e. consideration of CPI, comparison of neighbouring Shire markets, large changes to quoted/tendered prices for similar works. Liang advised that he enquire with the OAG team if any guidelines/models are in development. The Shire will be raising through its advocacy capacity with LG Professionals WA (Finance Network) and other means due to the impacts on small local governments to have capacity to perform such an exercise annually.

- The timing requirements for auditing of the Roads to Recovery and Local Roads and Community Infrastructure (LRCI) grants did place additional pressure on the auditors but scheduling next year will ensure this can be done sooner
- Next step is to obtain the signed Management Letters to the OAG and Nexia Australia from the Shire to complete the Audit and issue the complete Audit Report early next week
- Thanks the Shire of Mingenew team for their patience and assistance whilst the audit was undertaken and well done on the audit result

Cr McTaggart thanked Liang and Justin for the presentation and taking the time attend, and Liang and Justin left the meeting at 4:42pm.

3.0 DECLARATIONS OF INTEREST

Nil.

4.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 AUDIT & RISK COMMITTEE MEETING HELD 21 SEPTEMBER 2022

OFFICER RECOMMENDATION AND COMMITTEE DECISION - ITEM 4.1

MOVED: Cr AR Smyth

SECONDED: Ms Jane Bagshaw

That the Minutes of the Audit & Risk Committee Meeting of the Shire of Mingenew held in the Council Chambers on 21 September 2022 be confirmed as a true and accurate record of proceedings.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 3/0

5.0 OFFICERS' REPORTS

5.1 ANNUAL REPORT, FINANCIAL REPORT & INDEPENDENT AUDIT REPORT 2021/22

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference: FM.AUD.21.22
Date: 2 December 2022
Author: Jeremy Clapham, Finance and Admin Manager
Erin Greaves, Governance and Community Manager
Authorised by: Matt Fanning, CEO
Voting Requirement: Absolute Majority

Summary

The Draft 2021/22 Annual Report, Annual Financial Report and Auditor's Reports are presented to, initially the Audit & Risk Committee, then Council for adoption. Additionally a proposed date has been set for the annual meeting of Electors.

Key Points

- Audits completed by Nexia Australia on behalf of the Office of the Auditor General with an anticipated unqualified audit outcome.
- One Moderate item in the Management Letter on the final audit of the Annual Financial Report, to do with the review of the Financial Management Regulations of the Shire not being carried out within 3 financial years. There were 2 minor items in the Management Letter on the interim audit, which were covered at the 21 September Audit & Risk Committee meeting.
- The Annual Report information has been compiled, in accordance with s.5.53 of the Local Government Act 1995, and will be appropriately formatted and finalised for the 14 December meeting

OFFICER RECOMMENDATION AND COMMITTEE DECISION - ITEM 5.1

MOVED: Cr AR Smyth

SECONDED: Ms Jane Bagshaw

The Shire of Mingenew Audit & Risk Committee:

1. Receives the 2021/22 (unformatted) Draft Annual Report, as attached;
2. Receives the Draft Annual Financial Report and Auditor's Exit Report for the 2021/22 financial year, received 1 December 2022, noting no significant adverse findings;
3. Notes the auditor's "moderate" finding of non-compliance with Regulation 5 of the *Local Government (Financial Management) Regulations 1996*, in which the local government is required to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the Shire not less than once every three years and report the results, with the last review concluded (report received) in August 2019. Management notes that a financial management review was conducted in October / November 2022 and a report is presented at this meeting for consideration;
4. Receives the Audit Report for 2021/22 on the Statement of Receipts and Expenditure and Own Source Expenditure on Roads for the Roads to Recovery Funding;

5. Receives the Audit Report for 2021/22 on the Local Roads and Community Infrastructure Program Annual Reports of Phases 1, 2 and 3.
6. Recommends that Council:
 - a) By Absolute Majority, receives the Draft Annual Report 2021/22 including the signed Annual Financial Report and Independent Auditor's Report for the 2021/22 financial year in accordance with s.5.54 of the *Local Government Act 1995*; and
 - b) Notes the "moderate" finding and management response outlined within the Final Audit Exit Report.
 - c) Holds its Annual Meeting of Electors on Monday, 6 February 2022 at 5:00pm to discuss the contents of the annual report and any other matters, in accordance with s5.27 of the *Local Government Act 1995* and Regulation 15 of the *Local Government (Administration) Regulations 1996*.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 3/0

The Committee did question the reason for variation in the 'Trade and other receivables' (Note 5) and 'Trade and other payables' in the Annual Financial Report, where there appears to be significant difference between 2021 and 2022. Finance and Administration Manager, Jeremy Clapham outlined this was very likely impacted by the flood works (following Cyclone Seroja). This information is to be confirmed at the Ordinary Council meeting.

Attachments

- 5.1.1 2021/22 Draft Annual Report (unformatted version)
- 5.1.2 2021/22 Draft Annual Financial Report (incorporating Statement by CEO)
- 5.1.3 2021/22 Audit Exit Meeting Agenda
- 5.1.4 2021/22 Audit Exit Report
- 5.1.5 2021/22 Independent Audit Report on the Roads to Recovery Receipts and Expenditure
- 5.1.6 2021/22 Independent Audit Report on the LRCI Annual Reports of Phases 1, 2 and 3

Background

Pursuant to Section 7.9 of the *Local Government Act 1995* ("LGA"), an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit. The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, prepare a report thereon and forward a copy of that report to:

- (a) Mayor or President; and
- (b) The Chief Executive Officer; and
- (c) The Minister.

Furthermore, in accordance with Regulation 10(4) of the *Local Government (Audit) Regulations 1996* ("*Audit Regulations*"), where it is considered appropriate to do so, the Auditor may prepare a Management Report to accompany the Auditor's Report, which is also to be forwarded to the persons specified in Section 7.9 of the LGA.

On finalisation of the Shire's 2021/22 final audit, the Auditors have forwarded the Shire of Mingenew Audit Exit Report.

The Audit and Risk Committee is required to examine the reports of the auditor after receiving a report from the Chief Executive Officer on the matters reported and:

- Determine if any matters raised require action to be taken by the local government; and
- Ensure that appropriate action is taken in respect of those matters.

The Audit and Risk Committee is also required to review a report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and present the report to Council for adoption. A copy of the report is to be forwarded to the Minister prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.

The Audit and Risk Committee is requested to consider and forward the Draft Annual Financial Report and Exit Report to Council.

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts requires additional audits to be completed for Roads to Recovery Receipts and Expenditure and LRCI Annual Reports of Phases 1, 2 and 3.

The Audit and Risk Committee is required to review the Audit Exit Report and the Annual Financial Report, incorporating the statement by the Chief Executive Officer. There is also a requirement from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts – National Land Transport Act 2014, Part 8 for the Statement of Receipts and Expenditure and Own Source Expenditure for the Roads to Recovery (R2R) Funding and the Local Roads and Community Infrastructure Program (LRCI) Phases, 1, 2 and 3 to be audited by the Office of the Auditor General (OAG).

Comment

Annual Report

The 2021/22 Annual Report has been prepared and issued to Lateral Aspect for final formatting. As some of the content for the Annual Report was only received just prior to this report being prepared, a final formatted version is not available in time for this meeting. The Annual Report also needs to incorporate the final Annual Financial Statements and Auditor's Report therefore, subject to the Audit & Risk Committee's endorsement, the final collated Annual Report 2021/22 is anticipated to be ready for the December Council meeting.

As required under s.5.53 of the Act, the Annual Report includes:

- The Shire President's Report
- The CEO's Report (completed by Matt Fanning)
- An overview of Strategic Community Plan and Corporate Business Plan achievements
- The Annual Financial Statements and Audit Report
- Employee remuneration detail
- A report on training completed by Elected Members
- Other information as prescribed

Audit Report

Following the CEO's report to the Audit and Risk Committee on matters arising from the audit and management reports, there was only one finding identified during the final audit. It was noted that the Shire had not undertaken a review of the appropriateness and effectiveness of the financial management systems and procedures of the Shire not less than once in every 3 years and report to the Shire the results of these reviews. The Shire completed the last review in August 2019. Management's response is that an external contractor was engaged in April 2022 to perform this work on their behalf and this work has been concluded (separate report presented in this Agenda).

Electors' Meeting

Should Council accept the annual report at the 14 December Ordinary Council meeting, an Electors' Meeting must be held within 56 days. This would require a meeting to be held prior to 9 February 2023 (the day of the meeting is excluded from the counting of days). The proposed Monday date is consistent with date for the last meeting in 2022.

Consultation

- Nils Hay (former Shire CEO)
- Nexia Australia
- Office of the Auditor General
- Senior Finance Officer – Helen Sternick

Statutory Environment

Local Government Act 1995

6.4. Financial report

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
 - (a) be prepared and presented in the manner and form prescribed; and*
 - (b) contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
 - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) the annual financial report of the local government for the preceding financial year.*

7.9. Audit to be conducted

- (1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
 - (a) the mayor or president; and*
 - (b) the CEO of the local government; and*
 - (c) the Minister.*
- (2) *Without limiting the generality of subsection (1), where the auditor considers that —*
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or*
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or*
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,**details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.*
- (3) *The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —*
 - (a) prepare a report thereon; and*
 - (b) forward a copy of that report to the Minister,**and that direction has effect according to its terms.*
- (4) *If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.*

7.12A. Duties of local government with respect to audits

- (1) *A local government is to do everything in its power to —*
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and*
 - (b) ensure that audits are conducted successfully and expeditiously.*

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

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

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.*

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.

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 (Audit) Regulations 1996

10. Report by auditor

- (1) *An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.*
- (2) *The report is to give the auditor's opinion on —*
 - (a) *the financial position of the local government; and*
 - (b) *the results of the operations of the local government.*
- (3) *The report must include a report on the conduct of the audit.*
- (4) *Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.*

Local Government (Financial Management) Regulations 1996

17A. Valuation of certain assets for financial reports

- (1) *In this regulation —*

***carrying amount**, in relation to a non-financial asset, means the carrying amount of the non-financial asset determined in accordance with the AAS;*

***fair value**, in relation to a non-financial asset, means the fair value of the non-financial asset measured in accordance with the AAS;*

***right-of-use asset**, of a local government, includes the local government's right to use —*

- (a) *Crown land; or*
- (b) *other land that is not owned by the local government,*

that is vested in the local government at nil or nominal cost for an indefinite period for the purpose of roads or for any other purpose;

***vested improvement**, in relation to a local government, means a pre-existing improvement on land of which the care, control or management is vested in the local government at nil or nominal cost for an indefinite period.*

- (2) *A local government must show in each financial report for a financial year ending on or after 30 June 2020 —*
 - (a) *the fair value of all of the non-financial assets of the local government that are —*
 - (i) *land and buildings that are classified as property, plant and equipment; or*
 - (ii) *investment properties; or*
 - (iii) *infrastructure; or*
 - (iv) *vested improvements that the local government controls;**and*
 - (b) *the carrying amount of all of the non-financial assets of the local government that are plant and equipment type assets measured using the cost model in accordance with the AAS; and*
 - (c) *the carrying amount of all of the right-of-use assets of the local government (other than vested improvements referred to in paragraph (a)(iv)) measured using the cost model in accordance with the AAS.*

[(3) deleted]

- (4) *A local government must revalue a non-financial asset of the local government referred to in subregulation (2)(a) —*
- (a) whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and*
 - (b) in any event, within a period of no more than 5 years after the day on which the asset was last valued or revalued.*
- (5) *A non-financial asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5,000.*

Policy Implications

Council has adopted a set of Terms of Reference which outline:

"The primary objective of the Audit and Risk Committee "the Committee" is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its statutory and fiscal affairs.

The Audit and Risk Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO."

The Committee's specific duties, in relation to this Item, include:

- Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
- Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- Liaise with the CEO to ensure that the local government does everything in its power to –
 - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
 - ensure that audits are conducted successfully and expeditiously;
- Examine the reports of the auditor after receiving a report from the CEO on the matters to –
 - determine if any matters raised require action to be taken by the local government; and
 - ensure that appropriate action is taken in respect of those matters;
- Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- Review the local government's draft annual financial report, focusing on –
 - accounting policies and practices;
 - changes to accounting policies and practices;
 - the process used in making significant accounting estimates;
 - significant adjustments to the financial report (if any) arising from the audit process;
 - compliance with accounting standards and other reporting requirements; and
 - significant variances from prior years;
- Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;

Financial Implications

Nil

Strategic Implications

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

Strategic Community Plan 2019-2029 KPI

- Unqualified audit results

5.2 FINANCIAL MANAGEMENT REVIEW AND REGULATION 17 REVIEW

Location/Address:	Shire of Mingenew
Name of Applicant:	Shire of Mingenew
File Reference:	FM.AUD.1
Disclosure of Interest:	Nil
Date:	29 November 2022
Authors:	Jeremy Clapham, Finance and Admin Manager and Erin Greaves, Governance and Community Manager
Authorising Officer:	Matt Fanning, Chief Executive Officer
Voting Requirement:	Simple Majority

Summary

To review and make recommendation to Council regarding the Financial Management Review and Regulation 17 review conducted in October and November 2022 by Avant Edge Consulting.

Key Points

- A review of the appropriateness and effectiveness of the Shire's financial management systems and procedures (FMR) and a review of the risk management, internal control and legislative compliance (Reg 17 review) are to be conducted not less than once every 3 financial years.
- The last FMR was conducted in the 2018/19 financial year and the last Reg 17 review was conducted in the 2019/2020 financial year.
- There were no significant or moderate findings during the FMR, only 4 minor findings.
- There were also no significant or moderate findings during the Reg 17 review, only 4 minor findings.

OFFICER RECOMMENDATION AND COMMITTEE DECISION - ITEM 5.2

MOVED: Cr AR Smyth

SECONDED: Ms Jane Bagshaw

The Shire of Mingenew Audit & Risk Committee recommends that Council:

1. Receives the Financial Management Review 2022 and the Regulation 17 Review 2022 undertaken by Avant Edge Consulting on behalf of the CEO, in accordance with Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* and Regulation 17(1), (2) and (3) of the *Local Government (Audit) Regulations 1996*, and
2. Endorses the following proposed management actions in response to the consultant's recommendations (as outlined within the relevant reports attached):
 - a) from the Financial Management Review (FMR)
 - i) Development of a Contract Management Framework and Policy to appropriately govern procurement service contract management;
 - ii) Implement an annual stocktake process of all minor plant and equipment which may be termed as portable and attractive assets as detection control for theft;
 - iii) Formalises its ICT Strategy Plan and implements automatic screen locks on all Shire computers to mitigate data security risks;
 - iv) Consistent oversight of PO approvals and tax invoice variations to adequately justifying the variance. It is noted that a new Procurement operating system (through Altus) has been ordered for implementation in 2023 and it is expected to incorporate adequate controls.
 - b) From the Regulation 17 Review (Reg 17)
 - v) Development of a Policy to formalise how fraud risks are identified and treated for the prevention of fraud and misconduct for endorsement by the Audit & Risk Committee;

- | | |
|-------|---|
| vi) | Reviews the Shire's methods for identifying, assessing, treating and reporting risks, including the development of an effective and efficient Risk Register which is to be maintained as a standing item on the Audit & Risk Committee Agenda |
| vii) | Prepares a Legislative Compliance Policy and formally incorporates legislative compliance in the scope of all Internal Audits. |
| viii) | In consultation with the Audit & Risk Committee, clarifies expectations on the scope, methods and outcomes for Internal Audits. |

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 3/0

Attachment

5.2.1 FMR Report with Management Responses

5.2.2 Reg 17 Review Report with Management Responses

Background

Avant Edge Consulting was engaged in April 2022 to undertake the FMR and Reg 17 Reviews as per required legislation. The reviews were performed in October and November 2022. There were 4 minor findings in each of the reviews. There were no significant or moderate findings. Management had an opportunity to respond to these findings. Please see attached documentation for the details of these findings together with management's responses.

Comment

FINANCIAL MANAGEMENT REVIEW (FMR)

The Consultant determined that after conducting the review on the Shire's financial management controls and processes, no high risk matters were identified, and systems are deemed "satisfactory".

The review did identify four (low risk) issues and the recommendations and management's response is summarised below

- I recommend that comprehensive guidelines / protocols be developed for the above processes so that it can be applied consistently by the relevant person(s) responsible over contract management. no formal stocktake of assets performed on an annual basis

Management Response: Management is in the process of developing a Contract Management framework incorporating a Contract Management Policy.

- I recommend that the CEO give consideration to undertake at least annual stocktakes of all minor plant and equipment which may be termed as portable and attractive assets (these may be stolen without prompt detection) to ensure they are still in existence.

Management Response: Management will action this.

- I recommend that the CEO give consideration in the development of an IT Strategy Plan and also towards installing automatic screen saver software on all Shire computers.

Management Response: The Shire has an informal IT Strategy but will further develop it and get it done in writing. We will request Infinitum to place screen locks on PC's.

- I recommend that the CEO ensure that all approving officers are made aware that a PO should be approved at the quote acceptance stage and that where supplier invoices \$values exceed the approved PO \$ value by more than 10% that adequate explanation be provided on the tax invoice relating to the reason for the additional costs prior to the tax invoice being paid.

Management Response: *This procedure is already in place, but it is a manual process and relies on all staff to follow correctly. We will be implementing an automated system next financial year, which will resolve this issue.*

In addition, there were two further observations made that did not require a management response; were suggestions only. A management response has been provided below although they are not noted in the FMR Review as it was not a requirement. Management however, felt it appropriate to respond to ensure the Audit & Risk Committee and Council could be satisfied with the Shire's current processes or determine otherwise.

1. Financial Thresholds

Currently the Shire's financial thresholds includes procurements of \$0 to \$5,000 should have at least 1 verbal or written quote. This means that small value purchases say for \$50 (e.g. IGA type purchases) would require a quote each time such small values are procured in instances where the corporate credit card is not used.

This seems impracticable and I would suggest that this be changed to say \$500 to \$5,000 would require 1 verbal or written quote and any items under \$500 could be procured preferably via the corporate credit card.

Management Response : *Procurement thresholds are in-line with WALGA's model Purchasing Policy. These suggestions will be considered in the review of Council's Purchasing Policy.*

2. Sole Source (Supplier)

I noted that the Shire has awarded work to service providers based on sole source or sole supplier status. In these instances, it is important that the Shire provide suitable evidence or justification as to why the decision was made to award on a sole source basis. This can be in the form of market testing or where market testing is not possible then a detailed explanation as to why sole source was used and this can be based on better value for money, supplier's proven ability and reliability to supply product/service or even based on regional preference etc.

Where sole suppliers are to be used approval should be set at CEO level.

Management Response: *the Shire has not identified any Sole Source Suppliers but the observations may be based on circumstances where only one quote has been obtained where two or more need to be sought, which complies with our policy to seek rather than obtain one or more quotes, depending on the threshold limits. Shire procedures will be reviewed to ensure those preparing purchase orders are aware of the definition and requirements of sole source suppliers and are providing sufficient evidence.*

REGULATION 17 (REG 17) REVIEW

Based on the consultant's overall assessment of the Shire's Risk Management, Internal Control and Legislative Compliance in accordance with Regulation 17 of the Audit Regulations, the Shire's governance policies and procedures are considered "*satisfactorily in line with standard risk management processes*".

The consultant noted four (low risk) minor findings in the Reg 17 Review, and the recommendations and management's response are summarised below:

- Implementation of a fraud risk identification and prevention policy designed to bolster management control via the creation of a Fraud Prevention policy and the establishment of a Whistle Blower policy. These should be formulated and then endorsed by the Audit and Risk Committee. The policy should address both operational and strategic risks to be continually identified, categorised as high and medium risk (based on the Shire's Risk Matrix Model) and for such risks to be regularly reviewed and monitored. The Fraud Risk Identification and Prevention policy should be endorsed by the Audit and Risk Committee.

Management Response: *This has already been recognised by the Shire as a treatment measure for preventing fraud and misconduct. An outstanding action of the most recently adopted Shire Risk Register lists the development of a fraud and misconduct framework in the Action Plan. A draft Fraud and Misconduct Management Policy has since been developed and is to be presented to the Audit & Risk Committee meeting in December 2022 for endorsement.*

- Ensure that the actions being taken by Shire management and the process of ongoing identification of new risks to be included in the Shire's Operational and Strategic Risk Register is the subject of regular discussion at every Audit and Risk Committee meeting. I would recommend that Risk should form part of the set agenda item for all Audit and Risk Committee meetings.

Management Response: *The Leadership Team and Audit & Risk Committee review the Risk Register formally at least once annually. The Leadership Team reviews risks at its weekly meetings and has a standing item that reviews action items developed from the Risk Register. To demonstrate to the Audit & Risk Committee that Shire management are taking appropriate actions however, the Risk Register could be added as a standing item on the Audit & Risk Committee's Agenda until a more efficient and effective system can be developed. The current Risk Register is based on a template from LGIS but will be reviewed as appropriate.*

- Implementation of a Legislative Compliance policy which outlines the responsibility for compliance with legislative requirements and how such compliance is to be met. The Shire should consider developing various legislative compliance checklists to enable various areas within the Shire to undertake self-assessment checks either on a regular basis or at least once per annum at the time the annual (CAR) is undertaken. I would also suggest that the completed checklists be signed off by the various managers attesting to compliance. If this was undertaken in conjunction with the annual Compliance Audit Return (CAR) it would complement the CAR. Alternatively, Shire Management may wish to include legislative compliance as part of the regular internal audits which may undertake a review of various legislative requirements or include legislative compliance as part of the scope for each internal audit that is undertaken. The level of compliance can then be reported to the Audit and Risk Committee.

Management Response: *The Shire will consider formalising current compliance procedures into a Legislative Compliance Policy to recognise current methods used and industry better practice (a quick comparison of sample legislative compliance policies for local governments indicate that our existing practices are adequate and just would require formalisation in a policy). Further compliance checks for management and internal audits can be considered as part of this review process.*

- Although I commend the Shire for the establishment of an internal audit process, to be effective, the Audit and Risk Committee need to provide communication to the Shire as to what their expectation is in regards to these internal audits and also for the Shire to provide to the Audit and Risk Committee, for each internal audit, clearly the objectives of the internal audit, the terms of reference of the audit (that is what is going to be audited, how the internal audit is to be undertaken and also how the internal audit work relates to addressing the high and medium risks that have been identified in the Shire's Operational and Strategic Risk Register) and also a clear conclusion as to whether management controls are sound and operating satisfactorily.

Management Response: *The Audit & Risk Committee will be consulted with regarding their expectations on the scope, methods and outcomes of the proposed internal audits at the December meeting.*

Consultation

Avant Edge Consulting
Leadership Team

Statutory Environment

Local Government (Financial Management) Regulations 1996

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* requires that the CEO:

“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.”

Local Government (Audit) Regulation 1996

Regulation 17 (1), (2) and (3) requires the 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 subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) The CEO is to report to the audit committee the results of that review.”*

Policy Implications

Whilst there are no direct policy implications, the review may form recommendations that are to form the basis of changes to internal policies, procedures and controls for the Shire.

Financial Implications

The works undertaken to date are within the allocated budget of \$7,000. Recommended actions from these reports may require allocation in future budgets and will form part of the annual budget preparation process.

Strategic Implications

Strategic Community Plan 2019-2029

- 1.2.1 Manage organisation in a financially sustainable manner
- 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

5.3 FRAUD AND MISCONDUCT MANAGEMENT POLICY

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
File Reference: CM.POL.1
Disclosure of Interest: Nil
Date: 29 November 2022
Author: Erin Greaves, Governance & Community Manager
Authorising Author: Matt Fanning, Chief Executive Officer
Voting Requirements: Simple Majority

Summary

A Fraud and Misconduct Management Policy has been developed to guide the identification of fraud and misconduct risks, and outlines how these risks are to be mitigated.

Key Points

- The development of a fraud and misconduct framework was highlighted as an action in the 2021 endorsed Risk Register.
- Given the Regulation 17 Review also identified the matter as a recommendation, a draft Fraud and Misconduct Management Policy has been prepared and is presented
- Whilst this is considered a low risk matter, the Shire is committed to continuous improvement in its systems to reduce fraud and corruption risk

OFFICER RECOMMENDATION AND COMMITTEE DECISION - ITEM 5.3

MOVED: Ms Jane Bagshaw

SECONDED: Cr AR Smyth

That the Audit & Risk Committee recommends that Council adopts the new Fraud and Misconduct Management Policy, as attached.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 3/0

Attachment

5.3.1 Draft Fraud and Misconduct Management Policy (New)

Background

The Shire's Risk Register identified a number of actions to reduce the opportunities for fraud to occur and ensure the Shire's processes are effective in preventing and detecting fraud, including:

- development of a fraud and misconduct framework
- preparation of a Public Interest Disclosure Policy and Procedure
- formalising a process for criminal checks for senior and financial roles

The development of the fraud and misconduct framework has not yet been completed (the other two actions have been achieved). On the recommendation of Avant Edge Consulting, a Policy has been developed to address this gap.

Comment

Santo Casilli of Avant Edge Consulting recommended in the Regulation 17 Review Report:

"Implementation of a fraud risk identification and prevention policy designed to bolster management control via the creation of a Fraud Prevention policy and the establishment of a Whistle Blower policy. These should be formulated and then endorsed by the Audit and Risk Committee. The policy should address both

operational and strategic risks to be continually identified, categorised as high and medium risk (based on the Shire's Risk Matrix Model) and for such risks to be regularly reviewed and monitored. The Fraud Risk Identification and Prevention policy should be endorsed by the Audit and Risk Committee."

There is no statutory requirement to have a fraud prevention-related risk policy however, the Shire does have an obligation to ensure it appropriately identifies, analyses and evaluates risks, and establishes appropriate treatment options to prevent or reduce risk, in accordance with its Risk Management Policy.

The Shire has had one instance of fraud detected (falsified/forged document). The matter was detected and dealt with in accordance with the Shire's internal HR processes and CCC notification requirements. An investigation of the matter was conducted promptly, and the general findings/outcomes were as follows:

- The incident was an isolated case with risk likelihood still considered 'Unlikely' and overall 'Low' risk rating
- There was no malicious intent behind the actions
- Disciplinary action was taken
- The employee had received no specific training or had discussions with their manager regarding fraud and serious misconduct prior to the incident

The Shire is continuing to improve its Induction program for staff and coverage of fraud and misconduct as an education tool for all staff will be considered in 2023.

Consultation

Leadership Team
Avant Edge Consulting

Statutory Environment

Local Government Act 1995
Corruption and Crime

Policy Implications

Shire of Mingenew Risk Management Policy
Shire of Mingenew Risk Management Framework and Procedures

Financial Implications

Nil.

Strategic Implications

Strategic Community Plan 2019-2029 strategies

- 1.2.1 Manage organisation in a financially sustainable manner
- 1.2.3 Provide sound corporate governance of Shire and create an attractive work environment
- 1.2.4 Seek innovative ways to improve organisational efficiency and effectiveness
- 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

5.4 REVIEW OF SHIRE OF MINGENEW RISK REGISTER 2022/23

Location/Address:	Shire of Mingenew
Name of Applicant:	Shire of Mingenew
File Reference:	RM.RSA
Disclosure of Interest:	Nil
Date:	2 December 2022
Author:	Erin Greaves, Governance & Community Manager
Authorising Author:	Matt Fanning, Chief Executive Officer
Voting Requirements:	Simple Majority

Summary

An update of the Shire's Risk Register has been undertaken, following completion of a number of actions from the Register endorsed in December 2021 by the Audit & Risk Committee.

Key Points

- The Shire maintains a Risk Register to assist in identifying and managing its risks, as required by the Shire's Risk Management Policy
- The Risk Register was last presented to the Audit & Risk Committee / Council in December 2021
- Many of the actions outlined in the December Risk Register have been achieved therefore the document has been updated to reflect existing risks and provide an action plan for any risk priorities identified

OFFICER RECOMMENDATION AND COMMITTEE DECISION - ITEM 5.4

MOVED: Cr AR Smyth

SECONDED: Ms Jane Bagshaw

That the Audit & Risk Committee:

1. receives the updated Shire of Mingenew Risk Register (reviewed December 2022), as attached, and
2. reviews the Risk Register at each Committee meeting.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 3/0

Attachment

5.4.1 Shire of Mingenew Risk Register (reviewed November 2022)

Background

The Shire has a responsibility to review control effectiveness, mitigate risk and provide Council with a level of assurance on the systems, processes and procedures employed by management and the management of a Risk Register is an appropriate tool for capturing and communicating these.

The Leadership Team have reviewed the Risk Register in November 2022, and the Risk Register has been updated to reflect the input provided by the Shire's management.

Comment

As an overview, the Risk Register has been updated to note achieved or progressing goals, amend timelines where required, and add any new identified actions. The Dashboard provides an overview of the identified risk priorities. Each risk theme tab then provides detail on the risk profile and control ratings, any key performance indicators, and proposed treatment actions.

Whilst the Risk Register itself provides the context for Operational Risk priority areas; a summary has been provided in the table below:

Risk Profile Theme	Overall Control Ratings	Inherent Risk Rating	Risk and Action Summary
Misconduct	Adequate	Moderate	Increasing employee awareness and sharing resources to prevent criminal activity, misconduct and/or fraud through inductions and education programs.
Errors, Omissions, Delays	Adequate	Low	Due to the current low risk, actions focus on procedural formalisation and improvement.
Business Disruption	Adequate	Moderate	With a full review of the Shire's LEMA proposed for early 2023, many actions will rely on the outcomes of this process (testing and improving systems).
External Theft & Fraud	Adequate	Moderate	An audit of the existing key stock and review of standpipe procedures are the two identified risk areas.
IT or Communication systems and infrastructure	Inadequate	Moderate	Ongoing system disturbances continue to impact efficiency for those using IT tools – a review of the available infrastructure and services is proposed to ensure best value for money and reliability of service.
Governance & Compliance	Inadequate	High	Whilst no consequences have been mandated, elected Members not completing the mandatory training poses a risk for the organisation.
Asset Management Practices	Inadequate	High	Housing and roads are the focus for 2023 (guided by consistent feedback from community), and updating relevant strategic planning documents to reflect the high risk areas.
Document Management	Adequate	Moderate	Managing records stored and shared on the Shire's website poses a minor reputational and compliance risk if not accounted for.
Procurement & Contracts	Inadequate	Moderate	Appropriate Contract Management practices and implementing procedures to support best practice is a high priority. Altus Procurement module is promoted as delivering tighter controls and accountability for procurement activities.
Environmental Management	Inadequate	Moderate	Determining the best approach to manage contaminated sites (road reserve and town common).
Facilities / Venues / Events / Properties	Adequate	Moderate	To increase the efficiency and effectiveness of the Shire's ability to identify and respond to building maintenance matters, formal scheduling of property inspections and building maintenance program is proposed.
Work Health & Safety	Inadequate	High	Training and consulting with staff continue to be a priority, with a need to evidence these steps highlighted.
Projects / Change Management	Adequate	High	Procurement continues to be a high risk area for local government, so implementation of Altus Procurement promises to improve planning and project management practices.
Employment Practices	Adequate	Moderate	The change from the federal to State Industrial Relations system is a key project and will require a significant review of current HR Policies and Procedures. In the lead up to review of the SCP, it is proposed the employee satisfaction be measured and input gained from staff.
Community Engagement	Adequate	Moderate	Guided by the recent results of the MARKYT survey, an action plan is proposed to address community priority areas.
Psychological	Adequate	High	Highlighted as a focus area in the roll out of the new Work Health and Safety legislation.

The Shire's Risk Management Policy outlines the risk register's themes. For each risk theme, or risk theme under review, using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, the below listed questions are proposed as a guide. The objective is to identify potential risks that could stop the Shire from achieving its goals:

- I. Risk What can go wrong? / What are areas of uncertainty? (Risk Description- describe what the risk is and specifically where control may be lost. They can also be described as an event. They are not to be confused with outcomes following an event, or the consequences of an event).
- II. How may this risk eventuate? (Potential Causes- are the conditions that may present or the failures that may lead to the event or point in time when control is lost (risk)).
- III. What are the current measurable activities that mitigate this risk from eventuating? (Controls- are measures that modify risk. At this point in the process only existing controls should be considered).
- IV. What are the potential consequential outcomes of the risk eventuating? (Consequences- need to be impacts to the Shire. These can be health of staff, visitors or contractors; financial; interruption to services provided; non-compliance; damage to reputation or other assets or the environment. There is no need to determine the level of impact at this stage).

Consultation

Leadership Team
Avant Edge Consulting

Statutory Environment

Local Government Act 1995

Policy Implications

The Shire's Risk Management Framework and Procedures outline the risk register's themes to assist in classifying risks and reporting on them.

Financial Implications

Any financial implications from proposed actions will be achieved through current budget allocations or proposed through the 2022/23 and 2023/24 Budget at an operational level.

Strategic Implications

Strategic Community Plan 2019-2029 strategies

- 1.2.1 Manage organisation in a financially sustainable manner
- 1.2.3 Provide sound corporate governance of Shire and create an attractive work environment
- 1.2.4 Seek innovative ways to improve organisational efficiency and effectiveness
- 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

5.5 INTERNAL AUDIT PLAN – UPDATE DECEMBER 2022

Location/Address:	Shire of Mingenew
Name of Applicant:	Shire of Mingenew
File Reference:	RM.RPT.1
Disclosure of Interest:	Nil
Date:	5 December 2022
Author:	Erin Greaves, Governance & Community Manager
Authorising Author:	Matt Fanning, Chief Executive Officer
Voting Requirements:	Simple Majority

Summary

The Shire's Internal Audit Plan was last reviewed in February 2022. Since then, the Shire's staff have progressed with a number of items within the Plan and an updated version is therefore presented for Committee and Council consideration.

Key Points

- A reordering of priorities within the Internal Audit Plan is proposed and presented for consideration
- It is proposed that Business Continuity and Emergency management item be addressed following the review of the LEMA (for which the Shire received grant funding for an external provider to undertake)

OFFICER RECOMMENDATION AND COMMITTEE DECISION - ITEM 5.4

MOVED: Cr Ms Jane Bagshaw

SECONDED: AR Smyth

That the Audit & Risk Committee:

1. Receives the updated Shire of Mingenew Internal Audit Plan – December 2022, as attached;
2. Notes that the 'Business Continuity and Emergency Management' Internal Audit is to be concluded and presented to the June 2023 Audit & Risk Committee, following completion of the Local Emergency Management Arrangements scheduled for February 2023;
3. Notes the following outstanding actions, as recommended through previously completed Internal Audits, which have been captured and will be monitored through the Risk Register actions:
 - a) Tendering and Procurement – Adoption of a Fraud and Misconduct Framework
 - b) Tendering and Procurement – Implementation of 'requisitions' within Procurement module (IT Vision management software)
 - c) Employment Practices – Development of a workforce survey to measure employee satisfaction
4. Recommends that Council endorses the updated Internal Audit Plan – December 2022 based on the attached Draft Plan presented and any additional guidance provided by the Committee.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 3/0

Attachment

5.5.1 Shire of Mingenew Internal Audit Plan

Background

Internal audit is a key component of the Shire's governance framework and provides management with the opportunity to review control effectiveness, mitigate risk and provide council with a level of assurance on the systems, processes and procedures employed by management in the control of its daily operations. Internal audit, by definition, is an objective assurance activity designed to add value and improve an organisation's operations. To meet such a definition and collect independently verified data, the Shire would need to engage

external contractors to undertake the auditing function, which would be associated with a significant financial burden. Whilst metropolitan Councils have the ability to financially resource such an area, smaller shires such as Mingenew do not. That being so, it has become acceptable practice for smaller shires to conduct a series of 'control assuredness' reviews to validate, to both council and management, the effectiveness of existing risk control measures.

The theory and methodology behind control assuredness review is that risk themes which have been noted in the Shire's Risk Register as having a low-moderate residual risk ranking (meaning that management have noted controls are in place mitigating the risk theme, therefore the residual risk is considered low), are selected for auditing to reaffirm the effectiveness of the existing controls.

Areas with high-risk ratings first require treatment to reduce their residual risk, which then allows for control assuredness reviews to take place. Conducting such a review without established controls will only confirm the prevailing understanding that controls require improvement.

The results of the reviews, including any recommendations for action, are presented to the Audit & Risk Committee for noting. The role of the Committee would then be oversight of the implementation of any outcomes and the recommendation to Council should any financial resources be required to address any outcomes.

The Internal Audit Plan was last presented to the Audit & Risk Committee in February 2022.

Comment

The updated Internal plan is summarised in the table below:

A summary of the Plan is provided below:

Schedule	Audit Topic	Priority	Comment
2023 Q1 (Jan – Apr)	Business Continuity & Emergency Management	↓	Moved due to timing of LEMA review
2023 Q1 (Jan – Apr)	Contract Management	↑	Identified as high risk area in Risk Register and Safety Audit
2023 Q2 (Apr – Jun)	Waste Management	↑	Identified as an area where existing staff lack expertise. Current Transfer Station management not performing satisfactorily.
2023 Q3 (Jul – Dec)	Workplace Health and Safety	No change	Will provide an opportunity to review practices following change to legislation (early 2022) and implementation of actions from Safety Audit 2021.
2024 Q1 (Jan – Jun)	Leasing and Land Management	No change	Improved procedures and practices have been developed in 2021/22 therefore and internal audit will test the systems in place.
2024 Q3 (Jul – Dec)	Records Management	No change	Due to the Recordkeeping Plan recently being reviewed and updated, this has reduced in priority to allow for implementation of Plan policies and practices prior to conducting an audit.
2025 Q1 (Jan – Jun)	Asset Management	No change	The focus of the 2021/22 Internal audit was on fleet management. The Shire's risk register continues to identify asset management as a High Risk.

2025 Q3 (Jul – Dec)	Management of Licences	No change	Due to high staff turnover and externally contracting regulatory services, this area has had limited focus in the past and presents a potential risk area.
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It is noted that the Internal Audit Review of 'Business Continuity and Emergency Management' has been commenced, with approximately 75% completed.

Some minor amendments have been made to the risk ratings based on updates to the Risk Register, and the timelines adjusted according to reprioritisation.

A comment from the consultant engaged to conduct the Regulation 17 Review in November / December 2022, made the follows comments with regard to the Audit & Risk Committee's role in establishing the Internal audit Plan:

"The Shire, to its credit, has also developed an internal audit plan and there is evidence that the internal audits are being conducted by the Governance and Community Manager and relevant staff and the outcomes of the internal audits are communicated to the Audit and Risk Committee. However, I am not sure as to whether the internal audits planned include legislative compliance type audits or whether each internal audit has a component of legislative compliance. Further, what levels of assessment and testing is being carried out to provide a level of comfort to the Audit and Risk Committee. Are the outcomes of the internal audits meeting the expectations of the Audit and Risk Committee members?"

Feedback from Audit & Risk Committee members is welcomed and encouraged, particularly with regard to the scope of each audit so that expectations are made clear. Generally, a component of legislative compliance is addressed for each Audit.

The Committee should have careful regard to the resourcing requirements and appropriateness of the internal auditor to ensure there is some level of independence (where appropriate) or evidence of testing methods and analysis can be demonstrated.

Consultation

Leadership Team
Avant Edge Consulting

Statutory Environment

Local Government Act 1995

Policy Implications

Nil.

Financial Implications

Any financial implications from proposed actions will be achieved through current budget allocations or proposed through the 2022/23 Budget at an operational level.

Strategic Implications

Strategic Community Plan 2019-2029 strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

Prior to the meeting closing, the Audit & Risk Committee acknowledged receipt of the resignation by Cr JR Holmes to the Committee and thanked him for his contributions in the short period he was a member.

6.0 CLOSURE

The meeting was closed at 5:52pm.



AUDIT & RISK COMMITTEE MEETING ATTACHMENTS:

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MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

21 SEPTEMBER 2022

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MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING OF THE SHIRE OF MINGENEW HELD IN COUNCIL CHAMBERS ON 21 SEPTEMBER 2022 COMMENCING AT 3:00PM

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

Committee Members

Cr HR McTaggart (Chairperson)

Cr GJ Cosgrove

Cr JR Holmes

Cr AR Smyth

Ms J Bagshaw (Independent Member) *attended via Microsoft Teams in accordance with directions set by the State Government's during the COVID19 Pandemic State of Emergency*

Staff

Maurice Battilana, Temporary Chief Executive Officer

Jeremy Clapham, Finance and Administration Manager

Erin Greaves, Governance and Community Manager

3.0 DECLARATIONS OF INTEREST

Nil.

4.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 AUDIT & RISK COMMITTEE MEETING HELD 10 FEBRUARY 2022

OFFICER RECOMMENDATION- ITEM 4.1

That the Minutes of the Audit & Risk Committee Meeting of the Shire of Mingenew held in the Council Chambers on 10 February 2022 be confirmed as a true and accurate record of proceedings.

It was also noted that the following Audit & Risk Committee members attended an Audit Entrance meeting on 18 May 2022:

Cr HR McTaggart (Chairperson)

Cr JR Holmes

Cr AR Smyth

Ms J Bagshaw (Independent Member)

Maurice Battilana, Temporary Chief Executive Officer

Jeremy Clapham, Finance and Administration Manager

Erin Greaves, Governance and Community Manager

Cr GJ Cosgrove – apology

Liang Wong, OAG via Microsoft Teams
Justin Mulhair & Eoin Condon, Nexia Australia via Microsoft Teams

The purpose of the meeting was:

- To receive an overview of the Audit Strategy Memorandum for the year ending 30 June 2022 by the OAG and Nexia
- To note that the Final Audit visit is scheduled to commence from 3 October, with preliminary testing in July and August

5.0 OFFICERS' REPORTS

5.1 INTERIM AUDIT 2021/22

Location/Address:	Shire of Mingenew
Name of Applicant:	Shire of Mingenew
File Reference:	FM.AUD.20.21
Disclosure of Interest:	Nil
Date:	16 July 2022
Author:	Erin Greaves, Governance Officer
Authorising Author:	Maurice Battilana, Temporary Chief Executive Officer
Voting Requirements:	Simple Majority

Summary

This report outlines findings from the Auditor General from the Interim Audit conducted by Nexia Australia for 2021/22 and recommends that Council receives the Management Letter and Audit Report.

Key Points

- Annual interim audit for financial year ended 30 June 2022

OFFICER RECOMMENDATION - ITEM 5.1

MOVED: Cr GA Cosgrove SECONDED: Ms Jane Bagshaw

That the Audit & Risk Committee recommends to Council that the Interim Audit Report and Management Letter from the Auditor General be received, noting that the following recommendations were made as a management control for risks identified from the Audit:

- Review of new creditors (moderate risk)
- Purchases Cut-off Error (minor risk)

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 5/0

Attachment

5.1.1 Management Letter to Shire President / CEO from Auditor General

5.1.2 Attachment to Management Letter

Background

The interim audit for the financial year ending 30 June 2022 took place in June 2022 and was conducted by Nexia Australia, on behalf of the Office of the Auditor General (OAG).

Comment

The interim audit that was carried out in June 2022 found that control environment of the Shire was effective for the purposes of the required audit and it is expected that reliance can be placed on selected internal controls in completion of the final audit in October 2022.

The Interim Audit identified two findings that were rated moderate and minor risks (key to ratings provided below). The findings relate to control issues in reviewing new supplier details (moderate rating) and the cut-off or accrual of purchases at the end of financial year.

Significant

Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating may be reported as a matter of non-

compliance in the audit report in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.

Moderate

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

Minor

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

The Management Letter provides an overview of the issues and comments from management regarding proposed actions to improve practice and mitigate the risks identified.

Consultation

Nexia Australia
Office of the Auditor General
Nils Hay, (former) CEO
Jeremy Clapham, Finance and Administration Manager
Peter Wood, Works Manager

Statutory Environment

Local Government Act 1995
Local Government (Audit) Regulations 1996

Policy Implications

There are no direct policy implications to be considered as part of this report.

Financial Implications

There are no financial implications to be considered as part of this report.

Strategic Implications

Strategic Community Plan
Strategy 1.2.1 Manage organisation in a financially sustainable manner
Strategy 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

5.2 RISK MANAGEMENT POLICY AND PROCEDURE REVIEW

Location/Address: Shire of Mingenew
 Name of Applicant: Shire of Mingenew
 File Reference: CM.PLN.2
 Disclosure of Interest: Nil
 Date: 14 September 2022
 Author: Erin Greaves, Governance & Community Manager
 Authorising Author: Maurice Battilana, Temporary Chief Executive Officer
 Voting Requirements: Simple Majority

Summary

A review of the Shire Risk Management Policy and Procedure has been undertaken and is presented to the Committee for consideration.

Key Points

- The Risk Management Policy was last reviewed 16 December 2022
- There are certain requirements within the Policy and Management Procedure that are more suitable to a larger local government and have therefore been scaled back

OFFICER RECOMMENDATION - ITEM 5.2

MOVED: Cr GA Cosgrove SECONDED: Cr JR Holmes

The Audit & Risk Committee recommends that Council endorses the proposed amendments to Council Policy 1.4.1 Risk Management and notes the updated Risk Management Procedures.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 5/0

Attachment

5.2.1 Council Policy 1.2.1 Risk Management (tracked changes)

5.2.2 Management Procedure 1.2.1 Risk Management (tracked changes)

Background

Council's Risk Management Policy was last reviewed on 16 December 2020. At this meeting only ,minor amendments were adopted.

Whilst a full review of Council's Administration policies is scheduled, it was specifically identified that the Shire has not been preparing and reviewing an Annual Control Assurance Plan, as required under the current policy.

A Control Assurance Plan (CAP) is plan that demonstrates controls are designed and operating adequately. The Shire's Risk Register provides comment with regard to control assurance and is managed/reviewed as the Risk Register is reviewed – see extract from current Risk Register below:

Key Controls	Type	Date	Rating
Staff Training and interaction	Preventative	Ongoing	Adequate
Information sheets / FAQ's	Preventative	Ongoing	Adequate
Use of specialised professional consultants	Preventative	Ongoing	Effective
Regular meetings between various segments of employees	Preventative	Ongoing	Effective
Management oversight	Preventative	Ongoing	Effective
Documented Procedures / Checklists	Preventative	Ongoing	Effective
Complaints Register	Detective	Ongoing	Adequate
Competitive wage and package levels	Preventative	Ongoing	Adequate
Complaints Procedure	Preventative	Ongoing	Adequate
Customer Service Charter	Preventative	Ongoing	Effective

Control Owner	Control Documented	Control Assurance				Comments
		Completeness	Accuracy	Timeliness	Fraud	
GCM / CEO	Partial	Partial	Partial	Partial	Yes	Analysis required on current staff competencies
FAM	Yes	Yes	Yes	Yes	Yes	Will be reviewed and adjusted as required
CEO	Yes	Yes	Yes	Yes	Yes	Consultants engaged as required
CEO	Yes	Yes	Yes	Yes	Yes	Leadership Team, Staff Meetings and Toolbox meetings
LT	Yes	Yes	Yes	Yes	Yes	Leadership Team meetings
CEO	Yes	Yes	Yes	Yes	Yes	Generally procedures and documents developed
CEO	Yes	Partial	Yes	Yes	Yes	Formal procedure to be developed
GCM / CEO	Yes	Yes	Yes	Yes	Yes	Reviewed as vacancies arise, refer Workforce Plan
GCM / CEO	Yes	Partial	Yes	Yes	Yes	Formal procedure to be developed
FAM	Yes	Yes	Yes	Yes	Yes	Reviewed annually

Comments

A summary of the proposed amendments to the Policy are listed below:

- Removal of requirement to set an annual Control Assurance Plan
- Removal of requirement to review the Control Assurance Plan

A summary of the proposed amendments to the Management Procedure are listed below:

- Updated personnel and team titles
- Removal of Annual Control Assurance Plan

Consultation

Leadership Team

Statutory Environment

Local Government Act 1995

Policy Implications

Nil.

Financial Implications

Nil.

Strategic Implications

Strategic Community Plan

Strategy 1.2.4 Seek innovative ways to improve organisational efficiency and effectiveness

Strategy 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

Prior to the meeting closure, an update was provided on the investigations and legal process relating to the serious workplace incident that occurred on 16 February 2022. Due to the confidential and sensitive nature of the incident, detail has not been provided however, management have taken action to review and manage risks in this context, noting:

- A Worksafe investigation is currently active
- LGIS have conducted an investigation (as the Shire's insurer's)
- LGIS have provided updates to staff and Council on the associated legal processes
- Affected staff have access to ongoing support services
- Operational procedures continue to be reviewed to identify, evaluate and mitigate risks appropriately

6.0 CLOSURE

The meeting was closed at 3:29pm.

SHIRE OF MINGENEW
ANNUAL REPORT
2021/22

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This document is available in alternative formats upon request – please contact the Shire for further information or to make a request.

**UPDATE THIS AS PER YOUR
LAYOUT**

SHIRE PRESIDENT'S REPORT

In presenting my Annual Report for the year ending 30 June 2022, I will reflect upon some of the Council's achievements for that period.

The last couple of years have been dominated by the pandemic, which thankfully is slowly fading into history, as is Cyclone Seroja. Whilst most of the recovery and restructure is complete, there are still some public and private building repairs to be completed. The Shire's support and advocacy for affected residents is ongoing. I would also like to acknowledge and commend the visit to Mingenew by our Premier Mark McGowan on 22 July 2021 as part of the cyclone recovery.

The bi-annual Council elections were held in October 2021. Both Helen and Bert Newton chose not to re-nominate and I thank them for their contribution to Council. Anthony Smyth's first term was also due to expire. Anthony Smyth and Gavin Pearse nominated in the Ordinary Election and were both elected unopposed. This left us one councillor short therefore, we held an Extraordinary Election in December with Jon Holmes being elected unopposed. Gavin Pearse resigned in May 2022, and Alex Pearse subsequently made himself available and was a direct Council appointment in July 2022.

In June 2022, our CEO Nils Hay, resigned to take up the role of CEO of the Mid West Development Commission (MWDC). I thank and congratulate Nils for his contribution to Mingenew, particularly during the pandemic and cyclone.

Many of the town improvement projects that the Shire has received external funding for are now nearing or are completed. This includes the Cecil Newton Park / Skate Park precinct redevelopment and Railway Station renovations. Unfortunately, due to steep rises in building costs, other projects such as the Day Care Centre Upgrade and replacement of the clubhouse for the Tennis Club have stalled whilst we sought extra funding.

The airstrip upgrade, which is fully funded, has commenced and should be completed next year. When finished there will be lights suitable for the Royal Flying Doctor Service to land after dark. The redevelopment will also cater for air borne water bombers in case of fire.

A considerable amount of our CEO and my time is spent on advocating various Government Departments and politicians for various improvements and funding for our community.

However, try as we might, our efforts to improve the town's housing availability has, so far, been unsuccessful. With the ongoing natural gas development in and around our Shire, there may be an opportunity for this to change. The Shire is and will continue to work with these companies for their benefit and more so for our community.

One area of success was the local IGA. The Shire and a couple of community members were working away in the background trying to facilitate various models and methods to keep the supermarket operational and then out of the blue along came the Abhishek / Vukanti family who purchased both the building and business. We wish them every success and trust the community will support them, so their investment is successful.

On a sad note, our workforce had to deal with the loss of their work mate Mary Flynn, who sadly passed away earlier this year. Our deepest sympathy is extended to her husband Bill Flynn and family.

In conclusion, I would like to recognise the efforts of my fellow councillors and all our staff.

Gary Cosgrove
Shire President

CEO'S REPORT

Over the past twelve months, the impact of Severe Tropical Cyclone Seroja and the disruption from COVID was still front of mind as our community continued on its recover mission some of which will still take some time to complete.

Despite these challenges there have been some significant achievements which need mention:

- Improvement of the region's road safety, with the widening of 30km of the Mingenew-Mullewa Road
- The continued development of the Cecil Newton Park / Skate Park Precinct with the implementation of public Wifi and the supply and installation of much needed children's play features. Once finished this precinct will become a fantastic community precinct for families and visitors to enjoy.
- The ongoing reinstatement of essential public road assets following Severe TC Seroja. It is expected that the complete program of nearly \$3M will be completed by December 2022.
- Commencement of the restoration of the old Mingenew Railway Station to establish a creative community hub.
- The restoration and leasing of the old Bank Building to the CRC/North Midlands Project – The Exchange Mingenew.
- Council entered the world of Astronomy with the creation of a star gazing platform at Yandanooka. In addition, it hosted a Shore Leave event at the Tracking Station.
- Undertaking a Shire of Mingenew Community Satisfaction Survey to guide the Council's future strategic directions.
- Continued to work on the upgrading of the current Day Care facility
- Improvements and clearing of the Mingenew Spring
- The gravel re-sheeting of 14km of local roads.
- The bitumen sealing of Phillip Street and Mingenew Carpark
- The Renewal of the Coalseam Bridge with the assistance of Main Roads Western Australia.

These are but a handful of achievements with many other day-to-day issues thoughtfully managed by our staff. I would like to thank the Staff for their tireless efforts given limited resources in delivering these achievements in serving the Mingenew community. I would also like to thank the Council for their ongoing commitment and direction in leading the Shire.

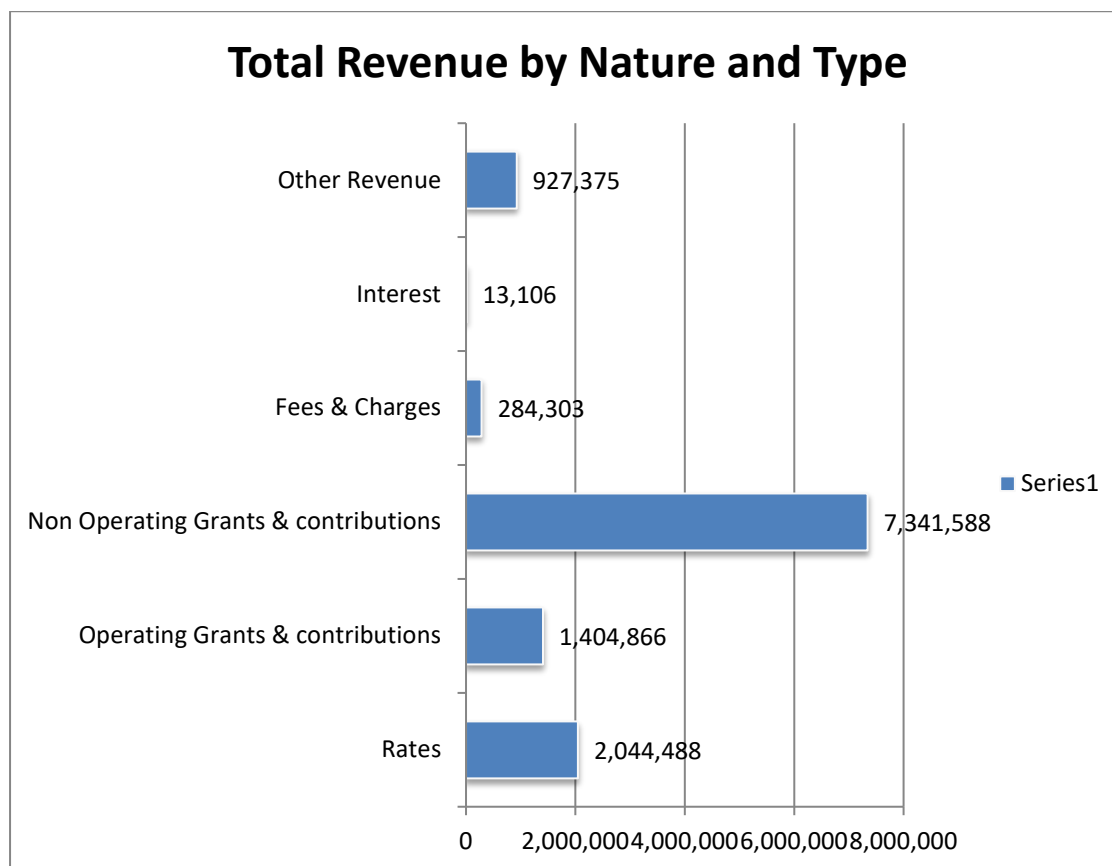
I am pleased to present this Report and look forward to continuing to work with our Councillors, staff and the community to realise our Shire's Vision.

Finance Statistics

The Shire of Mingenew had a Total Revenue of \$12.016m (including operating and capital grants) for the 2021/22 financial year. A total of 61% (\$7.341m) of the Shire's revenue for 2021/22 was Non-Operating Grants which helped to fund a number of key capital projects, in particular the completion of the construction of the new Coalseam Road Bridge, shoulder upgrade of 30km of Mingenew Mullewa Road and the commencement of repairs to the roads damaged by Cyclone Seroja. Operating Grants and Contributions account for 12% of total revenue, while Rates (17%) and Department of Transport Revenue (5%) are also significant contributing factors to the total revenue figure. The remaining revenue comes from interest received and other miscellaneous services carried out by the Shire during the financial year. There was a total of 2.4% of revenue made up of Fees and Charges.

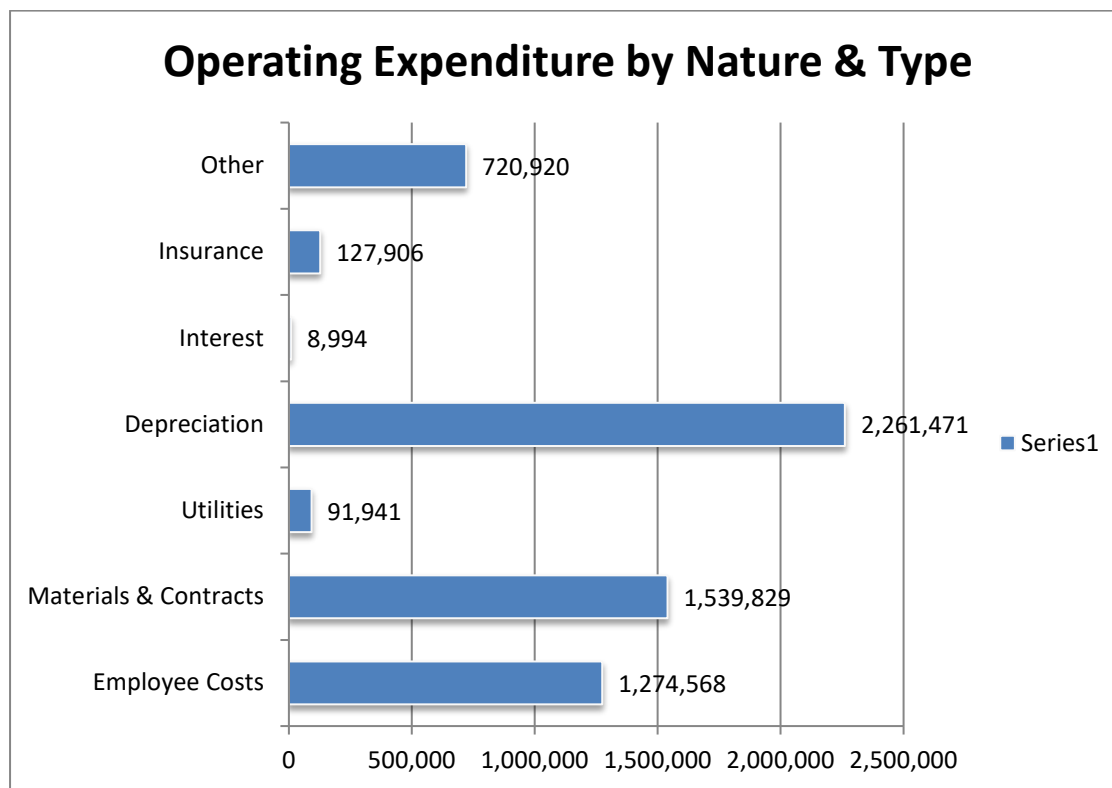
Revenue

The revenue (operating and capital) generated by the Shire is spent providing infrastructure and services for the community. The Shire provides many services including maintaining and improving roads, parks and gardens, leisure services and other community projects. A significant amount of the Shire's resources (approximately 75%) are spent on maintaining road infrastructure and the provision of recreation services.



Operating Expenditure

When comparing the breakdown of these costs by nature and type, a significant 38% of all operating expenditure is attributed to depreciation charges. Depreciation is a non-cash item and is attributed to the Shire having in excess of \$60m worth of assets, of which 78% is attributed to the Shire's road network and other related infrastructure whilst 17% is attributed to Property, Plant & Equipment. Other significant expenditure includes Operating Employee Costs (21%), Materials & Contracts (25%) and Other Expenditure (16%). The majority of these Other Expenditure costs are attributed to Department of Transport costs.



Reserve Funds

As at 30 June 2022 the balance in the Reserve Accounts was \$560,894 as per table below;

RESERVE	BALANCE
Building and Land Reserve	30,331
Recreation Reserve	3,099
Plant Reserve	274,895
Employee Entitlement Reserve	76,723
Aged Persons Units Reserve	12,795
Economic Development & Marketing Reserve	10,333
Environmental Reserve	19,636
Land Development Reserve	6,985
RTC/PO/NAB Reserve	22,240
Insurance Reserve	23,068
Covid-19 Emergency Reserve	80,789
TOTAL	\$560,894

There was a transfer of 80k to the Plant Reserve this year and a transfer of 8k to the Employee Entitlement Reserve. The Shire will continue to make a concerted effort to improve our cash reserves for the provision of future acquisitions and proposed developments, with a budgeted figure of 494k to be transferred to Reserves in the 2022/23 Financial Year.

Loan Liability

The outstanding principal loan balance at 30 June 2021 of \$165,919 was paid off during the 2021/22 financial year. A new loan to fund the replacement of one of the Shire's graders in the amount of \$280,000 was taken out. The balance at 30 June 2022 was \$252,500. It will be paid off over the next 5 financial years.

Activities and Projects:

In addition to the normal operating activities, a number of significant capital works projects were undertaken during the 2021/22 financial year, as per below:

Mingenew Mullewa Road – 30 km – shoulder upgrade	\$3,650k
Commencement of the Railway Station upgrade	\$164k
Completion of the new Coalseam Road bridge	\$2,041k
Commencement of road repairs due to Cyclone Seroja damage	\$614k
Plant purchases (including new grader and caravans for temporary worker accommodation related to work undertaken due to Cyclone Seroja – the cost of these caravans is covered by a grant from DRFAWA – Disaster Recovery Funding Arrangements WA)	\$706k

COUNCILLORS

USE LATERAL ASPECT COUNCILLOR PHOTOS

Gary Cosgrove -	Shire President
Justin Bagley -	Deputy President
Carol Farr -	Councillor
Hellene McTaggart -	Councillor
Anthony Smyth -	Councillor
Jonathon Holmes -	Councillor
Gavin Pearse -	Councillor (resigned 1 April 2022)

STAFF

Leadership Team

Chief Executive Officer

Finance and Administration Manager

Governance and Community Manager

Works Manager

Nils Hay

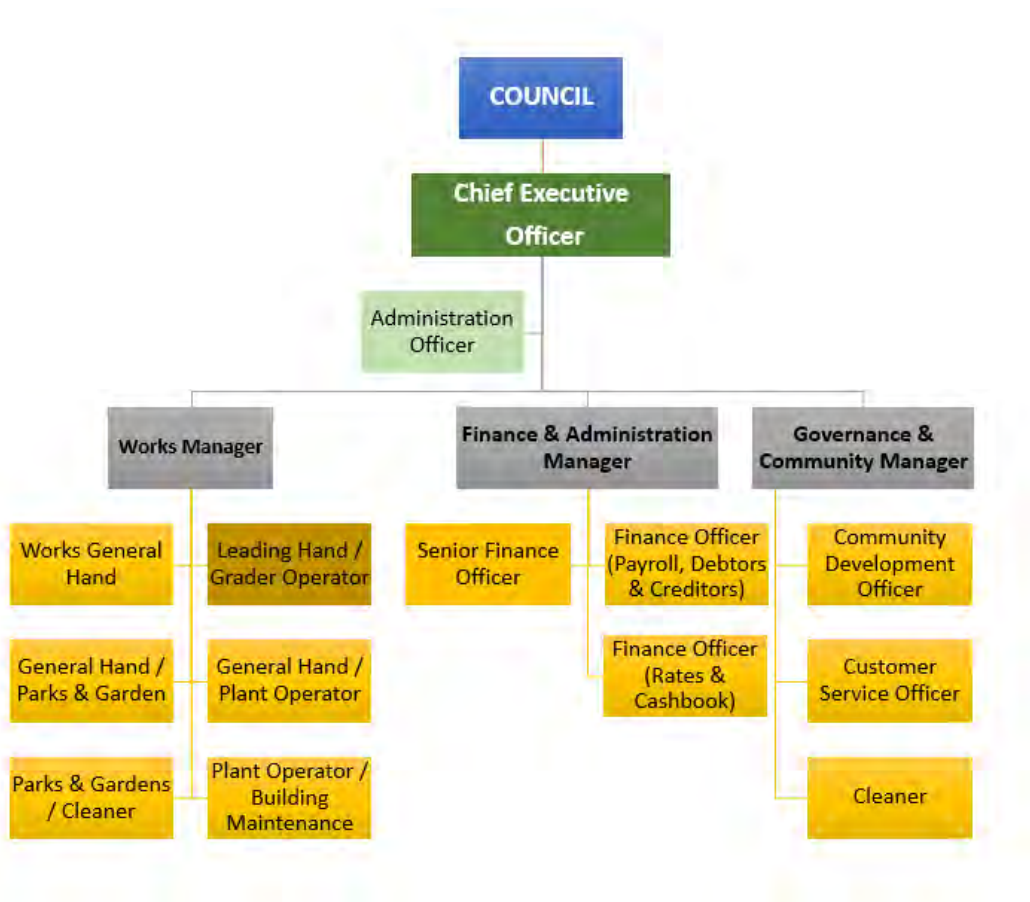
Jeremy Clapham

Erin Greaves

Peter Wood

USE LATERAL ASPECT STAFF PHOTOS

Organisational Charts



STRATEGIC COMMUNITY PLAN OUTCOMES

We continue to be guided in our activities by the Strategic Community Plan 2019-29 (SCP), and its five key strategic pillars. Council conducted a minor review of the SCP in 2021 and full review is intended in 2022/23.

STRATEGY 1: LEADING MINGENEW

Goal: Council will provide accountable and transparent leadership with the Community to deliver on the Strategic Community Plan

1.1 Infrastructure:

With significant external funding support in FY21/22, particularly from the Federal Government's Local Roads and Community Infrastructure Program and Drought Communities Program, the Shire has conducted widening of the Mingenew-Mullewa Road, sealing of town carparks and Phillip Street, landscaping and infrastructure works at the Skate Park, installation of Public Wi-fi, upgrade to water storage and system at Rec Centre, Mingenew Railway Station restoration works and establishment of co-working space for community and private use.

Under the Disaster Recovery Funding Arrangements (DRFA) we've also been able to address flood damage work caused from TC Seroja.

1.2 Capability:

Whilst we grapple with the ongoing challenge of doing more for less, the Shire continues to deliver on its statutory requirements and responsibility to be open and transparent in its communication. A key tool for determining service levels and setting expectations is the Long Term Financial Plan (LTFP) which is under development.

The Shire continues to advocate for support and improvements in the wake of TC Seroja, drawing on external support services and the Department of Fire and Emergency Services (DFES).

We've also sought out resource sharing opportunities to increase capacity in the area of Work Health and Safety.

1.3 Compliance:

Much of the business of local government is compliance related. This year, we can happily report another series of unqualified interim and final audit results with very few identified management items. Furthermore, we have successfully delivered on several key internal audit tasks, including a review of procurement practices and fleet management.

An application for a new fire shed was unfortunately not funded through the ESL Capital Grant but funding will continue to be applied for.

1.4 Resource Management:

The Shire continues to monitor and review its management of waste at the Transfer Station. Currently externally resourced as a measure to control access and waste disposal activities.

STRATEGY 2: LOVE LIVING IN MINGENEW

Goal: Maintain and build a healthy, connected and sustainable community with great public open spaces, facilities and enable community volunteerism

2.1 Health:

Following TC Seroja, there has been strong engagement through North Midlands Health Service, Red Cross and other service providers to monitor and support those impacted by the cyclone, with a particular focus on psychosocial health.

The Shire also continues to provide funding support for the fly-in doctor service and advocate for a stable and consistent service for residents.

The continues with a resource sharing arrangement with neighbouring local governments for an Environmental Health consultancy service to ensure Public Health activities are compliant and supported.

2.3 Culture and Heritage:

The Community Resource Centre has been integral in delivery tourist and information services in the 2021 and 2022 seasons. The Shire has provided financial support to ensure our branding and to build on local experiences, products and service. The CRC has also successfully partnered with the North Midlands Project to promote arts and cultural events and activities.

Furthermore the Shire received funding support from the Department of Planning, Lands Heritage to develop a Local Heritage Survey to guide decision making for the protection of heritage sites and buildings. It is anticipated this project will be finalised in 2022/23.

We also continue to build on our well-established tourism market through Astrotourism events and engaging with regional partners such as Wildflower Country Inc. to ensure we sustain our competitive edge and identity.

2.4 Sense of Community:

The Shire has, through our Community Assistance Scheme grants, awarded funding to the Mingenew Bowling Club for the installation of shade gazebos at the Bowling Green, Drivers Rest Panels by the Historical Society to promote the droving history integral to establishment of our community, Historical Society to provide an upgrade to internet infrastructure, support data capture and conservation activities and to the Mingenew Community Resource Centre to deliver youth/school activities. We thank these community groups in assisting to deliver on the SCP vision and contributing to the promotion of cultural and heritage activities.

An industry focus in 2022 has been to better support bushfire volunteers to ensure their safety and capability. We continue to participate in industry forums and engage local volunteers to improve the impact of their contributions and better understand the implications of the new Work Health and Safety legislation.

Another focus has been to deliver on a number of LRCI and Drought Communities funded project to improve local amenities and experiences. This has been done through provision of Public Wi-fi in the town centre, development of the Skate Park Precinct and improvements to Cecil Newton park, supporting the local Tennis Club to construct a new clubhouse and enhancing the Mingenew Spring reserve for accessibility and usability, in collaboration with community interest groups and individuals.

STRATEGY 3: GROWING MINGENEW

Goal: Develop key enabling and underpinning investments to grow the community to a population of 500 by 2029

3.1 Housing:

The Shire continues to feel the effects of TC Seroja and market conditions of the building and construction industry, which has increased demand for suitable housing but limited capacity to deliver. Development of Council land by Tender from 2021/22 has been particularly inhibited by the market conditions.

Rural residential land development options are currently being explored around the Mingenew Hill area. Because of the legal and administrative requirements of such a project, this will continue into the next year.

Housing has been a priority topic for advocacy and research by Shire representatives, with the aim of developing strategies for addressing housing needs and promoting local investment to renew existing stock and construction of new, that is within Council's remit.

3.2 Development:

The Shire was successful in attracting funding to develop a master plan to support the expansion and available amenity for the Yarragadee facilities. A final Plan is expected by the end of 2022.

STRATEGY 4: SEE YOU IN MINGENEW

Goal: Attract visitors to Mingenew by making it a highly desirable and dynamic place to visit and live, resulting in an increase in population

4.1 Diversity of Accommodation:

Accommodation to support visitor demand, business and industry growth and local residents continues to be a high priority and challenging matter to address. Council's capacity predominantly exists in advocacy, facilitation and support of others to achieve this goal.

4.2 Events:

The CRC continue to deliver a diverse events program throughout the year, supported by the Shire, with a focus on youth development, seniors activities and health and well-being. We congratulate their achievements role in supporting residents and visitors.

Unfortunately the Mingenew Races were cancelled in 2022 due to the COVID risk however, the Turf Club's 100 anniversary is coming up in 2023, and the event will likely be back bigger and better than ever.

The community hosted a successful, smaller Expo event in 2022. With COVID threatening to put the event at risk, and a reduction in volunteer capacity, a simpler one-day event was held at the Mingenew Polocrosse Grounds.

The introduction of the Shore Leave Festival event, celebrating the uniqueness of experiences, food and culture in the Midwest, has also expanded our tourist product, with the 'Diner under the Dish' event held at the Mingenew Space Centre quickly selling out and demand for more in 2023.

4.3 Tourism Assets:

The Shire now has a well-established brand, following success of the "See You in Mingenew" campaign and we continue to explore further visitor experiences to broaden the original focus around wildflowers. We now hold annual Astrotourism-focused events in partnership with Astrotourism WA. We've been fortunate to attract some experts in this field to several events and even had a telescope donated for public use.

We've also supported the development of tourism infrastructure, such as delivering public wi-fi in the town centre, painting the Mingenew CRC, Post Office and "The Exchange", and initiating a plan to improve access and signage at Mingenew Hill.

STRATEGY 5: MAKING BUSINESS EASY IN MINGENEW

Goal: Ensure Mingenew is supporting local businesses to grow and maintain employment within the community

5.1 Digital Capacity:

The Node1 tower has been repaired, after damages were sustained from TC Seroja; resulting in wireless internet being reinstated to the Mingenew townsite.

Public Wi-fi is now available in the Mingenew Town Centre to improve visitor experience and offer the service to local residents.

Council's role in this space is to lobby for improved telecommunications to support the space industry, businesses, events and the general community.

5.2 Economic Development:

The Shire continues to explore economic development opportunities and will be focusing on promoting business investment through various advocating mediums, industry groups and community interest groups.

Of particular priority in 2022, was facilitating stakeholder discussions to ensure the local supermarket continued to service the Mingenew community. Community members and stakeholders rallied to a community meeting held to nut out challenges and opportunities. As a result, various community management models were researched and a report produced. We were, in the end, fortunate that a buyer stepped in to purchase the land and business for continuity but it has been a valuable exercise should similar challenges arise in future.

GOVERNANCE

Elected Member Attendance

Elected Member attendance – 1 July 2021 to 30 June 2022

10 [10] Number of meetings attended / total number meeting required to attend.

N/A Elected Member not required to Attend

Elected Member	Term Commenced	Term Expiry	Council (11)	Special Council (3)	Audit & Risk Committee (4)	Bushfire Advisory Committee (2)	Executive Committee (0)	Electors Meeting (1)	LEMC / LRCG (4)
Cr G Cosgrove	2019	2023	11 [11]	2 [3]	3 [3]	1 [2]	1 [1]	1 [1]	
Cr J Bagley	2019	2023	10 [11]	3 [3]		0 [2]	0 [1]	1 [1]	
Cr H McTaggart	2019	2023	11 [11]	3 [3]	4 [4]		1 [1]	1 [1]	
Cr C Farr	2019	2023	9 [10]	3 [3]				1 [1]	
Cr A Smyth	2021	2025	9 [10]	2 [3]	3 [4]	1 [2]		1 [1]	0 [4]
Cr GF Pearse	2021	2025*	2 [2]	0 [0]	1 [2]				
Cr JR Holmes	2021	2025	7 [7]	1 [1]	1 [1]				
Cr R Newton	2017	2021	2 [3]	1 [1]	1 [1]		1 [1]	1 [1]	
Cr H Newton	2017	2021	2 [3]	1 [1]	1 [1]			1 [1]	

* Councillor resigned 2022

[Indicates total number of meetings for which the Councillor was an eligible member/delegate]

Elected Member Training

Part 10 – Training of the *Local Government (Administration) Regulations 1996* was introduced requiring all elected members to complete the Council Member Essentials training course within 12 months of their election, in accordance with s5.126(1) of the *Local Government Act 1995*. The status of Councillor-completed training as at 30 June 2022 is as follows:

Elected Member	Council Member Essentials module completion status				
	Understanding Local Government	Serving on Council	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports and Budget
Cr G Cosgrove	In Progress	Completed	In Progress	In Progress	Completed
Cr J Bagley	Completed	Completed	In Progress	In Progress	Completed
Cr H McTaggart	Completed	Completed	Completed	Completed	Completed
Cr C Farr	In Progress	Completed	In Progress	In Progress	Completed
Cr A Smyth	In Progress	Completed	In Progress	In Progress	Completed
Cr JL Holmes	In Progress	Completed	In Progress	In Progress	Completed

Employee Remuneration

In accordance with s19(b) of the *Local Government (Administration) Regulations 1996*, the number of Shire employees entitled to an annual salary of \$130,000 or more during the 2021/22 year were:

Salary Range	Number of Employees
\$130 000 to \$139 999	0
\$140 000 to \$149 999	0
\$150 000 to \$159 999	0
\$160,000 to \$169,999	1

The Total Remuneration for the CEO in 2021/22 is \$230,616 (remuneration is defined as salary, allowances, fees, enrolments and benefits (whether in money or not)).

Freedom of Information

The Shire aims to make information available, whenever possible, outside the freedom of information process. However, on occasion, access to documents may require an application in accordance with the *Freedom of Information Act 1992*. Should members of the public wish to access information and documents held by the Shire please access the annually updated Shire of Mingenew Information Statement located on the Shire website to guide you in this process.

The Shire did not receive any applications under the Freedom of Information Act in 2021/22.

Disability and Access Inclusion Plan

The Shire's Disability Access and Inclusion Plan (DAIP) 2019-2024, last reviewed in 2022, is a key strategic document that outlines the Shire's approach to working towards a more accessible and inclusive community. The DAIP ensures that services, facilities and information meet the needs of people with disability, their families and carers and supports an environment in which people with disability have the same opportunities, rights and responsibilities enjoyed by all other people in the community. Key strategies include:

- I. Ensuring that people with disability have the same opportunities as other people to access the services of, and any events organised by the Shire through consultation, policy development and improved services
- II. Ensuring that people with disability have the same opportunities as other people to access the buildings and other facilities of the Shire through improved planning and consultation during new and development works, including parking and access ways
- III. Ensuring people with a disability receive information in a format that will enable them to access information as readily as other people by having information available in alternative formats and continuously improving the Shire's website formatting
- IV. Ensuring people with disability receive the same level and quality of service from staff as other people through training, inductions and seeking advice from disability service providers
- V. Ensuring the Shire's grievance mechanisms are accessible for people with a disability
- VI. Ensuring people with disability have the same opportunity to participate in any public consultation through promotion of the DAIP and targeting affected community members on relevant matters
- VII. Using inclusive recruitment methods and practices to support people with disability in obtaining and maintaining employment with the Shire

The DAIP is monitored regularly, and Progress Reports are provided to the Department of Communities.

Complaints Register

The Shire reports no complaints, as defined under s5.105 of the Act – 'Breaches by council members', for the period ending 30 June 2022. The complaints officer (CEO for the Shire of Mingenew) is required to maintain a register of complaints that result in a finding under s5.110(2)(a) that a minor breach has occurred. A copy of the Register is available on the Shire's website.

Public Disclosures

The *Public Interest Disclosure Act 2013* aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action. The Chief Executive Officer is the appointed Public Interest Disclosure (PID) Officer for the Shire. During 2021/22 the Shire did not receive any disclosures.

Recordkeeping Plan

The Shire of Mingenew is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards.

Council undertook a formal review of its Recordkeeping Plan in 2020 and prepared an updated Recordkeeping Plan in 2021.

The objectives of the Shire of Mingenew RKP are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the
- Protection and preservation of the Local Government's records.

In accordance with Section 17 of the Act, the Shire of Mingenew and all its employees are legally required to comply with the contents of this Plan. Induction and training programs are in place to ensure recordkeeping obligations are met by employees, contractors, Elected Members and outsourced services.

National Competition Policy

The Federal and State governments have a Competition Principals Agreement in place, which is binding on local government.

The Agreement requires the Shire to carry out activities, including a report on those activities in each year's Annual Report. The three areas that affect local government are:

1. Competitive neutrality

To remove benefits (and costs) which accrue to government business as a result of their public ownership.

2. Structural reform

Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.

3. Legislation review

To review legislation that restricts competition.

Competitive Neutrality

There are several tests to apply that assist in determining if there is a 'significant business enterprise':

- Does the activity receive revenue from external sources that exceeds \$200,000 per annum? (In determining this amount, Council has been advised to disregard grant income, internal charges, and statutory fees.)
- Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the revenue statement of the Shire for the preceding period, there is no activity that satisfies this first part of the test, and accordingly the principles of competitive neutrality do not apply to any Shire of Mingenew activities.

Structural Reform

In this area, Council has no monopoly activities.

What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role.

To address the question of monopoly, the following test has been applied to each activity:

- Definition: In regard to this service, does Council have 'exclusive or near exclusive control of the market supply of this service?'
- Dual function: Does Council have both a regulatory and supply function in this area of activity?

Legislation Review

Council has a portfolio of local laws (previously known as by-laws) which may or may not conflict with the Competition Principles Agreement. These local laws will be reviewed to ensure compliance with the reporting requirements.

The Shire last conducted a review of its Local Laws in 2017 and is continuing to implement actions from this review.

ANNUAL FINANCIAL STATEMENTS & AUDIT REPORT

SHIRE OF MINGENEW
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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The Shire of Mingenew conducts the operations of a local government with the following community vision:

Mingenew Shire is a safe, inclusive and connected community with a thriving local economy that provides opportunity for all to succeed.

Principal place of business:
21 Victoria Street
Mingenew WA 6522

**SHIRE OF MINGENEW
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

DRAFT

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

The attached financial report of the Shire of Mingenew for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Mingenew at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the _____ day of _____ 2022

Chief Executive Officer
Matthew Fanning

SHIRE OF MINGENEW
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

DRAFT

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	24(a),2(a)	2,044,488	2,049,384	1,977,513
Operating grants, subsidies and contributions	2(a)	1,404,866	1,158,825	785,681
Fees and charges	23(c),2(a)	284,303	273,789	255,506
Interest earnings	2(a)	13,106	23,231	22,959
Other revenue	2(a)	927,375	544,294	730,110
		4,674,138	4,049,523	3,771,769
Expenses				
Employee costs		(1,274,568)	(1,105,864)	(1,122,809)
Materials and contracts		(1,542,929)	(953,324)	(924,231)
Utility charges		(91,941)	(88,321)	(87,595)
Depreciation	10(a)	(2,261,471)	(1,788,251)	(2,173,855)
Finance costs	2(b)	(8,994)	(11,600)	(10,576)
Insurance		(127,906)	(134,703)	(126,609)
Other expenditure	2(b)	(720,920)	(572,791)	(520,356)
		(6,028,729)	(4,654,854)	(4,966,031)
		(1,354,591)	(605,331)	(1,194,262)
Capital grants, subsidies and contributions	2(a)	7,341,589	10,460,322	3,259,814
Profit on asset disposals	10(c)	182,950	77,753	11,727
Loss on asset disposals	10(c)	(11,945)	(16,985)	(23,923)
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	2,804
		7,515,592	10,521,090	3,250,422
Net result for the period	23(b)	6,161,001	9,915,759	2,056,160
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	680,232	0	1,130,509
Total other comprehensive income for the period	16	680,232	0	1,130,509
Total comprehensive income for the period		6,841,233	9,915,759	3,186,669

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF MINGENEW
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

DRAFT

	NOTE	2022	2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	2,004,070	1,246,247
Trade and other receivables	5	1,053,488	371,134
Inventories	6	4,228	3,152
Other assets	7	33,179	8,228
TOTAL CURRENT ASSETS		3,094,965	1,628,761
NON-CURRENT ASSETS			
Trade and other receivables	5	22,978	18,093
Other financial assets	4	58,353	55,355
Property, plant and equipment	8	10,277,916	10,293,278
Infrastructure	9	48,524,746	41,695,064
Right-of-use assets	11(a)	5,654	17,760
TOTAL NON-CURRENT ASSETS		58,889,647	52,079,550
TOTAL ASSETS		61,984,612	53,708,311
CURRENT LIABILITIES			
Trade and other payables	12	1,218,298	102,210
Other liabilities	13	680,099	428,845
Lease liabilities	11(b)	3,675	7,393
Borrowings	14	55,331	165,919
Employee related provisions	15	92,603	104,784
TOTAL CURRENT LIABILITIES		2,050,006	809,151
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	642	4,317
Borrowings	14	197,169	0
Employee related provisions	15	11,820	11,101
TOTAL NON-CURRENT LIABILITIES		209,631	15,418
TOTAL LIABILITIES		2,259,637	824,569
NET ASSETS		59,724,975	52,883,742
EQUITY			
Retained surplus		39,157,083	33,085,132
Reserve accounts	27	560,894	471,844
Revaluation surplus	16	20,006,998	19,326,766
TOTAL EQUITY		59,724,975	52,883,742

This statement is to be read in conjunction with the accompanying notes.

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		31,073,805	427,011	18,196,257	49,697,073
Comprehensive income for the period					
Net result for the period		2,056,160	0	0	2,056,160
Other comprehensive income for the period	16	0	0	1,130,509	1,130,509
Total comprehensive income for the period		2,056,160	0	1,130,509	3,186,669
Transfers to reserves	27	(44,833)	44,833	0	0
Balance as at 30 June 2021		33,085,132	471,844	19,326,766	52,883,742
Comprehensive income for the period					
Net result for the period		6,161,001	0	0	6,161,001
Other comprehensive income for the period	16	0	0	680,232	680,232
Total comprehensive income for the period		6,161,001	0	680,232	6,841,233
Transfers to reserves	27	(89,050)	89,050	0	0
Balance as at 30 June 2022		39,157,083	560,894	20,006,998	59,724,975

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF MINGENEW
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

DRAFT

NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates	2,031,399	2,059,384	1,968,858	
Operating grants, subsidies and contributions	1,155,515	973,825	1,491,955	
Fees and charges	282,397	273,789	255,434	
Interest received	13,106	23,231	22,959	
Goods and services tax received	156,678	150,000	211,258	
Other revenue	924,089	544,294	730,110	
	4,563,184	4,024,523	4,680,574	
Payments				
Employee costs	(1,222,293)	(1,100,864)	(1,171,244)	
Materials and contracts	(519,924)	(1,607,096)	(1,480,048)	
Utility charges	(91,941)	(88,321)	(87,595)	
Finance costs	(8,479)	(11,600)	(10,576)	
Insurance paid	(127,906)	(134,703)	(126,609)	
Goods and services tax paid	(90,076)	0	(450,230)	
Other expenditure	(720,400)	(572,791)	(520,356)	
	(2,781,019)	(3,515,375)	(3,846,658)	
Net cash provided by (used in) operating activities	17(b)	1,782,165	509,148	833,916
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(996,844)	(1,205,000)	(511,160)
Payments for construction of infrastructure	9(a)	(7,607,096)	(10,438,479)	(3,304,127)
Non-operating grants, subsidies and contributions		7,108,919	10,460,322	3,259,814
Proceeds from sale of property, plant & equipment	10(c)	391,491	216,700	50,683
Net cash provided by (used in) investing activities		(1,103,530)	(966,457)	(504,790)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(193,419)	(165,917)	(161,995)
Payments for principal portion of lease liabilities	26(c)	(7,393)	(64,173)	(9,331)
Proceeds from new borrowings	26(a)	280,000	0	0
Net cash provided by (used In) financing activities		79,188	(230,090)	(171,326)
Net increase (decrease) in cash held		757,823	(687,399)	157,800
Cash at beginning of year		1,246,247	1,246,247	1,088,447
Cash and cash equivalents at the end of the year	17(a)	2,004,070	558,848	1,246,247

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF MINGENEW
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

DRAFT

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(b)	625,858	81,424	405,934
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	24(b)	39,183	39,412	38,264
Operating grants, subsidies and contributions		1,404,866	1,158,825	785,681
Fees and charges		284,303	273,789	255,506
Interest earnings		13,106	23,231	22,959
Other revenue		927,375	544,294	730,108
Profit on asset disposals	10(c)	182,950	77,753	11,727
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	2,804
		2,854,781	2,117,304	1,847,049
Expenditure from operating activities				
Employee costs		(1,274,568)	(1,105,864)	(1,122,809)
Materials and contracts		(1,542,929)	(953,324)	(924,231)
Utility charges		(91,941)	(88,321)	(87,595)
Depreciation		(2,261,471)	(1,788,251)	(2,173,855)
Finance costs		(8,994)	(11,600)	(10,576)
Insurance		(127,906)	(134,703)	(126,609)
Other expenditure		(720,920)	(572,792)	(520,356)
Loss on asset disposals	10(c)	(11,945)	(16,985)	(23,923)
		(6,040,674)	(4,671,840)	(4,989,954)
Non-cash amounts excluded from operating activities	25(a)	2,071,124	1,727,483	2,144,527
Amount attributable to operating activities		(1,114,769)	(827,053)	(998,378)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		7,341,589	10,460,322	3,259,814
Proceeds from disposal of assets	10(c)	391,491	216,700	50,683
Purchase of property, plant and equipment	8(a)	(996,844)	(1,205,000)	(511,160)
Purchase and construction of infrastructure	9(a)	(7,607,096)	(10,438,479)	(3,304,127)
		(870,860)	(966,457)	(504,790)
Amount attributable to investing activities		(870,860)	(966,457)	(504,790)
FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(193,419)	(165,917)	(161,995)
Proceeds from borrowings	26(a)	280,000	0	0
Payments for principal portion of lease liabilities	26(c)	(7,393)	(64,173)	(9,331)
Transfers to reserves (restricted assets)	27	(89,050)	(67,795)	(44,831)
Amount attributable to financing activities		(9,862)	(297,885)	(216,157)
Surplus/(deficit) before imposition of general rates		(1,369,633)	(2,009,971)	(1,313,391)
Total amount raised from general rates	24(a)	2,005,305	2,009,971	1,939,249
Surplus/(deficit) after imposition of general rates	25(b)	635,672	0	625,858

This statement is to be read in conjunction with the accompanying notes.

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1. BASIS OF PREPARATION

Basis of preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. No monies are currently held in the Trust Fund.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Operating grants, subsidies and contributions with customers	Community events, minor facilities, research, design, planning and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Operating grants, subsidies and contributions with customers	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	On receipt of funds
Non operating grants, subsidies and contributions with customers	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	After inspection completed based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	After inspection event occurs
Fees and charges - waste collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	When rates notice is issued
Reimbursements	Insurance claims, rental utilities and debt collection costs	Single point in time	Payment in arrears for claimable event	None	Earlier of when the event is agreed or cash is received
Other revenue	Agency revenue - Department of Transport	Single point in time	Payment in full on receipt	None	On receipt of funds

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	2,044,488	0	0	0	2,044,488
Operating grants, subsidies and contributions	1,404,866	0	0	0	1,404,866
Fees and charges	190,052	0	94,251	0	284,303
Interest earnings	5,247	0	7,859	0	13,106
Other revenue	805,359	0	226	121,790	927,375
Non-operating grants, subsidies and contributions	0	7,341,589	0	0	7,341,589
Total	4,450,012	7,341,589	102,336	121,790	12,015,727

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	1,977,513	0	0	0	1,977,513
Operating grants, subsidies and contributions	785,681	0	0	0	785,681
Fees and charges	170,704	0	84,802	0	255,506
Interest earnings	15,050	0	7,763	0	22,813
Other revenue	675,359	0	163	54,588	730,110
Non-operating grants, subsidies and contributions	0	3,259,814	0	0	3,259,814
Total	3,624,307	3,259,814	92,728	54,588	7,031,437

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Interest on reserve funds		465	2,831	3,792
Rates instalment and penalty interest (refer Note 24(e))		7,859	8,000	7,763
Other interest earnings		4,782	12,400	11,404
		13,106	23,231	22,959

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report		25,100	25,563	22,000
- Other services		1,800	0	800
		26,900	25,563	22,800

Finance costs

Borrowings	26(a)	7,062	3,217	8,852
Lease liabilities	26(c)	1,932	8,383	1,724
		8,994	11,600	10,576

Other expenditure

Impairment losses/(reversals) on receivables from contracts with customers		1,075	0	(72)
Department of Transport - Licencing expenditure		652,104	500,000	457,951
Fees paid to Councillors		37,008	38,700	38,152
Community grants scheme		16,875	30,741	14,582
Sundry expenses		13,858	3,350	9,743
		720,920	572,791	520,356

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
 Term deposits
Total cash and cash equivalents

Held as
 - Unrestricted cash and cash equivalents
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	1,531,901	1,246,247
	472,169	0
17(a)	2,004,070	1,246,247
	750,900	337,741
17(a)	1,253,170	908,506
	2,004,070	1,246,247

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 17.

4. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2022	2021
\$	\$
58,353	55,355
58,353	55,355
58,353	55,355
58,353	55,355

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

5. TRADE AND OTHER RECEIVABLES

Note	2022 \$	2021 \$
Current		
Rates receivable	39,714	33,480
Trade and other receivables	838,804	95,007
GST receivable	176,545	243,147
Allowance for credit losses of trade and other receivables	(1,575)	(500)
	1,053,488	371,134
Non-current		
Pensioner's rates and ESL deferred	22,978	18,093
	22,978	18,093

Trade and other receivables from contracts with customers

	30 June 2022 Actual \$	30 June 2021 Actual \$
Trade and other receivables from contracts with customers	836,729	94,554
Loss allowance from contracts with customers	(1,575)	(500)
Total trade and other receivables from contracts with customers	835,154	94,054

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. INVENTORIES

Note	2022 \$	2021 \$
Current		
Fuel and materials	4,228	3,152
	4,228	3,152

The following movements in inventories occurred during the year:

Balance at beginning of year	3,152	0
Additions to inventory	1,076	3,152
Balance at end of year	4,228	3,152

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

7. OTHER ASSETS

	2022	2021
	\$	\$
Other assets - current		
Prepayments	28,907	8,228
Accrued income	4,272	0
	33,179	8,228

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Bushfire equipment	Work in Progress - PPE	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		732,500	5,380,556	2,053,484	8,166,540	4,894	1,152,107	277,498	0	9,601,039
Additions		5,007	151,857	39,701	196,565	0	314,595	0	0	511,160
Disposals		(3)	0	0	(3)	0	(55,244)	0	0	(55,247)
Revaluation increments / (decrements) transferred to revaluation surplus		(135,504)	463,522	755,691	1,083,709	0	0	0	0	1,083,709
Depreciation	10(a)	0	(363,369)	(238,976)	(602,345)	(2,186)	(197,751)	(45,101)	0	(847,383)
Transfers		14,000	(14,000)	0	0	0	0	0	0	0
Balance at 30 June 2021		616,000	5,618,566	2,609,900	8,844,466	2,708	1,213,707	232,397	0	10,293,278
Comprises:										
Gross balance amount at 30 June 2021		616,000	5,618,566	2,609,900	8,844,466	13,637	1,886,188	457,898	0	11,202,189
Accumulated depreciation at 30 June 2021		0	0	0	0	(10,929)	(672,481)	(225,501)	0	(908,911)
Balance at 30 June 2021		616,000	5,618,566	2,609,900	8,844,466	2,708	1,213,707	232,397	0	10,293,278
Additions		0	45,720	17,246	62,966	13,827	705,549	0	214,502	996,844
Disposals		(5,000)	0	0	(5,000)	0	(208,341)	0	0	(213,341)
Depreciation	10(a)	0	(330,003)	(206,898)	(536,901)	(3,802)	(222,426)	(45,100)	0	(808,229)
Transfers		0	0	0	0	9,364	0	0	0	9,364
Balance at 30 June 2022		611,000	5,334,283	2,420,248	8,365,531	22,097	1,488,489	187,297	214,502	10,277,916
Comprises:										
Gross balance amount at 30 June 2022		611,000	5,664,286	2,627,146	8,902,432	43,141	2,153,751	457,898	214,502	11,771,724
Accumulated depreciation at 30 June 2022		0	(330,003)	(206,898)	(536,901)	(21,044)	(665,262)	(270,601)	0	(1,493,808)
Balance at 30 June 2022		611,000	5,334,283	2,420,248	8,365,531	22,097	1,488,489	187,297	214,502	10,277,916

**SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2021	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
<p>Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.</p> <p>During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.</p>					
(ii) Cost					
Furniture and equipment		N/A	Cost	Not applicable	N/A
Plant and equipment		N/A	Cost	Not applicable	N/A

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

Note	Infrastructure - roads	Infrastructure - drainage	Infrastructure - bridges	Infrastructure - footpaths	Infrastructure - parks & ovals	Infrastructure - airfields	Infrastructure - other	Service concession assets - infrastructure	Work in Progress - Infrastructure	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	33,756,857	134,764	3,617,867	241,117	1,490,785	56,700	374,339	0	0	39,672,429
Additions	778,156	0	2,119,404	0	312,126	0	94,441	0	0	3,304,127
(Disposals)	0	0	0	0	(7,632)	0	0	0	0	(7,632)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	46,800	0	0	0	46,800
Depreciation	10(a) (1,036,010)	(1,728)	(75,138)	(8,416)	(176,439)	0	(12,773)	(10,156)	0	(1,320,660)
Transfers	0	0	0	0	0	0	(262,629)	262,629	0	0
Balance at 30 June 2021	33,499,003	133,036	5,662,133	232,701	1,618,840	103,500	193,378	252,473	0	41,695,064
Comprises:										
Gross balance at 30 June 2021	36,274,279	138,219	5,876,321	253,989	2,234,773	103,500	257,478	262,629	0	45,401,188
Accumulated depreciation at 30 June 2021	(2,775,276)	(5,183)	(214,188)	(21,288)	(615,933)	0	(64,100)	(10,156)	0	(3,706,124)
Balance at 30 June 2021	33,499,003	133,036	5,662,133	232,701	1,618,840	103,500	193,378	252,473	0	41,695,064
Additions	5,271,694	0	2,041,202	0	84,161	0	59,945	0	150,094	7,607,096
(Disposals)	0	0	0	0	(7,145)	0	0	0	0	(7,145)
Revaluation increments / (decrements) transferred to revaluation surplus	887,282	12,374	(399,265)	(2,398)	175,314	0	66,267	(59,342)	0	680,232
Depreciation	10(a) (1,072,751)	(1,728)	(135,671)	(8,416)	(191,216)	(6,640)	(20,948)	(13,131)	0	(1,450,501)
Balance at 30 June 2022	38,585,228	143,682	7,168,399	221,887	1,679,954	96,860	298,642	180,000	150,094	48,524,746
Comprises:										
Gross balance at 30 June 2022	38,585,228	143,682	7,168,399	221,887	1,684,759	103,500	309,161	180,000	150,094	48,546,710
Accumulated depreciation at 30 June 2022	0	0	0	0	(4,805)	(6,640)	(10,519)	0	0	(21,964)
Balance at 30 June 2022	38,585,228	143,682	7,168,399	221,887	1,679,954	96,860	298,642	180,000	150,094	48,524,746

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Depreciated Cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - drainage	3	Depreciated Cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - bridges	3	Depreciated Cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - footpaths	3	Depreciated Cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - parks & ovals	3	Depreciated Cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - airfields	3	Depreciated Cost	Independent specialist valuer	June 2021	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - other	3	Depreciated Cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
Service concession assets - infrastructure	3	Depreciated Cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	330,003	237,298	363,369
Buildings - specialised	8(a)	206,898	362,393	238,976
Furniture and equipment	8(a)	3,802	2,205	2,186
Plant and equipment	8(a)	222,426	197,714	197,751
Bushfire equipment	8(a)	45,100	63,074	45,101
Infrastructure - roads	9(a)	1,072,751	636,956	1,036,010
Infrastructure - drainage	9(a)	1,728	1,729	1,728
Infrastructure - bridges	9(a)	135,671	75,207	75,138
Infrastructure - footpaths	9(a)	8,416	8,423	8,416
Infrastructure - parks & ovals	9(a)	191,216	165,428	176,439
Infrastructure - airfields	9(a)	6,640	0	0
Infrastructure - other	9(a)	20,948	12,024	12,773
Service concession assets - infrastructure	9(a)	13,131	0	10,156
Right-of-use assets - Furniture and equipment	11(a)	2,741	5,800	5,812
Right-of-use assets - plant and equipment	11(a)	0	20,000	0
		2,261,471	1,788,251	2,173,855

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings - specialised	40 to 60 years
Buildings - non-specialised	40 to 60 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 20 years
Bushfire equipment	5 to 30 years
Infrastructure - roads (excluding formation which is not depreciated)	15 to 80 years
Infrastructure - drainage	80 years
Infrastructure - bridges	50 years
Infrastructure - footpaths	10 to 40 years
Infrastructure - other	5 to 50 years
Infrastructure - recreation areas	3 to 50 years
Infrastructure - airfields	10 years

(b) Fully Depreciated Assets in Use

	2022 \$	2021 \$
The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.		
Furniture and equipment	8,221	8,221
Plant and equipment	12,400	12,400
Infrastructure - parks & ovals	0	6,300
	20,621	26,921

10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	5,000	200	0	(4,800)	0	0	0	0	3	1,001	998	0
Plant and equipment	208,341	391,291	182,950	0	140,133	216,700	77,753	(1,186)	55,244	49,682	10,729	(16,291)
Bushfire equipment	0	0	0	0	15,799	0	0	(15,799)	0	0	0	0
Infrastructure - parks & ovals	7,145	0	0	(7,145)	0	0	0	0	7,632	0	0	(7,632)
	220,486	391,491	182,950	(11,945)	155,932	216,700	77,753	(16,985)	62,879	50,683	11,727	(23,923)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Transport				
Grader	46,486	110,000	63,514	0
Toyota Hilux	19,518	38,182	18,664	0
Caterpillar CT610A Prime Mover	30,348	70,000	39,652	0
32,000 Ltr Water Tanker and Trailer	73,800	81,518	7,718	0
Other property and services				
Toyota Prado	19,654	58,864	39,210	0
Toyota RAV4	18,535	32,727	14,192	0
	208,341	391,291	182,950	0
Land				
Housing				
29 (Lot 184) Oliver St	5,000	200	0	(4,800)
	5,000	200	0	(4,800)
Other Asset class				
Recreation and culture				
Football scoreboard	7,145	0	0	(7,145)
	7,145	0	0	(7,145)
	220,486	391,491	182,950	(11,945)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

11. LEASES

(a) Right-of-Use Assets

	Note	Right-of-use assets - Furniture and equipment \$	Right-of-use assets Total \$
Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.			
Balance at 1 July 2020		23,572	23,572
Depreciation		(5,812)	(5,812)
Balance at 30 June 2021		17,760	17,760
Gains/(losses) from sale and leaseback transactions		(9,364)	(9,364)
Depreciation	10(a)	(2,742)	(2,742)
Balance at 30 June 2022		5,654	5,654

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	10(a)	(2,742)	(5,812)
Interest expense on lease liabilities	26(c)	(1,932)	(1,724)
Total amount recognised in the statement of comprehensive income		(4,674)	(7,536)
Total cash outflow from leases		(9,325)	(11,055)
(b) Lease Liabilities			
Current		3,675	7,393
Non-current	26(c)	642	4,317
		4,317	11,710

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 26(c).

Right-of-use assets - valuation measurement

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease

Rental income

2022	2021
\$	\$
116,856	114,751

The Shire leases houses to staff and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Other payables
Accrued interest
Accrued expense

2022	2021
\$	\$
645,163	0
13,937	10,577
36,530	33,708
101,341	40,426
15,507	16,062
6,345	1,437
515	0
398,960	0
1,218,298	102,210

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

13. OTHER LIABILITIES

Current

Contract liabilities
 Other Liabilities income in advance

Reconciliation of changes in contract liabilities

Opening balance
 Additions
 Revenue from contracts with customers included as a contract liability at the start of the period

	2022	2021
	\$	\$
	676,769	420,600
	3,330	8,245
	<u>680,099</u>	<u>428,845</u>
	420,600	170,866
	628,288	273,934
	<u>(372,119)</u>	<u>(24,200)</u>
	<u>676,769</u>	<u>420,600</u>

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

14. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		55,331	197,169	252,500	165,919	0	165,919
Total secured borrowings	26(a)	55,331	197,169	252,500	165,919	0	165,919

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Mingenew. Other loans relate to transferred receivables. Refer to Note 5.

The Shire of Mingenew has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 21. Details of individual borrowings required by regulations are provided at Note 26(a).

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	64,926	81,319
Long Service Leave	27,677	23,465
	92,603	104,784
Long Service Leave	11,820	11,101
	11,820	11,101
	104,423	115,885

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	78,274	81,319
More than 12 months from reporting date	26,149	34,566
	104,423	115,885

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5	0	15,302
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SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

16. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	786,615	0	0	0	786,615	922,119	0	(135,504)	(135,504)	786,615
Revaluation surplus - Buildings - non-specialised	4,241,524	0	0	0	4,241,524	3,778,002	463,522	0	463,522	4,241,524
Revaluation surplus - Buildings - specialised	2,419,608	0	0	0	2,419,608	1,663,917	755,691	0	755,691	2,419,608
Revaluation surplus - Plant and equipment	232,384	0	0	0	232,384	232,384	0	0	0	232,384
Revaluation surplus - Bushfire equipment	40,733	0	0	0	40,733	40,733	0	0	0	40,733
Revaluation surplus - Infrastructure - roads	8,613,990	887,282	0	887,282	9,501,272	8,613,990	0	0	0	8,613,990
Revaluation surplus - Infrastructure - drainage	768,269	12,374	0	12,374	780,643	768,269	0	0	0	768,269
Revaluation surplus - Infrastructure - bridges	1,487,183	0	(399,265)	(399,265)	1,087,918	1,487,183	0	0	0	1,487,183
Revaluation surplus - Infrastructure - footpaths	169,780	0	(2,398)	(2,398)	167,382	169,780	0	0	0	169,780
Revaluation surplus - Infrastructure - parks & ovals	344,620	175,314	0	175,314	519,934	344,620	0	0	0	344,620
Revaluation surplus - Infrastructure - airfields	148,860	0	0	0	148,860	102,060	46,800	0	46,800	148,860
Revaluation surplus - Infrastructure - other	73,200	6,925	0	6,925	80,125	73,200	0	0	0	73,200
	19,326,766	1,081,895	(401,663)	680,232	20,006,998	18,196,257	1,266,013	(135,504)	1,130,509	19,326,766

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	2,004,070	558,848	1,246,247
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	1,253,170	539,639	908,506
		<u>1,253,170</u>	<u>539,639</u>	<u>908,506</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	27	560,894	539,639	471,844
Contract liabilities	13	676,769	0	420,600
Deposits and bonds held	12	15,507	0	16,062
Total restricted financial assets		<u>1,253,170</u>	<u>539,639</u>	<u>908,506</u>

(b) Reconciliation of Net Result to Net Cash Provided
 By Operating Activities

Net result		6,161,001	9,915,759	2,056,160
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(2,998)	0	(2,804)
Depreciation/amortisation		2,261,471	1,788,251	2,173,855
(Profit)/loss on sale of asset		(171,005)	(60,768)	12,196
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(687,239)	233,229	(330,468)
(Increase)/decrease in other assets		(24,951)	0	(8,228)
(Increase)/decrease in inventories		(1,076)	(2,000)	(3,152)
Increase/(decrease) in trade and other payables		1,116,089	(655,000)	(27,419)
Increase/(decrease) in employee related provisions		(11,462)	0	(33,444)
Increase/(decrease) in other liabilities		251,254	(250,000)	257,034
Non-operating grants, subsidies and contributions		(7,108,918)	(10,460,322)	(3,259,814)
Net cash provided by/(used in) operating activities		<u>1,782,166</u>	<u>509,149</u>	<u>833,916</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit		500,000		500,000
Bank overdraft at balance date		0		0
Credit card limit		14,500		14,500
Credit card balance at balance date		(2,551)		(1,148)
Total amount of credit unused		<u>511,949</u>		<u>513,352</u>

Loan facilities

Loan facilities - current		55,331		165,919
Loan facilities - non-current		197,169		0
Total facilities in use at balance date		<u>252,500</u>		<u>165,919</u>

Unused loan facilities at balance date

58

0

0

18. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	2,220,091	0
	2,220,091	0
Payable:		
- not later than one year	2,220,091	0

The capital expenditure projects outstanding at the end of the current reporting period represent the Essential Public Assets Reconstruction for road works from Tropical Cyclone Seroja that occurred on 11-12 April 2021. This is fully funded through Disaster Recovery Funding Arrangements WA.

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Elected Member Gary Cosgrove			
President's annual allowance	7,424	7,500	7,348
Meeting attendance fees	6,444	4,184	6,384
Other expenses	2,022	2,160	235
ICT expenses	699	857	273
Travel and accommodation expenses	1,009	1,250	527
	17,598	15,951	14,767
Elected Member Justin Bagley			
Deputy President's annual allowance	1,321	0	0
Meeting attendance fees	3,800	4,186	3,764
Other expenses	1,903	2,160	1,148
ICT expenses	699	857	273
Travel and accommodation expenses	961	1,250	0
	8,684	8,453	5,185
Elected Member Caroline Farr			
Meeting attendance fees	3,800	4,186	3,764
Other expenses	812	287	0
ICT expenses	699	857	273
	5,311	5,330	4,037
Elected Member Jonathan Holmes			
Meeting attendance fees	2,127	0	0
Other expenses	812	0	0
ICT expenses	523	0	0
	3,462	0	0
Elected Member Hellene McTaggart			
Meeting attendance fees	3,800	4,186	3,764
Other expenses	1,903	2,160	0
ICT expenses	699	857	273
Travel and accommodation expenses	1,668	1,250	0
	8,070	8,453	4,037
Elected Member Anthony Smyth			
Meeting attendance fees	3,800	4,186	3,764
Other expenses	1,903	2,160	1,148
ICT expenses	699	858	273
Travel and accommodation expenses	961	1,250	0
	7,363	8,454	5,185
Elected Member Helen Newton (did not renominate)			
Meeting attendance fees	1,106	4,186	3,764
Other expenses	0	287	0
ICT expenses	246	857	273
	1,352	5,330	4,037
Elected Member Robert Newton (did not renominate)			
Deputy President's annual allowance	545	1,900	1,836
Meeting attendance fees	1,106	4,186	3,764
Other expenses	0	286	0
ICT expenses	246	857	273
	1,897	7,229	5,873
Elected Member Gavin Pearse (resigned)			
Meeting attendance fees	1,735	0	0
Other expenses	812	0	0
ICT expenses	302	0	0
	2,849	0	0
	56,586	59,200	43,121

19. RELATED PARTY TRANSACTIONS (Continued)

(a) Elected Member Remuneration (Continued)

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	7,424	7,500	7,348
Deputy President's annual allowance	1,866	1,900	1,836
Meeting attendance fees	27,718	29,300	28,968
Other expenses	10,167	9,500	2,531
ICT expenses	4,812	6,000	1,911
Travel and accommodation expenses	4,599	5,000	527
19(b)	56,586	59,200	43,121

Other expenses includes elected members attendance at various conventions, seminars, training and development, a comparison has been included for the 2021 year.

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	504,230	467,948
Post-employment benefits	62,393	53,700
Employee - other long-term benefits	7,517	4,434
Employee - termination benefits	24,703	30,821
Council member costs	56,586	43,121
19(a)	655,429	600,024

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

(c) Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2022 Actual	2021 Actual
	\$	\$
Purchase of goods and services	36,489	13,685

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

20. JOINT ARRANGEMENTS

Share of joint operations

In 1997/98, Council, in conjunction with Homeswest, constructed 3 x 2 bedroom and 1 x 1 bedroom Aged Persons' Units in Mingenew townsite. The terms of the joint agreement provided for Council to contribute \$54,777 which equates to an equity of 15.34%. Council has subsequently capitalised expenditure on the units. The recalculated equity for Council is 18.58%. Fair value assessment of the property was undertaken in 2020/21, along with all other Council Land and Buildings assets. The amount shown below is 18.58% of the fair value of \$439,000 and is included in Note 9.

The initial term of the agreement is 25 years, expiring on 20 August 2022. Council voted to extend the agreement beyond August 2022, with the new contract being negotiated as at 30 June 2022.

Statement of Financial Position

Property, Plant & Equipment (Asset # 0254)
 Less: accumulated depreciation

Total assets

Retained Surplus

Total equity

	2022 Actual \$	2021 Actual \$
	81,566	81,566
	(2,553)	0
	79,013	81,566
	79,013	81,566
	79,013	81,566
	34,263	24,960
	(35,517)	(27,934)
	(1,254)	(2,974)
	0	0
	(1,254)	(2,974)

Statement of Comprehensive Income

Housing revenue

Housing expenditure

Profit/(loss) for the period

Other comprehensive income

Total comprehensive income for the period

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangements have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

21. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.31%	2,004,070	472,169	1,531,801	100
2021					
Cash and cash equivalents	0.81%	1,246,247	0	1,246,147	100

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

Impact of a 1% movement in interest rates on profit and loss and equity*

	2022	2021
	\$	\$
	15,318	12,461

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 26(a).

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates, various Government Agency funding and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	22,169	4,959	3,658	8,928	39,714	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	12,652	7,883	5,487	7,458	33,480	
Loss allowance	0	0	0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.062%	2.92%	0.17%	0.00%		
Gross carrying amount	820,263	14,778	3,763	0	838,804	
Loss allowance	512	432	631	0	1,575	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.15%	6.07%	9.50%	9.52%		
Gross carrying amount	92,618	862	4	1,523	95,007	
Loss allowance	303	52	0	145	500	5

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	0	500	572	0	0
Increase in loss allowance recognised in profit or loss during the year	0	0	1,075	0	0	0
Unused amount reversed	0	0	0	(72)	0	0
Closing loss allowance at 30 June	0	0	1,575	500	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2022					
Trade and other payables	1,218,298	0	0	1,218,298	1,218,298
Borrowings	55,331	197,169	0	252,500	252,500
Lease liabilities	3,675	642	0	4,317	4,317
	<u>1,277,304</u>	<u>197,811</u>	<u>0</u>	<u>1,475,115</u>	<u>1,475,115</u>
2021					
Trade and other payables	61,785	0	0	61,785	61,785
Borrowings	165,919	0	0	165,919	165,919
Lease liabilities	7,393	4,317	0	11,710	11,710
	<u>235,097</u>	<u>4,317</u>	<u>0</u>	<u>239,414</u>	<u>239,414</u>

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have a significant impact on the financial report.

23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
<p>Governance</p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.</p>
<p>General purpose funding</p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>Law, order, public safety</p> <p>To provide services to help ensure a safer community.</p>	<p>Fire prevention, animal control and inspections.</p>
<p>Health</p> <p>To provide services to help ensure a safer community.</p>	<p>Food quality, pest control and inspections.</p>
<p>Education and welfare</p> <p>To meet the needs of the community in these areas.</p>	<p>Includes education programs, youth based activities, care of families, the aged and disabled.</p>
<p>Housing</p> <p>Provide housing services required by the community and for staff.</p>	<p>Maintenance of staff, aged and rental housing.</p>
<p>Community amenities</p> <p>Provide services required by the community.</p>	<p>Rubbish collection services, landfill maintenance, townsite storm water drainage control and maintenance, administration of the Town Planning Scheme and maintenance of cemeteries.</p>
<p>Recreation and culture</p> <p>To establish and manage efficiently, infrastructure and resources which will help the social wellbeing of the community.</p>	<p>Maintenance of halls, recreation centres and various reserves, operation of library, support of community events and matters relating to heritage.</p>
<p>Transport</p> <p>To provide effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads and footpaths, traffic signs and depot maintenance.</p>
<p>Economic services</p> <p>To help promote the Shire and improve its economic wellbeing.</p>	<p>The regulation and provision of tourism, area promotion, building control and noxious weeds.</p>
<p>Other property and services</p> <p>To provide effective and efficient administration, works operations and plant and fleet services.</p>	<p>Private works operations, plant repairs and operational costs. Administration overheads.</p>

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	14,121	13,899	18,823
General purpose funding	2,082,860	2,076,475	2,006,681
Law, order, public safety	122,476	5,300	201,728
Health	650	820	801
Education and welfare	2,227	1,375	1,191
Housing	121,906	117,930	111,873
Community amenities	82,562	78,300	75,059
Recreation and culture	56,184	36,833	39,047
Transport	798,829	562,768	482,865
Economic services	42,316	37,215	37,376
Other property and services	131,090	37,535	25,175
	3,455,221	2,968,450	3,000,619
Grants, subsidies and contributions			
Governance	0	0	14,248
General purpose funding	997,845	689,000	640,230
Law, order, public safety	397,377	725,011	22,139
Education and welfare	11,663	127,050	22,212
Housing	0	0	23,278
Community amenities	0	10,000	20,000
Recreation and culture	264,484	269,692	311,929
Transport	6,891,248	9,568,194	2,904,176
Economic services	152,888	185,200	36,619
Other property and services	30,949	45,000	50,664
	8,746,454	11,619,147	4,045,495
Total Income	12,201,675	14,587,597	7,046,114
Expenses			
Governance	(360,985)	(349,625)	(315,432)
General purpose funding	(92,164)	(82,800)	(75,572)
Law, order, public safety	(490,236)	(211,815)	(351,597)
Health	(89,714)	(88,061)	(77,002)
Education and welfare	(148,181)	(143,142)	(128,865)
Housing	(170,326)	(164,554)	(157,236)
Community amenities	(321,505)	(277,836)	(227,931)
Recreation and culture	(1,055,965)	(1,011,761)	(1,071,818)
Transport	(2,653,452)	(1,849,425)	(2,233,259)
Economic services	(443,501)	(411,575)	(348,015)
Other property and services	(214,645)	(81,244)	(3,227)
Total expenses	(6,040,674)	(4,671,838)	(4,989,954)
Net result for the period	6,161,001	9,915,759	2,056,160

23. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
(c) Fees and Charges	\$	\$	\$
General purpose funding	14,823	4,010	3,632
Law, order, public safety	1,822	1,150	1,226
Health	650	820	801
Education and welfare	2,004	800	791
Housing	113,389	116,230	108,685
Community amenities	82,562	78,300	75,059
Recreation and culture	35,367	35,834	25,263
Economic services	28,558	27,645	30,716
Other property and services	5,128	9,000	9,333
	284,303	273,789	255,506

	2022	2021
(d) Total Assets	\$	\$
Governance	72,055	56,322
General purpose funding	67,692	51,656
Law, order, public safety	438,873	294,426
Health	182	179
Education and welfare	693,683	653,500
Housing	2,479,995	2,675,374
Community amenities	358,109	483,179
Recreation and culture	4,827,544	4,714,832
Transport	47,695,546	41,353,037
Economic services	1,326,437	1,159,092
Other property and services	4,024,496	2,266,714
	61,984,612	53,708,311

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. RATING INFORMATION

(a) General Rates

RATE TYPE		2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
GRV - Mingenew	Gross rental valuation	0.15388	129	1,153,984	177,574	2,939	209	180,722	177,573	0	150	177,723	173,495
GRV - Yandanooka	Gross rental valuation	0.15388	2	13,884	2,136	0	0	2,136	2,136	0	0	2,136	2,086
GRV - Commercial	Gross rental valuation	0.15388	14	346,632	53,339	0	0	53,339	53,339	14,000	0	67,339	52,091
GRV - Industrial	Gross rental valuation	0.15388	1	12,480	1,920	0	0	1,920	1,920	0	0	1,920	1,875
UV - Rural & Mining	Unimproved valuation	0.01229	111	136,073,500	1,672,343	(136)	0	1,672,207	1,672,343	0	0	1,672,343	1,627,013
Sub-Total			257	137,600,480	1,907,312	2,803	209	1,910,324	1,907,311	14,000	150	1,921,461	1,856,560
Minimum payment													
GRV - Mingenew	Gross rental valuation	728	60	24,870	44,408	1,428	0	45,836	43,680	0	0	43,680	41,713
GRV - Yandanooka	Gross rental valuation	728	0	0	0	0	0	0	0	0	0	0	0
GRV - Commercial	Gross rental valuation	728	9	6,200	6,552	0	0	6,552	6,552	0	0	6,552	6,363
GRV - Industrial	Gross rental valuation	728	3	2,786	2,184	0	0	2,184	2,184	0	0	2,184	2,121
UV - Rural & Mining	Unimproved valuation	1,093	34	680,657	37,162	4,315	0	41,477	37,162	0	0	37,162	33,535
Sub-Total			106	714,513	90,306	5,743	0	96,049	89,578	0	0	89,578	83,732
			363	138,314,993	1,997,618	8,546	209	2,006,373	1,996,889	14,000	150	2,011,039	1,940,292
Concessions on general rates (Refer note 24(d))								(1,068)				(1,068)	(1,043)
Total amount raised from general rates								2,005,305				2,009,971	1,939,249
* Rateable value is based on the value of properties at the time the rate is raised.													
(b) Rates (excluding general rates)													
Ex-gratia Rates													
CBH			1		38,872	0	0	38,872	39,102	0	0	39,102	37,961
Murchison Region Aboriginal Co			1		311	0	0	311	310	0	0	310	303
Sub-Total			2	0	39,183	0	0	39,183	39,412	0	0	39,412	38,264
Total amount raised from rates (excluding general rates)													
								39,183				39,412	38,264
(c) Total Rates													
								2,044,488				2,049,383	1,977,513

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

SHIRE OF MINGENEW
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

24. RATING INFORMATION (Continued)

(d) Discounts, Incentives, Concessions, & Write-offs

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Yandanooka Townsite	Rate	Concession	50.00%	1,035	1,068	1,068	1,043
					1,068	1,068	1,043
Total discounts/concessions (Note 24)					1,068	1,068	1,043

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Yandanooka Townsite	GRV properties in Yandanooka townsite	Assist Yandanooka property owners	Recognise the reduced level of service provided to these ratepayers

24. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	3 Sept 2021	0	0.00%	0.00%
Option Two				
First instalment	3 Sept 2021	0	5.50%	7.00%
Second instalment	5 Nov 2021	15	5.50%	7.00%
Option Three				
First instalment	3 Sept 2021	15	5.50%	7.00%
Second instalment	5 Nov 2021	15	5.50%	7.00%
Third instalment	14 Jan 2022	15	5.50%	7.00%
Fourth instalment	18 Mar 2022	15	5.50%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	3,860	3,800	3,610
Interest on instalment plan	3,999	4,200	4,153
Charges on instalment plan	1,800	2,000	1,875
	9,659	10,000	9,638

25. RATE SETTING STATEMENT INFORMATION

	2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2020/21 (30 June 2021 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(c) (182,950)	(77,753)	(11,727)
Less: Movement in liabilities associated with restricted cash	(12,178)	0	(31,346)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,998)	0	(2,804)
Add: Loss on disposal of assets	10(c) 11,945	16,985	23,923
Add: Depreciation	10(a) 2,261,471	1,788,251	2,173,855
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(4,885)	0	(5,276)
Employee benefit provisions	719	0	(2,098)
Non-cash amounts excluded from operating activities	2,071,124	1,727,483	2,144,527
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	27 (560,894)	(539,639)	(471,844)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 55,331	0	165,919
- Current portion of lease liabilities	11(b) 3,675	71,297	7,393
- Employee benefit provisions	92,601	104,784	104,780
Total adjustments to net current assets	(409,287)	(363,558)	(193,752)
Net current assets used in the Rate Setting Statement			
Total current assets	3,094,965	710,134	1,628,761
Less: Total current liabilities	(2,050,006)	(346,576)	(809,151)
Less: Total adjustments to net current assets	(409,287)	(363,558)	(193,752)
Net current assets used in the Rate Setting Statement	635,672	0	625,858

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget					
		Principal at	New Loans	Principal	Principal at	New Loans	Principal	Principal at	New Loans	Principal	Principal at		
		1 July 2020	During	Repayments	30 June 2021	During 2021-22	Repayments	30 June 2022	During 2021-22	Repayments	30 June 2022		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Senior Citizen Building		39,211	0	(22,210)	17,001	0	(17,001)	0	22,210	0	(17,001)	5,209	
King Street - Triplex		28,373	0	(14,151)	14,222	0	(14,222)	0	14,151	0	(14,222)	(71)	
Phillip Street - House		21,279	0	(10,780)	10,499	0	(10,499)	0	10,780	0	(10,499)	281	
Moore Street - House		45,059	0	(26,884)	18,175	0	(18,175)	0	26,884	0	(18,175)	8,709	
Field Street - House		27,422	0	(12,415)	15,007	0	(15,007)	0	12,415	0	(15,007)	(2,592)	
Pavilion Fitout		40,242	0	(21,321)	18,921	0	(18,921)	0	21,321	0	(18,921)	2,400	
Roller		12,244	0	(5,227)	7,017	0	(7,017)	0	5,227	0	(7,017)	(1,790)	
Grader		40,300	0	(18,148)	22,152	0	(22,152)	0	18,148	0	(22,152)	(4,004)	
Side Tipper		27,447	0	(12,415)	15,032	0	(15,032)	0	12,415	0	(15,032)	(2,617)	
Drum Roller		46,337	0	(18,444)	27,893	0	(27,893)	0	18,444	0	(27,893)	(9,449)	
Grader		0	0	0	0	280,000	(27,500)	252,500	0	0	0	0	
Total		327,914	0	(161,995)	165,919	280,000	(193,419)	252,500	161,995	0	(165,919)	(3,924)	
Total Borrowings	14	327,914	0	(161,995)	165,919	280,000	(193,419)	252,500	161,995	0	(165,919)	(3,924)	

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year	Budget for year	Actual for year
						ending	ending	ending
						30 June 2022	30 June 2022	30 June 2021
						\$	\$	\$
Senior Citizen Building		Education and welfare	137	WA Treasury	2.40%	(520)	(441)	(1,214)
King Street - Triplex		Housing	133	WA Treasury	2.40%	(331)	(281)	(773)
Phillip Street - House		Housing	134	WA Treasury	2.40%	(252)	(214)	(589)
Moore Street - House		Housing	136	WA Treasury	2.40%	(629)	(534)	(1,469)
Field Street - House		Housing	142	WA Treasury	2.40%	(290)	(246)	(678)
Pavilion Fitout		Recreation and culture	138	WA Treasury	2.40%	(499)	(424)	(1,165)
Roller		Transport	139	WA Treasury	2.40%	(123)	(104)	(286)
Grader		Transport	141	WA Treasury	2.40%	(424)	(361)	(992)
Side Tipper		Transport	144	WA Treasury	2.40%	(290)	(246)	(678)
Drum Roller		Transport	145	WA Treasury	2.40%	(431)	(366)	(1,008)
Grader		Transport	146	WA Treasury	0.80%	(3,273)	0	0
Total						(7,062)	(3,217)	(8,852)
Total Interest Repayments	2(b)					(7,062)	(3,217)	(8,852)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2022	2022	2022	2022		
					Actual	Budget	Actual	Budget		
				%	\$	\$	\$	\$	\$	\$
Grader	WATC*		5	0.80%	280,000	0	(280,000)	0	6,187	0
					280,000	0	(280,000)	0	6,187	0

* WA Treasury Corporation

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. BORROWING AND LEASE LIABILITIES (Continued)

(c) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	Adjustments During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Photocopier		10,400	428	(3,123)	7,705	0	(3,388)	4,317	6,949	0	(3,187)	3,762
Computer equipment		10,318	(105)	(6,208)	4,005	0	(4,005)	0	4,338	0	(3,945)	393
Grader		0	0	0	0	0	0	0	0	300,000	(57,041)	242,959
Total Lease Liabilities	11(b)	20,718	323	(9,331)	11,710	0	(7,393)	4,317	11,287	300,000	(64,173)	247,114

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending	Lease Term
						30 June 2022	30 June 2022	30 June 2021	
						\$	\$	\$	
Photocopier		Other property and services		De Lage Landon	8.20%	(505)	(705)	(769)	60 months
Computer equipment		Other property and services		Finrent	12.80%	(1,427)	(829)	(955)	36 months
Grader		Transport		-	-	0	(6,849)	0	-
Total Interest Repayments	2(b)					(1,932)	(8,383)	(1,724)	

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Building and land reserve	30,301	30	0	30,331	30,301	182	0	30,483	30,035	266	0	30,301
(b) Plant reserve	194,640	80,255	0	274,895	194,640	66,133	0	260,773	153,439	41,201	0	194,640
(c) Recreation reserve	3,096	3	0	3,099	3,096	19	0	3,115	3,069	27	0	3,096
(d) Employee entitlement reserve	68,134	8,589	0	76,723	68,134	411	0	68,545	67,535	599	0	68,134
(e) Aged person units reserve	12,782	13	0	12,795	12,782	77	0	12,859	12,670	112	0	12,782
(f) Environmental reserve	19,617	19	0	19,636	19,617	118	0	19,735	19,445	172	0	19,617
(g) Land development reserve	6,978	7	0	6,985	6,978	35	0	7,013	5,723	1,255	0	6,978
(h) TRC/PO/NAB building reserve	22,218	22	0	22,240	22,218	133	0	22,351	22,023	195	0	22,218
(i) Insurance reserve	23,045	23	0	23,068	23,045	139	0	23,184	22,842	203	0	23,045
(j) Economic development & marketing reserve	10,323	10	0	10,333	10,323	61	0	10,384	10,232	91	0	10,323
(k) Covid-19 emergency reserve	80,710	79	0	80,789	80,710	487	0	81,197	80,000	710	0	80,710
	471,844	89,050	0	560,894	471,844	67,795	0	539,639	427,013	44,831	0	471,844

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Building and land reserve	Ongoing	For acquisition, construction and maintenance of buildings and associated land
(b) Plant reserve	Ongoing	For purchase of plant and equipment
(c) Recreation reserve	Ongoing	For the improvement of sportsgrounds
(d) Employee entitlement reserve	Ongoing	To fund annual, sick and long service leave and accrued staff bonuses
(e) Aged person units reserve	Ongoing	For funding of future operating shortfalls of the aged person units in accordance with the Homeswest Joint Arrangement
(f) Environmental reserve	Ongoing	For rehabilitation of sites such as gravel pits, refuse and contaminated sites
(g) Land development reserve	Ongoing	For the acquisition, subdivision and development of land
(h) TRC/PO/NAB building reserve	Ongoing	For the maintenance of the buildings
(i) Insurance reserve	Ongoing	For the settlement of minor property expenses under \$5,000 that would otherwise been insurance claims
(j) Economic development & marketing reserve	Ongoing	For economic development and marketing of the Shire of Mingenew
(k) Covid-19 emergency reserve	Ongoing	For emergency relief to impacted staff and the fire or purchase of critical equipment



Exit Meeting

ANNUAL FINANCIAL AUDIT OF THE SHIRE OF MINGENEW FOR THE YEAR ENDED 30 JUNE 2022

ATTENDEES:

The Shire of Mingenew Board

Gary Cosgrove	President
Jane Bagshaw	Independent Member
Hellene McTaggart	Chairperson
Anthony Smyth	Council Member
Alex Pearse	Council Member
Matt Fanning	Chief Executive Officer
Jeremy Clapham	Finance and Administration Manager
Erin Greaves	Governance and Community Manager

Office of the Auditor General

Liang Wong	Assistant Director – Financial Audit
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Nexia Perth

Justin Mulhair	Director
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Interview Date & Time:

08 December 2022 at 4.00pm

Location:

MS Teams meeting

Agenda

1. Introduction

2. Matters Arising from the Audit

2.1. Financial Statements

- No issues

2.2. Controls and Legal Compliance Issues

- No issues

2.3. Management Letter points

Interim Audit Management Letter Points:

- Review of New Supplier Details
- Purchases Cut-Off Error

Final Audit Management Letter Points:

- Non-Compliance with Regulation 5 of the Local Government (Financial Management) Regulations 1996



Exit Meeting

3. Actions for Next Year's Audit

- Timing of R2R and LRCI grant acquittals
- Implementation of an annual FV assessment to determine whether there have been any significant events that may significantly impact on the FV of the Shire's PPE and infrastructure assets which are not revalued in the financial year as required by the Local Government Regulation.

4. General & Closing Comments

Shire of Mingenew

Exit Report Year Ended 30 June 2022

08 December 2022

Strictly Private & Confidential

Council Members
Shire of Mingenew
21 Victoria Road
Mingenew WA 6522

Dear Council Members

08 December 2022

Shire of Mingenew - Exit Report for the year ended 30 June 2022– Communication with those charged with Governance

We are pleased to present you with our Exit Report relating to the audit of the Shire of Mingenew (the Shire) for the year ended 30 June 2022.

We are responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to the responsibilities in overseeing the financial reporting process. This report includes an analysis of the audit outcomes, key review risk areas, our audit opinion and other recommendations for your attention.

We have substantially completed our audit work, with only the following matters outstanding:

- Receipt of the signed management representation letter;
- Confirmation that there are no subsequent events which might affect the financial statements; and
- Receipt of the signed financial report.

We intend to recommend to the Auditor General to issue an unmodified audit report after these matters are completed.

We would like to take this opportunity to thank the Shire of Mingenew's finance and administrative team for their assistance over the course of the audit.

If you have any queries or wish to discuss any issues further, please do not hesitate to contact us.

Yours faithfully,

Justin Mulhair CA RCA
Director
Nexia Perth Audit Services Pty Ltd

Liang Wong
Director
Office of the Auditor General of Western Australia

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1. Audit Scope

Scope

Financial Audit

The primary scope and objective is to express an opinion to the electors of the Shire on whether the Shire's general purpose financial report as a whole is free from material misstatements (whether due to fraud or error) and is prepared (in all material respects) in accordance with applicable Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

2. Audit risk areas

The areas below are audit risk areas that we identified based on our understanding the Shire's operations, discussions with management as well as any additional risks that arose during the audit. These audit risk areas were included in our Audit Strategy Memorandum at the commencement of the audit and are summarised as follows;

- Operational and capital expenditure;
- Revenue recognition;
- Property, Plant and Equipment and Infrastructure;
- Management override;
- Related party transactions and disclosures;
- Financial ratios;
- Impact from COVID-19 pandemic;
- Local Government Reform Changes;
- Reserve accounts;
- Prior Year Management Letter Finding;
- Employee benefit provisions;
- Potential key changes to accounting standards that may impact your entity for the first time this year;
- IFRS Interpretations Committee (IFRIC) Agenda decisions that may impact your entity;
- Local Government Financial Management Regulation 5 review; and
- IT General Controls

This is not a complete list of all audit risks considered or all audit procedures performed. We have presented the risks in three categories: high, medium and low. These are defined as follows:

HIGH	A judgmental assessment of inherent risk as high relates to those risks which require special audit consideration (in terms of the nature, timing or extent of testing) because of: the nature of the risk, the likely magnitude of the potential misstatements (including the possibility that the risk may give rise to multiple misstatements) and the likelihood of the risk occurring.
MEDIUM	A judgmental assessment of inherent risk as medium relates to a risk that requires additional audit consideration beyond what would be required for a low risk, but which does not rise to the level of a high risk.
LOW	A judgmental assessment of inherent risk as low is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring. We do not, as a matter of course, discuss normal risks with those charged with governance unless we seek their confirmation on the judgment that has been applied.

2. Audit risk areas (continued)

AUDIT RISK AREA	AUDIT CONCLUSION
<p>R1 Operational expenditure and capital expenditure</p> <p>As is prevalent in the local government industry, expenditure forms a large part of the Shire's operations. This takes the form of both operating expenditure and capital expenditure.</p>	<p>Based on the work performed, we are satisfied that operational and capital expenditure were correctly treated during the year and there are effective internal controls in place. Furthermore, we are satisfied that the Shire's accounting policy has been consistently applied and is in accordance with the Australian accounting standards.</p>
<p>R2 Revenue recognition (presumed risk in accordance with ASA 240 <i>The Auditor's Responsibility to Consider Fraud in an Audit of a Financial Report</i>)</p> <p>The Shire's main sources of revenue are:</p> <ul style="list-style-type: none"> ■ government grants; ■ rates; and ■ other fees and charges. 	<p>Based on the work performed, we are satisfied that operating and non-operating revenue/income has been correctly recognised during the year in accordance with the Shire's accounting policy and Australian accounting standards.</p>
<p>R3 Property, Plant and Equipment and Infrastructure</p> <p>Under regulation 17A of the Financial Management Regulations, the Shire's Property, Plant and Equipment and Infrastructure is to be carried at fair value less accumulated depreciation and accumulated impairment losses. Under regulation 17(4) of the Financial Management Regulations, the Shire is required to revalue an asset:</p> <ul style="list-style-type: none"> ■ whenever the local government believes the fair value of the asset is likely to be materially different from its carrying amount; and, ■ in any event, within a period of at least 3 years but no more than 5 years after the day on which the asset was last valued or revalued. <p>There is a risk that the fair value assessment has not been performed in accordance with AASB 13 <i>Fair value measurement</i>.</p> <p>Furthermore, in accordance with paragraph 9 of AASB 136 <i>Impairment of Assets</i>, the Shire is required to assess at each reporting date whether there is any indication that an asset may be impaired.</p> <p>Effective from 1 July 2018, regulation 17A (5) of the Financial Management Regulations provides that an asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition is under \$5,000.</p>	<p>Based on the work performed, we are satisfied that Property, Plant and Equipment and Infrastructure were correctly treated during the year and there are effective internal controls in place. Furthermore, we are satisfied that the Shire's accounting policy has been consistently applied and is in accordance with Australian accounting standards.</p>

2. Audit risk areas (continued)

AUDIT RISK AREA	AUDIT RESPONSE AND CONCLUSION
<p>R4 Management override (presumed risk in accordance with ASA 240 <i>The Auditor's Responsibility to Consider Fraud in an Audit of a Financial Report</i>)</p> <p>Management is involved in the day-to-day operations and monitoring of the business, which gives them the ability to manipulate accounting records and manipulate financial disclosures by overriding controls in place. Due to the unpredictable way in which such override could occur, this leads to potential fraud risk.</p>	<p>Based on the work performed, we are satisfied that there are adequate internal controls in place surrounding journal entries and that these are operating effectively. Furthermore, journals processed during the year which we examined were supported by appropriate documentation. Lastly, there was no evidence of management bias noted in the use of accounting estimates.</p>
<p>R5 Related party transactions and disclosures</p> <p>The Shire is subject to the requirements of AASB 124 Related Party Disclosures (AASB 124) as they prepare general purpose financial statements. AASB 124 requires the disclosures of key management personnel compensation, elected members remuneration and other transactions and balances with related parties.</p>	<p>Based on the work performed, we are satisfied that related party transactions were all conducted at arm's length and have been appropriately disclosed in the financial report.</p>
<p>R6 Financial ratios</p> <p>It was communicated at planning that "Under Regulation 50 of the Financial Management Regulations, the Shire needs to include financial ratios in their financial report. Financial ratios are designed to enable users of the financial reports to interpret more clearly the Shire's performance and financial results as well as provide trend analysis over a number of years". As per point 8 below this requirement has since changed.</p>	<p>Given the Shire of Mingenew is no longer required to include Financial Ratios in its audited Financial Report, we have not performed any work on financial ratios.</p>
<p>R7 Impact from COVID-19 pandemic</p> <p>COVID-19 pandemic may impact a number of operational areas which may in turn have a financial impact. The potential impacts include;</p> <ul style="list-style-type: none"> ▪ breakdown in the internal control procedures; and ▪ impairment of trade and other receivables. 	<p>Based on the work performed, we did not identify any internal control deficiencies or indications that internal controls had broken down as a result of the COVID-19 pandemic.</p> <p>Further, through the work we performed we did not identify any indications that the balance of trade and other receivables is impaired at year end.</p>

2. Audit risk areas (continued)

AUDIT RISK AREA	AUDIT RESPONSE AND CONCLUSION
<p>R8 Local government reform changes As communicated at planning The Local Government Reforms project is currently underway. On review of the developments arising from the reform project during the year, Nexia notes that the Shire is no longer required to report on Financial Ratios in its Financial Report.</p>	<p>Based on work performed, there have been no findings from consideration of local government reform changes.</p>
<p>R9 Reserve Accounts The Shire has set up various reserve accounts under section 6.11 of the Act for the purpose of setting aside money for a specific purpose to be used in a future period. Cash reserves are required to be held in separate bank accounts.</p>	<p>Based on work performed, we are satisfied that the transfers to and from these accounts during the year were in accordance with the specific purpose of the reserves and were all approved by Council.</p>
<p>R10 Prior Year Management Letter Finding There was one Management Letter Finding identified in the audit for the financial year ended 30 June 2021. These was as follows:</p> <ul style="list-style-type: none"> ▪ Some infrastructure assets which were revalued in FY2018 have not been correctly depreciated since that financial year. Also, some infrastructure asset additions in FY2019 were not depreciated since that financial year. The Shire rectified the error, subsequent to the audit finding being raised, through a prior year restatement of the financial report. 	<p>Based on work performed, we are satisfied that there is no recurrence of the issue identified in the previous year and that assets are being depreciated in line with the Shires policies.</p> <p>We performed a recalculation of the depreciation during the year and no material variances were noted. We also reviewed the Infrastructure Valuation reports completed by the external valuers AssetVal and Greenfield Technical Services during the year and determined that the Revaluation movements noted in the current year financial statements appear to be free from material misstatement and in line with the experts' calculations.</p>
<p>R11 Employee benefit provisions Employee benefit provisions are a material balance in the Statement of Financial Position. Provisions for annual leave and long service leave involve a degree of management estimation and a level of uncertainty in their calculations.</p>	<p>Based on work performed, we are satisfied that there are adequate controls around leave approvals and that these are operating effectively. We are also satisfied that the assumptions and inputs used in calculating employee benefit provisions are appropriate and in accordance the Shire's accounting policy and Australian accounting standards.</p>

2. Audit risk areas (continued)

AUDIT RISK AREA	AUDIT RESPONSE AND CONCLUSION
<p>R12 Potential key changes to accounting standards that may impact your entity for the first time this year</p> <ul style="list-style-type: none"> AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities <p>The AASB is currently working on a short-term, narrow scope project to clarify some aspects of AASB 15 and AASB 1058. This may result in:</p> <ul style="list-style-type: none"> - Amendment of existing illustrative examples in and/or addition of new illustrative examples to the standards - Educational material to support consistent application of the standards. 	<p>Based on the work performed, we are satisfied that the Shire's 3 main revenue streams; government grants; rates; and other fees and charges are free from material misstatement and have been appropriately disclosed in the financial report. Thus, there was no further work performed on this area.</p>
<p>R13 IFRS Interpretations Committee (IFRIC) Agenda decisions that may impact your entity</p> <ul style="list-style-type: none"> AASB 138 Intangible Assets <p>IFRIC has issued two final agenda decisions on cloud computing arrangements (Software as a Service or SaaS arrangements):</p> <ul style="list-style-type: none"> - The March 2019 decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term. - The April 2021 decision builds on the 2019 decision and considers how a customer accounts for configuration or customisation costs where an intangible asset is not recognised. 	<p>Based on work performed, there is no significant impact on the Shire of Mingenew from the IFRIC Agenda decision.</p> <p>We note that there was one off the shelf cloud computing arrangement entered into by the Shire during the year, being the Synergy Soft Accounting System. We assessed whether the arrangement constituted an Intangible Asset in line with the guidance issued by IFRIC on same.</p> <p>We determined that given the package is off the shelf, has not been customised for the Shire and must be renewed each year for a period of 12 months through the payment of the annual license fee, it does not constitute an Intangible Asset.</p>
<p>R14 Local Government Financial Management Regulation 5 review</p> <p>The Shire is required to review its financial management systems and procedures every three years. The last review was performed in 2019 and, thus, the Shire was required to complete a review during the financial year ended 30 June 2022.</p>	<p>Based on work performed, we note that the Shire has not complied with Local Government Financial Management Regulation 5 which requires the Shire to review its financial management procedures every 3 years. The Shire last completed a review of same in August 2019.</p> <p><i>Please refer to Section 3 Current year findings and recommendations for further details.</i></p>

2. Audit risk areas (continued)

	AUDIT RISK AREA	AUDIT RESPONSE AND CONCLUSION
	<p>R15 IT General Controls Integrated financial information and financial reporting relies on the security, integrity and reliability of a Shire's information technology environment.</p>	<p>Based on work performed, we are satisfied that, overall, there are strong Information Technology General Controls in place.</p> <p>We note that Multi-Factor Authentication was implemented by the Shire in September 2021 and that same is in effect for all staff performing duties from home as applicable.</p>

3. Current year findings and recommendations

Internal controls findings and recommendations

We are required to report to you any material weaknesses in the accounting and internal control systems identified during the audit.

During our audit for the year ended 30 June 2022, we evaluated the effectiveness of controls on three levels – design, implementation and operating effectiveness. As part of this evaluation, we gained a detailed understanding of the policies and procedures over the following processes:

1. Procurement, purchases and payments;
2. Property, plant and equipment (additions);
3. Payroll;
4. Bank and cash;
5. Monthly financial reporting; and
6. Journal entries.

Control weaknesses or deficiencies identified during the course of our fieldwork are categorised and reported in accordance with the categories defined below. The categories are:

Significant	Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating may be reported as a matter of non-compliance in the audit report in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.
Moderate	Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
Minor	Those findings that are not of primary concern but still warrant attention and/or action being taken.

	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE
	<p>At the conclusion of our interim audit, we concluded that based on our observations and testing, no significant internal control deficiencies were identified.</p> <p>During the year-end testing, we re-evaluated the design, implementation and operating effectiveness of controls over the processes listed above. As a result we were able to place reliance on certain key controls for our audit.</p>	None	None

3. Current year findings and recommendations (continued)

Other findings and recommendations

	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE
	<p>Non-Compliance with Regulation 5 of the Local Government Financial Management Regulations 1996</p> <p>We note that the Shire has not undertaken reviews of the appropriateness and effectiveness of the financial management systems and procedures of the Shire (not less than once in every 3 years) and report to the Shire the results of these reviews. The Shire completed the last review in August 2019.</p> <p>We note that management have engaged an external contractor to perform this work on their behalf and this work has commenced in October 2022.</p> <p>Implication</p> <p>By not reviewing its financial management systems and procedures regularly (not less than once in every 3 years), the Shire is in breach of Regulation 5 of the Local Government (Financial Management) Regulations 1996.</p> <p>Furthermore, the Shire risks procedures becoming outdated if regular reviews are not performed.</p>	<p>Management should ensure that Regulation 5 of the Local Government (Financial Management) Regulations 1996 is complied with going forward and that at least one review of the Shire's financial management systems and procedures is completed every 3 years.</p>	<p>The FMR and Reg 17 reviews are currently taking place, with a view to having them completed before 31 December 2022. The contractor currently doing these reviews was engaged on 14 April 2022, although the work only started in October 2022.</p>
	<p>Compliance with other laws and regulations</p> <p>Laws and Regulations applicable to the Shire include the following:</p> <ul style="list-style-type: none"> ■ <i>Local Government (Audit) Regulations 1996;</i> ■ Australian Tax Office (GST / FBT / PAYG) compliance; and ■ Compliance with conditions of program funding arrangements. <p>No instances of non-compliance noted.</p>	<p>None</p>	<p>None</p>

3.1. Other Consideration

Other consideration

- Local Government (LG) entities report most of their Property, Plant and Equipment and Infrastructure Assets at fair value. The LG entity under *AASB 13 Fair Value Measurement* should be determining whether there are trigger events that would indicate movement in these assets annually as required under Australian Accounting Standards. This assessment need also be considered in accordance with 17A, 4(a) of the Local Government (Financial Management) Regulations 1996.
- Particularly in a non-revaluation year, where fair value movement indicators exist, a robust fair value assessment should be performed capturing the requirements of *AASB 13 Fair Value Movements*.
- This does not suggest a formal revaluation be performed annually. However, LG entities could consider implementing from their internal/external valuer a desktop analysis to inform the LG entity of potential movements applicable to their LG. Where Fair Value movements are present the LG entity should be considering and providing to auditors supporting evidence of amounts and the basis of determining the booking of these revaluation movements.
- Where an LG undertakes the formal valuation internally, it is recommended they have this assessment peer reviewed (i.e. review the valuation methodology, inputs and model etc for reasonableness) by an approved independent valuer.
- Where these assessments have not been performed or are not of a sufficient robustness, a significant Management Letter finding will be reported and on-flowing considerations to the audit opinion may result.
- This is an important area that would require early consideration by LG entities as part of the annual preparation of financial statements. This is essential to allow the LG entity to perform and engage experts as required, particularly where trigger events are noted.

4. Materiality & audit adjustments

Materiality

Misstatements, including omissions, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users of the financial report. The determination of materiality is a matter of professional judgement and is affected by our perception of the financial information needs of users of the financial report. Having considered the nature of the entity, the industry and economic environment in which the entity operates and the relative volatility of alternative benchmarks, we determined the most appropriate benchmark for calculating materiality to use was **total expenses**.

Unadjusted misstatements

Australian Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Unadjusted misstatements identified during the audit

There were no unadjusted misstatements identified during the audit for the year ended 30 June 2022.

5. Other reporting requirements

AREA	RESPONSE
Consideration of fraud	<p>Our audit procedures include discussion with management and those charged with governance as to the existence of any known or suspected material fraud. There was no known or suspected material fraud noted from these discussions. Those charged with governance may contact Justin Mulhair at Nexia on (08) 9463 2463 if they are aware of any known or suspected fraud.</p> <p>We are not aware of any known or suspected material fraud, nor has it been brought to our attention by management. We will obtain in writing, representations regarding the existence of fraud, policies and procedures in place to prevent and detect fraud, noting no instances of fraud of which management are aware.</p>
Appropriateness of accounting policies	<p>We considered management's assessment of the effects of any accounting policy changes on the Shire's financial statements for the current financial year as well as their assessment of any potential effects arising from those standards applicable for the first time in subsequent financial periods.</p> <p>No new or revised accounting standards applicable for the first time for this financial year had an effect on the accounting policies previously adopted.</p> <p>We consider that the accounting policies adopted in the financial statements are appropriately applied and disclosed.</p> <p>We noted no transactions entered into by the Shire during the year for which there is a lack of authoritative guidance or consensus.</p> <p>There are no significant transactions that have been recognised in the financial statements in a different period than when the transaction occurred.</p>
Ethics and independence	<p>We have obtained independence declarations from all staff engaged in the audit.</p> <p>We confirmed that to the best of our knowledge, we met the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to our audit of the financial report.</p> <p>We have further considered the safeguards the Nexia Australia network has in place, and we are not aware of any services being provided that would compromise our independence as external auditor.</p>
Appropriateness of the use of Going Concern Basis of Accounting	<p>Based on the audit evidence obtained up to the date of our auditor's report, we are not aware of any material uncertainty that exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern.</p>
Interacting with management	<p>The Shire's finance and management team were well prepared for the audit and documentation requested over the course of the audit was provided in a timely manner. The audit was largely performed as planned.</p>

5. Other reporting requirements

AREA	RESPONSE
Financial Report Disclosures	<p>Accounting estimates and judgements are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.</p> <p>The most sensitive estimates affecting the financial statements were in relation to:</p> <ul style="list-style-type: none"> • Depreciation of Infrastructure and PPE; • The Fair Value Measurement of Infrastructure and PPE; • Employee Benefit Provisions (Annual Leave and Long Service Leave).
Errors, irregularities and illegal acts	<p>We have noted no errors or irregularities that would cause the financial report to contain a material misstatement. As part of our normal statutory review no apparent illegal acts have come to our attention.</p>
Compliance with laws & regulations	<p>We are not aware of any known or suspected non-compliance with laws or regulations applicable to the entity that may be material to the financial report. We will also receive representations from management confirming that the Group is in compliance with all laws and regulations that impact the organisation.</p>
Management consultation with other independent accountants or experts	<p>If management consulted with other accountants about auditing and accounting matters, we are to inform the Board of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p> <p>To our knowledge, management has not consulted with any experts.</p>

	No exceptions noted.
	Issues noted which warrant non-urgent attention by management.
	Significant issues which warrant management's urgent attention.



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Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Mingenew

To the Chief Executive Officer of the Shire of Mingenew

Part 1 – Chief Executive Officer's Financial Statement for the Roads to Recovery Program under Part 8 of the *National Land Transport Act 2014*

Opinion

I have audited the accompanying special purpose financial statement presented in Part 1 – Chief Executive Officer's Financial Statement for the Roads to Recovery Program (the Program), which comprises a Statement of Receipts and Expenditure (the Statement) for the year ended 30 June 2022.

The Statement has been prepared by the Shire of Mingenew (the Shire) in accordance with the requirements of section 90 of the *National Land Transport Act 2014* (the Act) and the *Roads to Recovery Funding Conditions 2019* (the Conditions) to meet the reporting requirements of the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

In my opinion, in all material respects:

- the Statement is based on, and in agreement with proper accounts and records
- the amount reported in the Statement as expended during the year was used solely for expenditure on the construction and/or maintenance of roads
- the amount certified by the Chief Executive Officer of the Shire in the Statement as its own source expenditure on roads during the year is based on, and in agreement with proper accounts and records.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Statement section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Basis of accounting

The Statement has been prepared for the purpose of fulfilling the Shire's reporting obligations to the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts under the Act and the Conditions. As a result, the Statement may not be suitable for another purpose.

Other matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restriction on distribution and use

As a result of the basis of accounting, my report is intended solely for the Shire and the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts and should not be distributed to or used by parties other than the Shire or the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Other information

The Chief Executive Officer is responsible for the other information. The other information comprises the information accompanying the Statement, such as Parts 2, 3 and 4 for the year ended 30 June 2022, but not the Statement and my auditor's report.

My opinion on the Statement does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Responsibility of the Chief Executive Officer for the Statement

The Chief Executive Officer is responsible for the preparation of the Statement in accordance with the requirements of the Act and Conditions, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Chief Executive Officer is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

Auditor's responsibilities for the audit of the Statement

The objectives of my audit are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of my responsibilities for the audit of the Statement is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the Statement

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
31 October 2022



Auditor General

INDEPENDENT AUDITOR'S REPORT

2022

Shire of Mingenew

2021-22 Annual Reports for the Local Roads and Community Infrastructure Program

Opinion

I have audited the accompanying special purpose annual reports for Phase 1, 2 and 3 prepared for the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) for the Local Roads and Community Infrastructure Program (the Program) for the year ended 30 June 2022, which comprises:

- the Chief Executive Officer's Financial Statement for Phase 1, 2 and 3.
- Annual Report Tables financial information limited to the *Total Approved LRCI Funding Contribution* and *LRCI Funding Actual Expenditure* for Phase 1, 2 and 3.

The annual reports have been prepared by the Shire of Mingenew (the Shire) in accordance with the requirements of the COVID-19 Local Roads and Community Infrastructure Program Guidelines (the Guidelines) for Phase 1, 2 and 3 of the Program to meet the reporting requirements of the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

In my opinion, in all material respects:

- the Chief Executive Officer's Financial Statements and Annual Report Tables financial information limited to the *Total Approved LRCI Funding Contribution* and *LRCI Funding Actual Expenditure* for Phase 1, 2 and 3 are based on, and in agreement with, proper accounts and records
- the amount reported as expended during the year was used solely for expenditure on approved Local Roads and Community Infrastructure Projects
- the amount certified by the Chief Executive Officer in the Chief Executive Officer's Financial Statement as the Shire own source expenditure on the Program during the year is based on, and in agreement with, proper accounts and records.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual report* section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Basis of accounting

The annual reports have been prepared for the purpose of fulfilling the Shire's reporting obligations to the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts under the Guidelines. As a result, the annual report may not be suitable for another purpose.

Other matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restriction on Distribution and Use

As a result of the basis of accounting, my report is intended solely for the Shire and the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts and should not be distributed to or used by parties other than the Shire or the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Other information

The Chief Executive Officer is responsible for the other information. The other information is the information in the annual reports for the year ended 30 June 2022, but not the information of the annual reports as described in the Opinion section of my report and my auditor's report.

My opinion on the annual reports do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Responsibilities of the Chief Executive Officer for the annual report

The Chief Executive Officer is responsible for the preparation of the annual reports in accordance with the requirements of the Guidelines, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the annual reports that are free from material misstatement, whether due to fraud or error.

In preparing the annual reports, the Chief Executive Officer is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

Auditor's responsibilities for the audit of the annual report

The objectives of my audit are to obtain reasonable assurance about whether the annual reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual reports. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of my responsibilities for the audit of the annual reports is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the annual report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 November 2022

30 November 2022

Matt Fanning
Chief Executive Officer
Shire of Mingenew
21 Victoria Road
Mingenew WA 6522

REG 5(2)(c) – FINANCIAL MANAGEMENT REVIEW

Dear Matt

Please find attached the final financial management review report for the Shire of Mingenew which includes management comments.

I would like to thank you and your staff for the positive cooperation provided during my visit and for the information that was provided to me during the conduct of this review.

Yours sincerely



Santo Casilli FCPA PFIIA
Director

Avant Edge Consulting

Shire of Mingenew

Regulation 5 (2) (c) – Financial Management Review

30 November 2022

FINAL Review Report

(Review in Confidence)

Avant Edge Consulting

Certified Practising Accountants

Liability limited by a scheme approved under Professional Standards Legislation

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Financial Management Review Summary and Conclusion

INTRODUCTION

Avant Edge Consulting was engaged to undertake a financial management review of the Shire of Mingenew's (the Shire) financial management systems and procedures as required to be undertaken at least once every 3 years as per the Regulation (5)(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

I conducted my review in accordance with Australian Auditing Standard *ASAE 3000 – Assurance Engagement other than Audits or Reviews of Historical Financial Information* which provides a limited assurance regarding the appropriateness and effectiveness of the Shire's management controls over its financial management systems and processes.

This final report outlines the work undertaken as part of my review and includes my findings and proposed recommendations as identified as a result of the review and management comments.

The Shire of Mingenew uses Synergy Soft as its accounting system.

CEO's RESPONSIBILITY FOR THE REVIEW REPORT

As per Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, the Chief Executive Officer (CEO) is required to undertake a financial management review, at least once every 3 financial years.

This final report with the management comments is to be presented at the next Audit and Risk Committee.

RESPONSIBILITY FOR THE REVIEW

My responsibility was to conduct the Financial Management Review in accordance with the Australian Auditing Standard *ASAE 3000 – Assurance Engagement other than Audits or Reviews of Historical Financial Information* and to report to the CEO the review findings and proposed recommendations for management control and process improvement.

My review assessed information in relation to the period 1 July 2021 to 30 June 2022 and also any new policies that have been finalised up to the date of conducting this review.

I wish to confirm that I am fully independent of the Shire of Mingenew and of its operations regarding this review.

REVIEW LIMITATIONS

The matters raised in this final review report are only those which came to my attention during performing the financial management review and may not necessarily be a comprehensive statement of all the possible control weaknesses and / or process improvement options that may be made in relation to the Shire's financial management systems and procedures.

As part of my review, I have not assessed and examined every financial process and procedure and as such have limited my assessment and evaluations only to those areas

where I considered may be of higher risk to the Shire regarding its Financial Management process. As such I did not examine every activity and procedure that may exist at the Shire and therefore only provide limited assurance to the Shire.

My review, which was conducted in accordance with Australian Auditing Standard *ASAE 3000 – Assurance Engagement other than Audits or Reviews of Historical Financial Information* was not an audit, and as per ASAE 3000, I can only provide assurance based solely on my assessment of the information which was provided to me by the Shire during the conduct of this review.

This final review report is to be used solely for the purpose of reporting to satisfy the requirements of *Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996* and should not be used for any other purpose or be distributed, other than for the use by the Shire of Mingenew.

SCOPE AND METHODOLOGY

My review was conducted in accordance with *ASAE 3000 – Assurance Engagement other than Audits or Reviews of Historical Financial Information*.

The review undertook the following approach:

- Information was sought from the Shire and was reviewed prior to my visit from my Perth office.
- Discussions were held with the Finance and Administration Manager and relevant Finance Officer's responsible for finance and administration functions during my visit to understand the financial processes and the management controls currently in place.
- key management controls and processes currently in place over key financial management systems and procedures were assessed in line with the following work program which was provided to the Finance and Administration Manager.
- Reviewed various policies and procedures provided to me by the Finance and Administration Manager.
- Discussions with the Shire's outsourced IT provider, Infinitem, to determine adequacy of IT controls over the shire's systems.
- All relevant findings and possible recommendations for control and process improvement as determined from my review were discussed with the Finance and Administration Manager and the CEO at the end of the review process.
- Issued draft review report for management comment prior to releasing final report.
- Receive management comments and incorporated the comments into this final review report.

WORK PROGRAM

My review incorporated the following key financial management areas as required under Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996*:

- Procurement (formal quotations and tender process)
- Contract Management
- Accounts Payable
- Cash Collection and Handling
- Payroll
- General Ledger Application Controls (journal posting, balance sheet reconciliations)
- Council Rates including Debt Management
- Investment Management
- Asset Management (excluding infrastructure assets)
- Budget process
- Information Technology General Systems Controls Environment

No other financial management systems and procedures were subject to review.

REVIEW CONCLUSION

Based on my review (which was not an audit) of the management controls and processes that exist at the Shire, regarding the above key financial management system areas, nothing came to my attention that would indicate any **high-risk** management control matters that would require immediate attention by the Shire.

Based on the matters raised in the body of this report under Executive Management Detailed Findings, I can conclude that the financial management systems in place within the Shire, which were subject to my review are satisfactory. Some low-risk process improvement matters have been included in this review report for the CEO consideration.

The matters raised in this review report were assessed as low risk to the Shire. For these identified matters I have recommended that the Shire should consider exploring the recommended process improvement options which have been incorporated within the body of this report.

As part of this report, I have reported the findings under 2 separate sections:

- Low risk rated issues (management consideration recommended)
- Observation issues (no management action required but may be considered)

Each finding has a recommended action except for those issues reported as "Observations".

I believe that the Shire's implementation of the suggested and recommended process improvements will add to the existing financial management controls that are currently in place towards improving the overall governance within the Shire's financial operations.

Executive Management Detailed Observations

Low Risk Rated Issues

1. **Contract Management Policy**

The Shire does not at present have a formal Contract Management Policy and guidelines which would govern how the Shire should manage its existing procurement service contracts. I understand that the Shire is currently in the process of developing a contract management policy.

The policy and guidelines should include at least the following:

- Processing contract variations for those contracts less than tender threshold and above tender threshold.
- Contract variation, extension and renewal process and approvals.
- Monitoring contract overspends and approval process.
- Conducting supplier performance evaluations ongoing throughout the contract period and at the end of the contract period.

Recommendation

I recommend that comprehensive guidelines / protocols be developed for the above processes so that it can be applied consistently by the relevant person(s) responsible over contract management.

Management Comments

Management is in the process of developing a Contract Management framework incorporating a Contract Management Policy.

2. **Asset Management (asset stocktakes)**

I noted that the Shire does not at present undertake a formal stocktake on an annual basis of all its major plant and equipment (depreciable equipment over \$5,000) to ensure that the plant and equipment still exists and/or that it is not impaired. Where the plant and equipment showing on the asset register no longer exists or is impaired then the asset register should be amended.

The Finance and Administration Manager has provided evidence that depreciable assets have been checked as part of the asset revaluation exercise that was undertaken in 2020/21 and 2021/22 and that the assets on the asset register have been confirmed as still existing.

Further, the Shire maintains a minor asset register of all physical assets under \$5,000 which are not required to be depreciated. To ensure that the Shire adequately manages these assets, especially those which can be described as portable and attractive items, the Shire should also be progressively checking these to ensure they are still in existence.

The Financial Management Regulations require that Shires take steps to prevent theft or loss of Shire assets especially regarding the Shires portable and attractive assets (under \$5,000).

Recommendation

I recommend that the CEO give consideration to undertake at least annual stocktakes of all minor plant and equipment which may be termed as portable and attractive assets (these may be stolen without prompt detection) to ensure they are still in existence.

Management Comments

Management will action this.

3. Information Technology General Controls

Based on my discussions with the Shire's outsourced IT provider, Infinitem, we are happy with the controls currently in place over staff logon access and staff usage monitoring and with the use of DUO authentication process that is in place over logon security. However, the following matters may need to be given consideration to further improve the IT general controls.

- The Shire does not have an IT Strategy Plan. The IT Strategy Plan should address the Shire's current and future IT business needs and also to address issues relating to the changing IT environment and how this may affect the Shire's financial operations over time.
- Although the Shire's ITC policy states that all staff must lock their computer when away from their computer, in the absence of any formal automatic locking of the computer due to non-use there is no guarantee that this will be consistently complied with which could impact on the Shire's data security. The Shire's IT providers can install a screen saver software which would automatically lock the computer after a pre-determined time of non-use forcing the user to logon to access their computer. I would suggest that this pre-determined time could be set say between 5-10 minutes.

Recommendation

I recommend that the CEO give consideration in the development of an IT Strategy Plan and also towards installing automatic screen saver software on all Shire computers.

Management Comments

The Shire has an informal IT Strategy but will further develop it and get it done in writing. We will request Infinitem to place screen locks on PC's.

4. Accounts Payable – Matching PO to Tax Invoices

As part of this review, I tested some 35 paid tax invoices that were processed between 1 July 2021 to 30 June 2022. The purpose of the test was to assess adequacy of compliance with Shire policy regarding matching purchase orders against invoices prior to payment being made. Although overall the Shire's accounts payable processes were found to be satisfactory, the testing did highlight some minor non-compliance that may require management attention.

I noted the following:

- 3 invoices did not have a PO attached on file
- 3 purchase orders were created after date of invoice, and
- 2 instances where the \$value of the invoice exceeded the approved \$value of the PO by more than 10% and no explanation was made on the invoice as to the reason for increased costs.

Recommendation

I recommend that the CEO ensure that all approving officers are made aware that a PO should be approved at the quote acceptance stage and that where supplier invoices \$values exceed the approved PO \$ value by more than 10% that adequate explanation be provided on the tax invoice relating to the reason for the additional costs prior to the tax invoice being paid.

Management Comments

This procedure is already in place, but it is a manual process and relies on all staff to follow it correctly. We will be implementing an automated system next financial year, which will resolve this issue.

Observations (No Recommendations Made)

1. *Financial Thresholds*

Currently the Shire's financial thresholds includes procurements of \$0 to \$5,000 should have at least 1 verbal or written quote. This means that small value purchases say for \$50 (e.g. IGA type purchases) would require a quote each time such small values are procured in instances where the corporate credit card is not used.

This seems impracticable and I would suggest that this be changed to say \$500 to \$5,000 would require 1 verbal or written quote and any items under \$500 could be procured preferably via the corporate credit card.

2. *Sole Source (Supplier)*

I noted that the Shire has awarded work to service providers based on sole source or sole supplier status. In these instances, it is important that the Shire provide suitable evidence or justification as to why the decision was made to award on a sole source basis. This can be in the form of market testing or where market testing is not possible then a detailed explanation as to why sole source was used and this can be based on better value for money, supplier's proven ability and reliability to supply product/service or even based on regional preference etc.

Where sole supplier's are to be used approval should be set at CEO level.

Management response to the 2 points above:

1. The threshold of \$5,000 has been increased to \$10,000 in the latest round of the Shires Finance Policy Review (to be submitted to Council at the December 2022 Council Meeting). The Shire prefers not to use credit cards for purchases if possible, and is used to the process of obtaining a quote for any purchases made.
2. In most of these situations, it is more a case that there was only one supplier who was able to do the work, rather than a sole supplier (based on the definition of a sole supplier). If it is a case of a genuine sole supplier being used then approval will lie with the CEO, with an explanation of the justification for using a sole supplier.

Appendix A – Risk Criteria

The following risk criteria were used to assess level of risk on review findings included in the Review Report.

Risk Assessment Matrix

Likelihood of Risk:

Rating	Description	Frequency
1	Rare – May occur, only in exceptional circumstances	< once in 15 years
2	Unlikely – Could occur at some time	At least once in 10 years
3	Possible – Should occur at some time	At least once in 3 years
4	Likely – Will probably occur in most circumstances	At least once per year
5	Almost Certain – Expected to occur in most circumstances	> once per year

Consequence of Risk:

Description	Health	Financial Loss	Operation	Compliance	Reputation	Project
1. Insignificant	No injuries or illness	<\$50,000	Little Impact	Minor breach of policy, or process requiring approval or variance	Unsubstantiated, low impact, low profile or no news item.	Small variation to cost, timeliness, scope or quality of objectives and required outcomes.
2. Minor	First Aid treatment	\$50,000 to \$250,000	Inconvenient Delays	Breach of policy, process or legislation requiring attention of minimal damage control	Substantiated, low impact, low news profile.	5-10% increase in time or cost or variation to scope objective requiring approval
3. Moderate	Medical treatment required	\$250,000 to \$1 million	Significant delays to major deliverables	Breach requiring internal investigation, treatment or moderate damage control	Substantiated, public embarrassment, moderate impact, moderate news profile.	10-20% increase in time or cost or variation to scope objective requiring Senior Management approval
4. Significant	Death or extensive injuries	\$1 million to \$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in tangible loss and damage to reputation	Substantiated, public embarrassment, moderate impact, high news profile and 3 rd party actions.	20-50% increase in time or cost or significant variation to scope objective requiring restructure of project and Senior Management or Council approval
5. Severe	Multiple deaths or sever permanent disabilities	>\$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in significant tangible loss and damage to reputation	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, 3 rd party	>50% increase in time or cost or inability to meet project objectives requiring the project to be abandoned or redeveloped

Risk Exposure:

Risk = Likelihood x Consequence

Score	Level of Risk	Score	Level of Risk	Score	Level of Risk
1 - 8	Low	9 - 19	Medium	20 - 25	High

30 November 2022

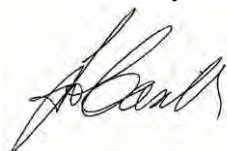
Matt Fanning
Chief Executive Officer
Shire of Mingenew
21 Victoria Road
Mingenew WA 6522

Dear Matt,

Please find attached the final Regulation 17 review report for the Shire of Mingenew.

I would like to thank you and your staff for the positive cooperation provided to me during my visit and for the information that was provided during the conduct of this review.

Yours sincerely



Santo Casilli FCPA PFIIA
Director

Avant Edge Consulting

Shire of Mingenew

Regulation 17 Review

30 November 2022

FINAL Review Report

(Review in Confidence)

Avant Edge Consulting

Certified Practising Accountants

Liability limited by a scheme approved under Professional Standards Legislation

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Regulation 17 Review Summary and Conclusion

INTRODUCTION

Avant Edge Consulting was engaged to undertake a review of the Shire of Mingenew's (the Shire) risk management, internal control and legislative compliance as required to be undertaken as per Regulation 17 of the *Local Government (Audit) Regulations 1996*.

As per Regulation 17(1), (2) and (3) of the *Local Government (Audit) Regulations 1996*, the Chief Executive Officer (**CEO**) is required to undertake a review, at least once every 3 financial years, of the following processes:

- Risk Management.
- Internal Control; and
- Legislative Compliance.

The Shire of Mingenew (**the Shire**) uses Synergy Soft as its accounting system.

The Shire has outsourced the management of its IT processes to Infinitem.

SCOPE AND METHODOLOGY

My review was conducted in accordance with ASAE 3500 – Assurance Engagement Other Than Audits or Reviews of Historical Financial Information.

The review undertook the following approach:

- Information relating to risk management, internal controls and legislative compliance was requested from the Finance and Administration Manager prior to commencement of the review to assess adequacy of policies, procedures and overall control processes that are currently in place within the Shire.
- During my site visit, discussions were held with the Governance and Community Manager to understand the processes and the management controls currently in place. Communications were held with the Governance and Community Manager throughout the review process.
- Issued an Information Technology General Controls Questionnaire to the Finance and Administration Manager to assess the adequacy of information technology controls and security over the Shire's data and staff computer access. Discussions were also held with the Shire's IT provider Infinitem.
- Discussed with the Governance and Community Manager the process in place for ensuring that the Shire is continually in compliance with Local government Act and Regulation requirements.

The matters raised in this final report are only those which came to my attention during performing my review and may not necessarily be a comprehensive statement of all the possible process improvement options that may be made in relation to the Risk Management, Internal Control and Legislative Compliance matters.

My final review report is provided to the Shire to enable the Shire to meet their statutory obligations under Regulation 17 and as such I do not encourage this report to be used for any other purpose.

WORK PROGRAM

My work incorporated the following areas for review as required under Regulation 17:

1. RISK MANAGEMENT

To establish that:

- a. A Governance Framework is in place and endorsed by the Audit and Risk Committee.
- b. A formal governance unit exists or allocation of responsibility for proper governance compliance.
- c. Risk Management and governance policies are in place and have been endorsed by the Audit Committee/Council.
- d. An Operational and Strategic Risk Register is in place and is constantly reviewed and updated.
- e. Regular development of risk reports and actions to address risks are identified and actioned and such actions are regularly communicated to and endorsed by the Audit Committee.
- f. Fraud Risk Identification and Prevention policies are in place including the establishment of a Whistle Blower policy.
- g. An effective Audit Committee exists, and proper Committee processes are followed.

2. INTERNAL CONTROL

To establish that:

- a. A Delegation of Authority is in place, up to date and reviewed regularly.
- b. Proper and formal documented policies (guidelines and procedures) are in place and are kept up to date.
- c. Internal assessment of control processes exists e.g., via an internal audit function or by the Shire's Governance area.
- d. Reliance can be placed on the work undertaken by the Shire's external Auditors re the review of the Shire's control environment.
- e. Proper segregation of duties and management controls exist in relation to the following key accounting processes:
 - o Accounts payable.
 - o Cash collection, receipting and reconciliation.
 - o General Ledger reconciliation.
 - o Payroll.
 - o Procurement.

3. LEGISLATIVE COMPLIANCE

To establish that:

- a. The Compliance Audit Return (CAR) is properly completed each year and any non-compliance matters are investigated promptly and adequate action is taken to ensure similar non-compliance no longer occur.
- b. Legislative compliance regarding all Local Government Act and Regulation requirements are monitored and regularly reviewed to ensure continual compliance.

The areas of internal control were also assessed as part of the Financial Management Review which was also conducted at the Shire.

REVIEW CONCLUSION

Based on my assessment of the management controls and processes that exist at the Shire regarding the above 3 key areas of the Regulation 17 review, I consider that the Shire's governance policies and procedures are satisfactorily in line with standard risk management processes. A number of minor low risk matters were identified which have been reported for consideration by Shire management as detailed below:

- A Fraud Risk Identification and Prevention policy is not yet in place. This should address how the Shire identifies and manages its risks (both operational and strategic), the actions taken to ensure the identified risks are managed and that possibility of fraud is prevented through staff training/communication and the continual existence of maintaining proper management controls.
- An Audit and Risk Committee exists and is operational. However, it was not clear as to whether the Shire's Operational and Strategic Risk Register is subject to regular discussion and oversight at each committee meeting to ensure that Shire management are taking appropriate actions to mitigate identified risks as recorded in the risk register.
- The Shire's Operational and Strategic Risk Register can be further improved. The risk register does not adequately document the current control processes in place that would assist in mitigating the risks identified and does not provide the residual risk due to the current management action being taken. Overall, it is pleasing to note that the Shire has an Operational and Strategic Risk Register, however I believe it is too large to be able to be effectively managed and possibly Shire management should seek to possibly reduce the number of risks by identifying and reporting only high and medium risks.
- There does not appear to be a Legislative Compliance policy or legislative compliance process in place to oversee that all required legislative matters are being complied with and that operational and strategic risks of the Shire are able to be regularly identified and managed.

Although the Shire does maintain a Compliance Calendar and also undertakes the annual Compliance Audit Return (CAR) I don't believe that this is sufficient on their own to provide comfort that all legislative matters are being satisfactorily complied with. The Shire, to its credit, has also developed an internal audit plan and there is evidence that the internal audits are being conducted by the Governance and Community Manager and relevant staff and the outcomes of the internal audits are communicated to the Audit and Risk Committee. However, I am not sure as to whether the internal audits planned include legislative compliance type audits or whether each internal audit has a component of legislative compliance. Further, what levels of assessment and testing is being carried out to provide a level of comfort to the Audit and Risk Committee. Are the outcomes of the internal audits meeting the expectations of the Audit and Risk Committee members?

Notwithstanding the above, the review noted that the Shire's internal control over the following key accounting functions was found to be satisfactory:

- Accounts payable.
- Cash collection, receipting and reconciliation.
- General Ledger reconciliation.
- Payroll.
- Procurement.
- Purchase Orders.

RECOMENDATIONS

In line with the above matters, I have recommended the following actions that should be considered for possible implementation by the CEO:

- Implementation of a fraud risk identification and prevention policy designed to bolster management control via the creation of a Fraud Prevention policy and the establishment of a Whistle Blower policy. These should be formulated and then endorsed by the Audit and Risk Committee. The policy should address both operational and strategic risks to be continually identified, categorised as high and medium risk (based on the Shire's Risk Matrix Model) and for such risks to be regularly reviewed and monitored. The Fraud Risk Identification and Prevention policy should be endorsed by the Audit and Risk Committee.

Management Comments

This has already been recognised by the Shire as a treatment measure for preventing fraud and misconduct. An outstanding action of the most recently adopted Shire Risk Register lists the development of a fraud and misconduct framework in the Action Plan. A draft Fraud and Misconduct Management Policy has since been developed and is to be presented to the Audit & Risk Committee meeting in December 2022 for endorsement.

- Ensure that the actions being taken by Shire management and the process of ongoing identification of new risks to be included in the Shire's Operational and Strategic Risk Register is the subject of regular discussion at every Audit and Risk Committee meeting. I would recommend that Risk should form part of the set agenda item for all Audit and Risk Committee meetings.

Management Comments

The Leadership Team and Audit & Risk Committee review the Risk Register formally at least once annually. The Leadership Team reviews risks at its weekly meetings and has a standing item that reviews action items developed from the Risk Register. To demonstrate to the Audit & Risk Committee that Shire management are taking appropriate actions however, the Risk Register could be added as a standing item on the Audit & Risk Committee's Agenda until a more efficient and effective system can be developed. The current Risk Register is based on a template from LGIS but will be reviewed as appropriate.

- Implementation of a Legislative Compliance policy which outlines the responsibility for compliance with legislative requirements and how such compliance is to be met. The Shire should consider developing various legislative compliance checklists to enable various areas within the Shire to undertake self-assessment checks either on a regular basis or at least once per annum at the time the annual (CAR) is undertaken. I would also suggest that the completed checklists be signed off by the various managers attesting to compliance. If this was undertaken in conjunction with the annual Compliance Audit Return (CAR) it would complement the CAR. Alternatively, Shire Management may wish to include legislative compliance as part of the regular internal audits which may undertake a review of various legislative requirements or include legislative compliance as part of the scope for each internal audit that is undertaken. The level of compliance can then be reported to the Audit and Risk Committee.

Management Comments

The Shire will consider formalising current compliance procedures into a Legislative Compliance Policy to recognise current methods used and industry better practice (a quick comparison of sample legislative compliance policies for local governments indicate that our existing practices are adequate and just would require formalisation in a policy). Further compliance checks for management and internal audits can be considered as part of this review process.

- Although I commend the Shire for the establishment of an internal audit process, to be effective, the Audit and Risk Committee need to provide communication to the Shire as to what their expectation is in regards to these internal audits and also for the Shire to provide to the Audit and Risk Committee, for each internal audit, clearly the objectives of the internal audit, the terms of reference of the audit (that is what is going to be audited, how the internal audit is to be undertaken and also how the internal audit work relates to addressing the high and medium risks that have been identified in the Shire's Operational and Strategic Risk Register) and also a clear conclusion as to whether management controls are sound and operating satisfactorily.

Management Comments

The Audit & Risk Committee will be consulted with regarding their expectations on the scope, methods and outcomes of the proposed internal audits at the December meeting.



1.3.12 FRAUD AND MISCONDUCT MANAGEMENT POLICY

Finance

1.3.12

Title:	1.3.12 FRAUD AND MISCONDUCT MANAGEMENT POLICY
Adopted:	14 December 2022 (NEW)
Reviewed:	-
Associated Legislation:	Local Government Act 1995 Public Interest Disclosure Act 2003 Corruption, Crime and Misconduct Act 2003
Associated Documentation:	Nil
Review Responsibility:	Governance and Community Manager
Delegation:	Chief Executive Officer

Previous Policy Number/s N/A

Objectives:

The purpose of this policy is to demonstrate and communicate the Council's commitment to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

Scope:

This policy applies to all Shire employees, contractors, volunteers and elected members.

Policy Statement:

1.1. Fraud

As fraud constitutes a significant risk to any organisation, it is appropriate that a culture of ethical conduct be developed to recognise and avoid fraud and to deal appropriately with any cases of fraud. Fraud can lead to financial loss, reputational damage and loss of public confidence in the way that public money and other resources are being used. It is therefore important that the Shire has robust systems and procedures in place to ensure that the risk of impropriety is minimised, as far as possible, that there is a process in place to enable fraud to be adequately reported and that where instances of fraud do occur, there is a prompt and effective response to them.

- 1.1.1. *Fraud* is defined as "wrongful or criminal deception intended to result in financial or personal gain". Fraud is a deliberate act by an individual or group of individuals and is therefore always intentional and dishonest.
- 1.1.2. *Internal fraud* refers to fraudulent acts undertaken by Councillors and employees. Examples of such fraud would include falsification of expenses and wages claims, theft of cash and alteration of records to conceal the deficiency, falsification of invoices for payment, failure to account for monies collected, falsification of timesheets and timecards, dealing inappropriately with benefits claims of friends or relatives.
- 1.1.3. It is also worth noting that there may, in some instances, be potential for those in positions of trust within the Shire to perpetrate frauds against third parties. The Shire has the responsibility for the integrity of staff employed in such positions of trust.
- 1.1.4. *External fraud* is defined as fraud committed against the Shire by persons outside of the organisation. Examples include false statements in applications for Shire programs and applications for grants or false invoices for goods or services.
- 1.1.5. Fraud and other similar irregularities include:

- Forgery or alteration of cheques, invoices, computer records and other documents;
- Any misappropriation of funds, securities, supplies or any other asset;
- Any irregularity in the handling or reporting of money transactions;
- Misappropriation of furniture, fixtures and equipment;
- Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the Shire;
- Unauthorised use or misuse of Shire property, equipment, materials or records;
- Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Council owned software;
- Any claim for reimbursement of expenses that are not made for the exclusive benefit of Shire;
- The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain;
- Providing false or misleading information related to financial interests and disclosure statements;
- Any similar or related irregularity.

1.2. Corruption

Corruption is dishonest activity in which an employee, or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

Corruption may also constitute any behaviour that may involve fraud, theft, the misuse of position or authority or other acts which are unacceptable to an organisation, its clients or the general community. It may also include other elements such as breaches of trust and confidentiality.

Corrupt conduct is demonstrated by a deliberate intent or an improper purpose and motivation and may involve conduct such as:

- undertaking, soliciting or accepting the provision of something of value (a bribe) for the purpose of influencing the action or decision of an official in the discharge of their public or legal duties;
- deliberate failure to perform the functions of office properly;
- the exercise of a power or duty for an improper purpose;
- involves a breach of the trust placed in the person as a public officer, either knowingly or recklessly;
- involves a misuse of official information or material; or
- performance of functions or the exercise of powers for the purpose of providing a benefit either to the person or another person or causing a detriment to another person.

Anyone who tries to corrupt a public sector officer can also be guilty of corrupt conduct if the matter involves a criminal offence.

1.3 Misconduct

Section 4 of the Corruption, Crime and Misconduct Act 2003 (CCM) defines misconduct.

Notwithstanding the specific definition of misconduct set out in the CCM Act, misconduct generally occurs when a public officer abuses their authority for personal gain, causes detriment to another person or acts contrary to the public interest. Misconduct also constitutes inappropriate or improper conduct by a public officer that reflects seriously and adversely on the public service.

The CCM Act characterises misconduct to either be serious or minor misconduct with serious misconduct dealt with by the Corruption and Crime Commission (CCC) and minor misconduct dealt with by the Public Sector Commission (PSC).

1.3.1 *Minor Misconduct*

Section 4(d) of the CCM Act defines minor misconduct for public officers other than WA Police officers.

Minor misconduct is misconduct that is significant enough that it could possibly lead to termination of a public officer's employment if proved. Minor misconduct occurs when a public officer engages in conduct that:

- adversely affects the honest or impartial performance of the functions of a public authority or public officer, whether the public officer was acting in their public officer capacity at the time of engaging in the conduct;
- involves the performance of functions in a manner that is not honest or impartial;
- involves a breach of the trust placed in the public officer; or
- involves the misuse of information or material that is in connection with their functions as a public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person; AND
- constitutes, or could constitute, a disciplinary offence providing reasonable grounds for termination of a person's office or employment.

Where the Principal Officer (in the case of the Shire, the CEO) has a reasonable suspicion that an instance of minor misconduct has occurred, the Principal Officer must report to the Public Sector Commission (PSC) as soon as practicable.

1.3.2 *Serious Misconduct*

Serious misconduct refers only to corrupt or criminal conduct as described in sections 4(a), (b) and (c) of the CCM Act.

Serious misconduct is misconduct that involves corrupt intent and/or criminal conduct and occurs when a public officer:

- • acts corruptly or corruptly fails to act in the course of their duties; or
- • corruptly takes advantage of their position for the benefit or detriment of any person; or
- • commits an offence which carries a penalty of two or more years imprisonment.

Where the Principal Officer has a reasonable suspicion that an instance of serious misconduct has occurred, the Principal Officer must report to the Corruption and Crime Commission (CCC) as soon as practicable.

Roles and Responsibilities

1.2.1 *Councillors*

Councillors have a duty to ensure that Shire assets are safeguarded from fraud and abuse and to ensure that Council's powers, duties and responsibilities are exercised in an open, fair and proper manner to the highest standards of probity. These issues need to be borne in mind when considering reports, making decisions and scrutinising Council's activities. Councillors should endorse and support all policies and measures taken to prevent, deter, detect and resolve instances, or suspected instances, of fraud throughout the Shire.

1.2.2 *Chief Executive Officer*

The Chief Executive Officer has primary responsibility for the proper management of the Shire's resources and the development and implementation of systems and practices to minimise the risk of fraud. The Chief Executive Officer, under the Corruption, Crime and Misconduct Act 2003 must notify the Corruption and Crime Commission or the Public Sector commission if misconduct is suspected.

1.2.3 *Leadership Team*

The Leadership Team includes the Chief Executive Officer, Finance and Administration Manager, Governance & Community Manager and Works Manager. The Leadership Team is responsible for implementing fraud control initiatives and in particular:

- Provide leadership, guidance, training and support to employees in preventing fraud and corruption; • Identify high fraud risk areas;
- Participate in fraud and corruption risk assessment reviews which are presented to the Audit Committee to assess and provide assurance that the 3 entity has appropriate processes and systems in place; • Monitor the continued operation of controls;
- Conducting or coordinating investigations into allegations of fraud;
- Complying with legislation and Shire policies and practices;
- Ensuring staff understand their responsibilities through adequate communication, supervision, written procedures and job descriptions;
- Responding positively to matters raised and advice given by internal and external audit. Management need to be vigilant in guarding against fraud, be aware of any circumstances which may indicate that there may be a problem and report any such suspicions to the Directors or Chief Executive Officer for an independent investigation or advice. In carrying out their responsibilities, all managers (and staff) should be conscious of the fact that they are spending public money collected through rates and taxes. This provides an extra responsibility not only to spend it economically and effectively but also fairly

1.2.4. Staff

Staff are responsible for acting with honesty and integrity in all council activities and must:

- Not use their position with the Council to gain personal advantage or to confer undue advantage, or disadvantage, on any other person or entity.
- Safeguard Council assets against theft, waste or improper use.
- Understand what behaviour constitutes fraud and / or corruption.
- Familiarise themselves with and adhere to Council's policies and procedures.

Staff have a duty to make management aware of any concerns they have about the conduct of the Shire's affairs or the use of Shire assets and resources. Any matters raised by them should be taken seriously and properly investigated.

Staff who suspect that fraud has occurred should advise their Line Supervisor, Manager or Director as soon as possible. The Shire has prepared Operating Procedures following the introduction of the Public Interest Disclosure Act 2003 which protects "whistleblowers" from unjust recrimination where they have an honest and reasonable suspicion of malpractice, and they act on it. The Shire, in the interests of probity and good local government, encourages staff to raise matters so that they can be properly investigated.

1.2.5. Audit & Risk Committee

The Audit & Risk Committee a responsibility to:

- Have oversight of risk management, including fraud, misconduct and corruption control;
- Review governance processes to ensure all matters relating to alleged fraud, misconduct and corruption or unethical conduct are dealt with appropriately
- Review the Shire's Risk Management Framework
- Review the Shire's Internal Audit Plan
- Review the Shire's Risk Register

1.2.6. Internal Auditors

Internal Audit Internal Audit has an important role in assisting management in the prevention and detection of fraud by:

- Independently reviewing systems, procedures and controls to ensure that there are adequate safeguards to prevent, deter and detect fraud with particular attention being paid to the review of contracts and computer systems where there is potentially a significant risk;
- Through specific audits and testing of systems, identifying areas of concern;
- Responding to requests for advice from managers on controls to put in systems;
- Independently investigating suspected frauds and irregularities and reporting conclusions to the Audit Committee, management and, where necessary, the Police;
- Producing, and advising on the production, of rules, regulations and policies which deter fraud.

1.2.7. External Auditors

External Auditors certify that the Shire's accounts represent a true and fair view of the Shire's financial position. In reaching this conclusion, they must satisfy themselves that control systems are sound and that measures are being taken to minimise the chances of fraud. 1.3. Induction Process The elements of fraud and the responsibility of all staff to not participate in and report fraudulent activity will form part of Council's induction process.

1.3. Risk Assessment

Fraud, misconduct and corruption risk assessment is an integral part of the Shires overall risk management framework and provides the Shire with an understanding of its fraud, misconduct and corruption vulnerabilities and possible strategies to eliminate or minimise those risks.

Fraud, misconduct and corruption risk assessments are conducted by the Shire at least annually and incorporated into the Shire's Operational and Strategic Risk Register. The Audit & Risk Committee reviews the Register Annually and the Leadership Team is accountable for monitoring risks and actioning any required controls to remove or reduce the risk.

The Internal Audit Plan is another tool for which more specific risk areas are assessed to determine the effectiveness of risk controls.

1.4. Response to Allegations and Concerns

1.4.1. Allegations and concerns about fraudulent or corrupt activity may come from different sources e.g.

- Members of the public, sometimes anonymously
- Other local authorities
- Councillors
- Council managers or staff
- Internal or external audit reviews

1.4.2. Allegations and concerns about fraudulent activity can be reported to the Chief Executive Officer, Directors, Managers and Line Supervisors and those persons making and/or raising allegations and concerns must be either willing to put this in writing and/or have supported evidence to avoid those persons who maliciously and knowingly create a false allegation.

1.4.3. Wherever these concerns come from they must be treated seriously and confidentiality will be respected as far as possible. A thorough investigation will be made of all concerns but the level of resources applied to this will be dependent on the nature of the concern e.g. sums or resources involved, sensitivity of the area, source of concern, evidence provided or available, risk inherent in that area.

1.4.4. For cases of internal fraud, investigations should be closely managed and documented in accordance with Shire procedures.

- 1.4.5. At all times confidentiality must be maintained and information disclosed only to those who need to know it, in order not to prejudice any disciplinary or criminal action.

1.5. Actions to be taken when Fraud is Uncovered or Suspected

- 1.5.1. Investigations into suspected fraudulent activity will be comprehensive and will be based on the principles of independence, objectivity and the rules of natural justice.
- 1.5.2. Investigations will be conducted by an appropriately skilled and experienced person who is independent of the area in which the alleged fraudulent conduct occurred.
- 1.5.3. Where there is sufficient evidence of fraud, or there is strong suspicion but internal investigations are unable to obtain further evidence required, the Police should be involved where it is considered in the "Council or public interest".
- 1.5.4. Determination of the "Council or public interest" will include factors such as the sums or resources involved, the strength of the evidence obtained or available, the potential cost to the Council of pursuing the matter, the sensitivity of the area concerned. Referral to the Police will be the normal course of action unless there is a strong case not to do so.
- 1.5.5. Where involvement of the Police is not appropriate, the strongest action possible should be taken. This may involve disciplinary action including dismissal and the recovery of any sums of money or resources misappropriated.
- 1.5.6. At the conclusion of any fraud investigation, systems and procedures will be reviewed and any remedial actions implemented, whether or not there was sufficient evidence to prove any wrongdoing.
- 1.5.7. Any remedial actions identified from this process shall be recorded in the Shire's Risk Register and allocated to the relevant manager through his/her Risk Plan.
- 1.5.8. Monitoring of remedial actions will be undertaken by the Shire's Internal Auditors on an annual basis.
- 1.5.9. A fraud, integrity and conduct register will be maintained by the Governance and Community Manager.

1.6. Training

Biennial training will be given to all staff in the principles of fraud, the reporting of fraud and the process involved in investigating suspected fraud.

1.7. Insurance

The Shire shall maintain a fidelity guarantee insurance policy that provides insurance against the risk of loss arising from internal fraudulent conduct.

Shire of Mingenew Risk Profile Dashboard December 2022

RISK THEME	OVERALL CONTROL RATINGS	INHERENT RISK RATING	NO ACTIONS	NO ACTIONS ACHIEVED	RESIDUAL RISK RATING
Misconduct	<i>Adequate</i>	<i>Moderate</i>	6	1	<i>Low</i>
Errors, Omissions, Delays	<i>Adequate</i>	<i>Low</i>	3	0	<i>Low</i>
Business Disruption	<i>Adequate</i>	<i>Moderate</i>	5	0	<i>Low</i>
External Theft & Fraud	<i>Adequate</i>	<i>Moderate</i>	2	0	<i>Low</i>
IT & Communications	<i>Inadequate</i>	<i>Moderate</i>	3	0	<i>Low</i>
Governance & Compliance	<i>Inadequate</i>	<i>High</i>	1	0	<i>Moderate</i>
Asset Management	<i>Inadequate</i>	<i>High</i>	6	0	<i>Moderate</i>
Document Control	<i>Adequate</i>	<i>Moderate</i>	1	0	<i>Moderate</i>
Procurement / Contractor Management	<i>Inadequate</i>	<i>Moderate</i>	5	0	<i>Moderate</i>
Environmental Management	<i>Inadequate</i>	<i>Moderate</i>	2	0	<i>Low</i>
Facilities / Venues / Events / Properties	<i>Adequate</i>	<i>Moderate</i>	2	0	<i>Low</i>
Work Health & Safety	<i>Inadequate</i>	<i>High</i>	6	0	<i>Moderate</i>
Project / Change Management	<i>Adequate</i>	<i>High</i>	3	0	<i>Moderate</i>
Employment Practices	<i>Adequate</i>	<i>Moderate</i>	7	0	<i>Low</i>
Community engagement	<i>Adequate</i>	<i>Moderate</i>	2	0	<i>Low</i>
Psychosocial	<i>Adequate</i>	<i>High</i>	2	0	<i>Low</i>

Risk Description

Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:
 -Relevant authorisations not obtained.
 -Distributing confidential information.
 -Accessing systems and / or applications without correct authority to do so.
 -Misrepresenting data in reports.
 -Theft by an employee
 -Inappropriate use of plant, equipment or machinery
 -Inappropriate use of social media.
 -Inappropriate behaviour at work.
 -Purposeful sabotage
 This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays.

Potential causes include;

Inadequate training of code of conduct \ induction	Greed, gambling or sense of entitlement
Changing of job roles and functions/authorities	Collusion between internal & external parties
Delegated authority process inadequately implemented	Password sharing
Disgruntled employees	Sharing of confidential information

Key Controls	Type	Date Rated / Assessed	Rating
Delegations Register / delegations made in writing	Detective	Nov-22	Effective
Segregation of Duties (Financial)	Preventative	Nov-22	Effective
IT Security Access Framework (Profiles and passwords)	Preventative	Nov-22	Effective
Procurement Process (Purchase Order Process) - Electronic - Manual PO Approval process	Preventative	Nov-22	Adequate
Confidentiality Agreement	Preventative	Nov-22	Effective
Induction Process (includes integrity, fraud and misconduct)	Preventative	Nov-22	Adequate
PID Procedures,	Preventative	Nov-22	Effective
HR Policies and Procedures	Preventative	Dec-22	Adequate
Financial Reports/documentation to Council / Statutory compliance	Preventative / Statutory	Nov-22	Effective
Code of Conduct	Preventative	Nov-22	Effective

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Moderate (3)
Financial / Reputation	Likelihood:	Unlikely (2)
	Inherent Risk Rating	Moderate

Key Performance Indicators

	Tolerance	Latest Result	Trend
Confirmed finding of minor or serious misconduct / breach (number of occurrences)	0	1	Increased
Signed Code of Conduct not on file for new employee / Elected Member or following a review (number of occurrences)	0	0	No change
Number of high risk / adverse findings from Internal Audits	0	0	No change
Number of high risk / adverse findings from External Audits	0	0	No change
Occurrences of Related Parties Disclosures not received	0	0	No change
Occurrences of Primary and Annual Returns not completed / returned on time	0	0	No change
Number of unauthorised system breaches	0	1	No change

Actions (Treatments)

	Responsibility	Due Date	Resourcing
Development of a fraud and misconduct management policy	GCM	Dec-22	Internal
Implement process for conducting criminal checks for all staff	GCM	Jan-23	Internal
Review and update HR Policies and Procedures	GCM	Apr-23	Internal
Ensure integrity and misconduct awareness training and/or resources are provided to all staff through onboarding process	GCM	Jun-23	Internal
Development of an updated staff induction booklet relevant to roles	GCM	Jun-23	Internal
Implementation of requisition / automated procurement module (Altus Procurement) and procedures	FAM	Sep-23	Budget 2022/23

Residual Risk Rating

Consequence Categories	Consequence:	Moderate (3)
Financial / Reputation	Likelihood:	Rare (1)
	Residual Risk Rating	Low

Comments

Risk Description

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. Examples include;

- Incorrect planning, development, building, community safety and Emergency Management advice
- Incorrect health or environmental advice
- Inconsistent messages or responses from Customer Service Staff
- Any advice that is not consistent with legislative requirements or local laws.
- Human error
- Inaccurate recording, maintenance, testing or reconciliation of data.
- Inaccurate data being used for management decision-making and reporting.
- Delays in service to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

Potential causes include;

Human error	Incorrect information
Inadequate formal procedures or training	Miscommunication
Lack of trained staff	Work pressure / stress
Poor use of check sheets / FAQ's	Lack of understanding

Key Controls	Type	Date Rated / Assessed	Rating
Staff Training and interaction	Preventative	Ongoing	Adequate
Information sheets / FAQ's	Preventative	Ongoing	Adequate
Use of specialised professional consultants	Preventative	Ongoing	Effective
Regular meetings between various segments of employees	Preventative	Ongoing	Effective
Management oversight	Preventative	Ongoing	Effective
Documented Procedures / Checklists	Preventative	Ongoing	Effective
Complaints Register	Detective	Ongoing	Adequate
Competitive wage and package levels	Preventative	Ongoing	Adequate
Complaints Procedure	Preventative	Ongoing	Adequate
Customer Service Charter	Preventative	Ongoing	Effective

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Likelihood:	Inherent Risk Rating
Financial / Reputation	Minor (2)	Unlikely (2)	Low

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of complaints/issues regarding inaccurate advice or information provided by Shire	0	0	Decreased
Threat of litigation regarding inaccurate advice/information	0	0	No change
Number of written complaints about same issue	0	0	No change
Statutory timeframe exceeded for determining development applications	0	0	No change
Statutory timeframe exceeded for assessing building applications and issuing permits	0	0	No change
Occurrences of response times to customer requests/complaints exceeding Customer Service Charter requirements (10 days)	0	0	No change
Number of DOT errors escalated to management	0	0	Not previously measured
Number of active Workers' Compensation claims	0	2	Increased
Number of annual staff performance reviews not completed by 31 Dec each year	0	8	Increased

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Update FAQs/ Information sheets on Shire website as required	GCM	Dec-23	Internal
Conduct audit of MOUs for community facilities / Shire assets and schedule implementation plan for updating	GCM	Jun-24	Internal
Develop and implement formal complaints management policy and procedures	GCM	May-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Likelihood:	Residual Risk Rating
Financial / Reputation	Minor (2)	Rare (1)	Low

Comments

Risk Description

Failure to adequately prepare and respond to events that cause disruption to normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism). This includes:
 -Lack of (or inadequate) emergency response / business continuity plans.
 -Lack of training for specific individuals or availability of appropriate emergency response.
 -Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
 -Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc
 This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Potential causes include;

Cyclone, storm, fire, earthquake	Extended utility outage
Terrorism / sabotage / criminal behaviour	Economic Factors
Epidemic / Pandemic	Loss of key staff
Loss of suppliers	Loss of key infrastructure

Key Controls	Type	Date Rated / Assessed	Rating
Business Continuity Plan	Preventative	Dec-22	Adequate
LEMC Exercises	Detective	Dec-22	Effective
Local Emergency Management Committee	Preventative	Dec-22	Effective
LEMA & Recovery Plans	Preventative	Dec-22	Adequate
Bushfire Risk Management Plan & Response Plan	Preventative	Dec-22	Adequate
Established & Trained ECO's (Fire Wardens, First Aiders)	Preventative	Dec-22	Adequate
Emergency Evacuation and Response Procedures	Recovery	Dec-22	Adequate
COVID Risk Register	Prevent / Recovery	Dec-22	Adequate

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Major (4)
Service Interruption / Reputation / Financial	Likelihood:	Unlikely (2)
	Inherent Risk Rating	Moderate

Key Performance Indicators

	Tolerance	Latest Result	Trend
Number of business continuity exercises performed per year	1	0	Increased
Number of LEMC Meetings per year	2	2	No change
Number of internal evacuation exercises held per year	1	1	No change
Number of staff not qualified in Basic First Aid (for staff employed for more than 12 month period)	0	4	Increased
Number of fire wardens that have not attended training	0	0	No change

Actions (Treatments)

	Responsibility	Due Date	Resourcing
Coordinate LEMC Exercise	CEO	Nov-23	Internal
Review LEMA (AWARE grant funded)	FAM	Aug-22	Budget 2022/23
Review Bushfire Risk Management Plan	CEO	Feb-23	External Resource
Review emergency evacuation procedures	FAM	Jun-23	Internal
Develop and test STAND procedures	CEO	Jan-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Minor (2)
Financial / Reputation	Likelihood:	Rare (1)
	Residual Risk Rating	Low

Comments

Risk Description

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic). For the purposes of;

- Fraud: benefit or gain by deceit
- Malicious Damage
- Theft: stealing of data, assets or information

Potential causes include;

Inadequate security of equipment / supplies / cash	Inadequate provision for patrons belongings
Robbery	Lack of Supervision
Scam Invoices	Collusion with internal staff

Key Controls

Key Controls	Type	Date Rated / Assessed	Rating
Security Access controls (Admin; Depot; Heritage Buildings, Rec Centres)- physical (locks, gates)	Detective	Dec-22	Adequate
IT Security Arrangements (passwords, security levels etc)	Preventative	Dec-22	Effective
Fraud Risk Assessment as part of external audit	Preventative	Dec-22	Adequate
Fuel monitoring equipment on portable fuel trailers	Preventative	Dec-22	Adequate
Water standpipe locks	Preventative	Dec-22	Adequate
Financial Management practices and procedures	Preventative	Dec-22	Effective

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Major (4)
Service interruption / Financial / Reputation	Likelihood:	Unlikely (2)
	Inherent Risk Rating	Moderate

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of incidents / breaches of IT system	0	0	No change
Number of incidents detected (no breach)	5	3	Decrease
Number of personnel records not updated or cancelled upon termination	0	2	Not previously measured
Standpipe water charges (accounts) reconcile with water bills	95%	-	Not previously measured
Number of significant adverse findings (in relation to fraud risk assessment) from external audits	0	0	Not previously measured
Number of cybersecurity training sessions available to all relevant personnel (per year)	1	1	

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Conduct audit of key cabinet and update labels	GCM	Mar-23	Internal
Review standpipe monitoring, reporting and fee structure	CEO / FAM / WM	Apr-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Major (4)
Service interruption / Financial / Reputation	Likelihood:	Rare (1)
	Residual Risk Rating	Low

Comments

Risk Description

Disruption, financial loss or damage to reputation from a failure of information technology systems. Inability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware or software
- Networks
- Failures of IT vendors

This also includes where poor governance results in the breakdown of IT maintenance, such as:

- configuration management
- performance monitoring

This does not include new system implementations - refer "Inadequate Project / Change Management".

Potential causes include;

Weather impacts	Non-renewal of licences
Power outage on site or at service provider	Inadequate IT incident, problem management & Disaster Recovery Processes
Out-dated, inefficient or unsupported hardware or software	Lack of process and training
Incompatibility between operating systems	Vulnerability to user error

Key Controls	Type	Date Rated / Assessed	Rating
Data Back-up Systems (cloud-based)	Recovery	Dec-22	Effective
Outsourced performance monitoring (Infinitem) & Support	Detective	Dec-22	Effective
UPS / Generator	Recovery	Dec-22	Effective
Two-way comms / mobile phones / satellite phone	Preventative	Dec-22	Effective
Telephony (VOIP system)	Preventative	Dec-22	Adequate
After hours phone answering service	Preventative	Dec-22	Inadequate
IT Infrastructure Replacement Program	Preventative	Dec-22	Effective
Business Continuity Plan	Detective	Dec-22	Effective
Cloud-based server	Recovery	Dec-22	Effective
Internet service / ERP performance	Preventative	Dec-22	Inadequate
Customer Service Charter	Recovery	Dec-22	Effective

Overall Control Ratings: Inadequate

Inherent Risk Rating

Consequence Categories	Consequence:	Minor (2)
Service interruption / Financial / Reputation	Likelihood:	Likely (4)
	Inherent Risk Rating	Moderate

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of system outages per week	0	2	Increased
Number of customer complaints due to IT/Comms issues	0	0	No change
Vendor Help Desk (IT Vision and Infinitem) support requests (per week)	0	2	Not previously measured
Number of complaints due to non-compliance with Customer Service Charter	0	0	Not previously measured
Number of hours out of telephone and/or internet service, post-incident (major disaster / incident)	4	0	Not previously measured
Number of hours out of electricity service, post-incident (major disaster / incident)	12	0	Not previously measured

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Review after hours phone answering service / matrix	GCM	Mar-23	Internal
Investigate viability of optical fibre to exchange (internet service)	CEO	Apr-23	Internal
Prepare and review enterprise resource planning (ERP) road map	CEO / FAM	Aug-23	Budget 2023/24

Residual Risk Rating

Consequence Categories	Consequence:	Minor (2)
Service interruption / Financial / Reputation	Likelihood:	Unlikely (2)
	Residual Risk Rating	Low

Comments

Risk Description

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation. It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.

It does not include Work Health & Safety Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices").

Potential causes include;

Lack of training, awareness and knowledge Staff / Councillor Turnover Inadequate record keeping/ failure of corporate electronic systems Ineffective policies & processes	Lack of Legal Expertise No Compliance Officer or person responsible for Compliance oversight and Failure to govern, transparently & embrace good governance practices Ineffective monitoring of changes to legislation
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Key Controls	Type	Date Rated / Assessed	Rating
Compliance Audit Return (DLGSC)	Detective	Dec-22	Effective
Compliance Calendar	Preventative	Dec-22	Effective
Subscriptions (e.g. WALGA, IT Vision User Group)	Preventative	Dec-22	Effective
Documented Tender Process	Preventative	Dec-22	Effective
Audit Committee	Detective	Dec-22	Effective
Financial Interest Return Register	Recovery	Dec-22	Effective
Training- Staff	Preventative	Dec-22	Adequate
Internal Audit/Control Reviews	Detective	Dec-22	Effective
External Auditor Review	Detective	Dec-22	Effective
FOI, PID Procedures	Preventative	Dec-22	Effective
Councillor Training	Preventative	Dec-22	Inadequate
Code of Conduct	Preventative	Dec-22	Effective
Councillor Attendance Record	Detective	Dec-22	Effective
Documented Risk Management Process, Control Review & Reporting	Preventative / Detective	Dec-22	Effective

Overall Control Ratings: Inadequate

Inherent Risk Rating

Consequence Categories	Consequence:	Likelihood:	Inherent Risk Rating
Service interruption / Financial / Reputation	Moderate (3)	Almost Certain (5)	High

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of fines or penalties per year	0	0	No change
Number of qualified audits with significant adverse findings per year	0	0	No change
Number of non-compliance matters identified in the annual Compliance Audit Return (CAR)	0	0	No change
Number of investigations of breaches / minor or serious misconduct (compliance-related) that were substantiated	0	0	No change
Number of FOI applications and PIDs not actioned within timeframes per year	0	0	No change
Number of Councillors not completed mandatory training in first year	0	4	Decreased
Number of Councillors absent from two or more subsequent meetings in a row without leave of absence	0	0	Not previously measured

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Commitment from Elected Members to complete mandatory Councillor training	Shire President	Jun-23	Budget 2022/23

Residual Risk Rating

Consequence Categories	Consequence:	Likelihood:	Residual Risk Rating
Service interruption / Financial / Reputation	Moderate (3)	Possible (3)	Moderate

Comments

Risk Description

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds, and all other assets during their lifecycle from procurement to disposal. Areas included in the scope are:
 - Inadequate design (not fit for purpose)
 - Ineffective usage (down time)
 - outputs not meeting expectations
 - Inadequate maintenance activities
 - Inadequate financial management and planning (capital renewal plan)
 It does not include issues with inappropriate use of the plant, equipment or machinery - refer to Misconduct.

Potential causes include;

Skill level & behaviour of operators	Unavailability of parts
Lack of trained staff	Lack of formal or appropriate scheduling (maintenance / inspections)
Outdated equipment	Unexpected breakdowns
Insufficient budget to maintain or replace assets	

Key Controls	Type	Date Rated / Assessed	Rating
Plant Replacement Program	Preventative	Dec-22	Effective
Asset Management Framework (Plan & Strategy)	Preventative	Dec-22	Inadequate
Building Maintenance Program	Preventative	Dec-22	Inadequate
Fleet Management System	Preventative	Dec-22	Effective
Road Asset Management System (RAMMS)	Preventative	Dec-22	Inadequate
Housing Replacement Program	Preventative	Dec-22	Inadequate

Overall Control Ratings: Inadequate

Inherent Risk Rating

Consequence Categories	Consequence:	Rating
Financial / Property	Catastrophic (5)	High
	Unlikely (2)	
Inherent Risk Rating		High

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
Roughness count	1	0	Increased
Asset Consumption Ratio	2	2	No change
Asset Sustainability Ratio	1	1	No change
Asset Renewal Funding Ratio	0	4	Increased
Number of fire wardens that have not attended training	0	0	No change

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Develop a Housing Upgrade and Maintenance Plan	GCM / CEO	Nov-23	Internal
Conduct regular playground inspections and set maintenance program	WM / CEO	May-23	Internal
Conduct roughness assessment for rural roads	WM / CEO	Jul-23	Budget 2023/24
Prepare new Long Term Financial Plan (LTFP)	FAM / CEO	Feb-23	Internal
Prepare video footage of road network	WM / CEO	May-23	Internal
Update Asset Management Plan	FAM / CEO	Sep-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Rating
Financial / Property	Major (4)	Moderate
	Unlikely (2)	
Residual Risk Rating		Moderate

Comments

Risk Description

Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation. This includes:

- Contact lists.
- Procedural documents, personnel files, complaints.
- Applications, proposals or documents.
- Contracts.
- Forms or requests.

Potential causes include;

Incompatible systems	Outdated record keeping practices
Inadequate access and / or security levels	Lack of system/application knowledge
Inadequate Storage facilities (including climate control)	High workloads and time pressures
High Staff turnover	Standard Operating Policies not followed

Key Controls	Type	Date Rated / Assessed	Rating
Records Management Policy	Preventative	Dec-22	Effective
Procedural Documentation on Records Management	Preventative	Dec-22	Adequate
Records Management Framework	Preventative	Dec-22	Effective
Staff Training	Preventative	Dec-22	Adequate

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Likelihood:	Inherent Risk Rating
Compliance / Service Interruption / Financial	Moderate (3)	Possible (3)	Moderate

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
% of Customer Service records actioned within agreed timeframes	1	0	Increased
# of outstanding / overdue records allocated	2	2	No change
% of staff completing records training	1	1	No change

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Develop procedures for website management and disposal of digitised records	SFO / GCM	Nov-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Likelihood:	Residual Risk Rating
Compliance / Service Interruption / Financial	Moderate (3)	Unlikely (2)	Moderate

Comments

Risk Description

Failures in the procurement, acquisition, acceptance or disposal process for goods (assets) or services as governed by the Local Government Act. This also includes inadequacies in the development and execution of contracts together issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Lack of formalised process to identify specific requirements prior to procurement.
- Acceptance of assets without reference to a formalised process to ensure correct receipt and/or notification of receipt (transfer of ownership).
- Disposing of Plant & Equipment (either through sale or decommissioning) that did not meet expectations from either a time or financial perspective.
- Failures in the Tender process from RFT preparation, advertising, due diligence and awarding.
- Concentration issues (contracts awarded to one supplier)
- Vendor sustainability

Potential causes include;

Funding	Inadequate contract management practices
Complexity and quantity of work	Ineffective monitoring of deliverables
Inadequate tendering process	Lack of planning and clarity of requirements
Contracts not renewed on time	Historical contracts remaining

Key Controls	Type	Date Rated / Assessed	Rating
Contract Management System	Detective	Dec-22	Inadequate
Contract Templates / Approval process	Preventative	Dec-22	Adequate
Use of e-Quotes (WALGA)	Preventative	Dec-22	Effective
WALGA Specialist Procurement Advice	Preventative	Dec-22	Effective
Procurement Process (Purchase Order Process) - Electronic	Preventative	Dec-22	Adequate
Internal Audit & CAR	Detective	Dec-22	Effective
Policies & Procedures	Preventative	Dec-22	Effective
Delegation Register	Preventative	Dec-22	Effective
Tender / Disposal Register	Preventative	Dec-22	Effective
Declarations of Interest	Preventative	Dec-22	Adequate
Contract Register	Preventative	Dec-22	Adequate

Overall Control Ratings: Inadequate

Inherent Risk Rating

Consequence Categories	Consequence:	Moderate (3)
Compliance / Financial	Likelihood:	Possible (3)
	Inherent Risk Rating	Moderate

Key Performance Indicators

	Tolerance	Latest Result	Trend
Number of expired contracts, not renewed	0	2	No change
Number of matters of tendering and/or procurement non-compliance in annual Compliance Audit Retrn (CAR)	0	0	No change
Instances of Delegation Register not being reviewed at least once every financial year	0	0	Not previously measured
Number of purchase orders issued post invoice	0	1	Not previously measured
Number of adverse findings from external audit per year	0	0	Not previously measured

Actions (Treatments)

	Responsibility	Due Date	Resourcing
Add Contract review dates to Outlook Calendars (Contract Managers)	GCM	Apr-23	Internal
Review Pre-qualified Suppliers Policy following establishment of a Panel to ensure effectiveness and appropriateness	FAM / CEO	Jan-23	Internal
Implement formal conflict disclosure process for tender panels and procurement	FAM / GCM	Feb-23	Internal
Implement Altus Procurement module (including requisition to PO approval)	FAM	May-23	Budget 2022/23
Update Council Policies to list delegation reference	GCM	Aug-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Moderate (3)
Compliance / Financial	Likelihood:	Unlikely (2)
	Residual Risk Rating	Moderate

Comments

Risk Description

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;
 -Lack of adequate planning and management of erosion issues.
 -Failure to identify and effectively manage contaminated sites (including groundwater usage).
 -Waste facilities (landfill / transfer stations).
 -Weed & mosquito / Vector control.
 -Ineffective management of water sources (reclaimed, potable)
 -Illegal dumping.
 -Illegal clearing / land use.

Potential causes include;

Inadequate management of landfill sites	Inadequate reporting / oversight frameworks
Lack of understanding / knowledge	Community apathy
Inadequate local laws / planning schemes	Differing land tenure (land occupancy or ownership conditions)
Prolific extractive industry (sand, limestone, etc.)	Competing land use (growing population vs conservation)

Key Controls	Type	Date Rated / Assessed	Rating
Landfill Management / Oversight Process	Detective	Dec-22	Inadequate
Asbestos Management (Contaminated Sites)	Preventative	Dec-22	Inadequate
Mosquito Management	Preventative	Dec-22	Adequate
Regular environmental health inspections	Preventative / Detective	Dec-22	Adequate

Overall Control Ratings: Inadequate

Inherent Risk Rating

Consequence Categories	Consequence:	Consequence:
Financial / Property	Likelihood:	Catastrophic (5)
	Inherent Risk Rating	Rare (1)
		Moderate

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of complaints / reports of non-compliance for clearing (roadworks)	0	0	Not previously measured
Number of asbestos containment breach reports	0	0	Not previously measured
Number of complaints regarding mosquitoes / ross river	0	0	Not previously measured
Number of inspections of public facilities (non-Shire) where health and/or building compliance matters reported	0	1	Not previously measured

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Identify best approach to manage contaminated road reserve	CEO / WM	Jun-23	Budget 2023/24
Identify best approach to manage contaminated town common (near hockey oval)	CEO	Jun-23	Budget 2023/24

Residual Risk Rating

Consequence Categories	Consequence:	Consequence:
Financial / Property	Likelihood:	Major (4)
	Residual Risk Rating	Rare (1)
		Low

Comments

Risk Description

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes:
 -Inadequate procedures in place to manage quality or availability.
 -Poor crowd control
 -Ineffective signage
 -Booking issues
 -Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility)
 -Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)

Potential causes include;

Double bookings	Traffic congestion or vehicles blocking entry or exit
Illegal / excessive alcohol consumption	Insufficient time between bookings for cleaning or maintenance
Bond payments poorly managed	Difficulty accessing facilities / venues.
Inadequate oversight or provision of peripheral services (e.g. cleaning / maintenance)	Poor service from contractors (such as catering or cleaning)

Key Controls	Type	Date Rated / Assessed	Rating
Event Management Process (Internal)	Preventative	Dec-22	Adequate
Event Approval Process (External)	Detective	Dec-22	Adequate
Facility Maintenance Program	Preventative	Dec-22	Adequate
Key Management Process	Preventative	Dec-22	Adequate
Rental Property Register with Bond Section	Preventative / Detective	Dec-22	Effective
New employee induction packages- include bond/lease forms	Preventative	Dec-22	Adequate
Booking Management	Preventative	Dec-22	Effective

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Moderate (3)
Financial / Property	Likelihood:	Unlikely (2)
	Inherent Risk Rating	Moderate

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of substantiated complaints regarding state of facilities	0	0	No change
Number of leases commenced prior to property inspection completed	0	2	Not previously measured
Number of major building maintenance items not actioned within 6 months	0		Not previously measured

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Conduct regular property inspections - create schedule	GCM	Apr-23	Internal
Works program to be developed for building maintenance	WM / GCM	Jul-23	Budget 2023/24

Residual Risk Rating

Consequence Categories	Consequence:	Moderate (3)
Financial / Property	Likelihood:	Rare (1)
	Residual Risk Rating	Low

Comments

Risk Description

Non-compliance with the Work Health and Safety Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.

Potential causes include;

Lack of appropriate PPE / equipment	Inadequate signage, barriers or other exclusion techniques
Inadequate first aid supplies or trained first aiders	Poor storage and use of dangerous goods
Inadequate security protection measures in place for buildings, depots and other places of work	Ineffective / inadequate testing, sampling or other health-related requirements
Inadequate or unsafe modifications to plant & equipment	Lack of mandate and commitment from senior management

Key Controls	Type	Date Rated / Assessed	Rating
WHS Management Plan	Preventative	Dec-22	Inadequate
Workplace Inspections	Preventative	Dec-22	Adequate
Staff Individual Training Plans	Preventative	Dec-22	Adequate
Hazard Register (GRIP Tracker)	Detective	Dec-22	Adequate
Contractor management	Detective	Dec-22	Inadequate
Internal site / prestart Inductions	Preventative	Dec-22	Inadequate
Staff Inductions	Preventative	Dec-22	Effective
Volunteer management (bush fire)	Preventative	Dec-22	Inadequate
Organisational Emergency Mgt (Evac plans & drills, Wardens, etc)	Preventative/Detective	Dec-22	Adequate
Use of Regional Risk Coordinator services and expertise	Preventative/Detective	Dec-22	Effective
SWMS be developed and reviewed annually or as required	Preventative	Dec-22	Adequate

Overall Control Ratings: Inadequate

Inherent Risk Rating

Consequence Categories	Consequence:	Likelihood:	Inherent Risk Rating
Financial / Property	Catastrophic (5)	Possible (3)	High

Key Performance Indicators

	Tolerance	Latest Result	Trend
Number of incidents (WorkSafe WA reportable)	0	2	Increased
Near miss incidents	5	2	Increased
Workers Compensation Claims	0	2	Increased
Number of inductions completed after work commencing			Not previously measured
Number of volunteers not inducted before commencing work (includes bushfire volunteers)	0	35	Not previously measured
Number of Safety Action Plan items not implemented	0		Not previously measured

Actions (Treatments)

	Responsibility	Due Date	Resourcing
Evidence train workers in the consultation and communication procedure	GCM	Sep-23	Internal
Train workers in the consultation and communication procedure (evidence)	GCM / LGIS	May-23	External
Conduct annual emergency drills annually, document and review procedures as required	FAM	Jul-23	Internal
Establish minimum standards for bushfire volunteers	GCM / CEO	Feb-23	Internal
All brigade members to complete minimum training and induction requirements (to be deemed competent)	GCM	Aug-23	Internal
Auditor workplace inspections to be conducted as per schedule	GCM / LGIS	Sep-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Likelihood:	Residual Risk Rating
Financial / Property	Major (4)	Unlikely (2)	Moderate

Comments

Risk Description

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes. This includes:
 -Inadequate change management framework to manage and monitor change activities.
 -Inadequate understanding of the impact of project change on the business.
 -Failures in the transition of projects into standard operations.
 -Failure to implement new systems
 -Inadequate handover process
 This does not include new plant & equipment purchases. Refer "Inadequate Asset Sustainability Practices"

Potential causes include;

Lack of communication and consultation	Excessive growth (too many projects)
Lack of investment	Inadequate monitoring and review
Ineffective management of expectations (scope creep)	Project risks not managed effectively
Inadequate project planning (resources/budget)	Lack of project methodology knowledge and reporting requirements

Key Controls

	Type	Date Rated / Assessed	Rating
Project Management	Preventative	Dec-22	Adequate
Monthly project status reporting	Preventative	Dec-22	Effective
Membership to WALGA and use of Procurement templates	Preventative	Dec-22	Effective
Handover notes Records Management	Detective	Dec-22	Adequate
Project reporting with financial breakdown	Detective	Dec-22	Effective

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Major (4)
Financial / Service Interruption / Reputational	Likelihood:	Possible (3)
	Inherent Risk Rating	High

Key Performance Indicators

	Tolerance	Latest Result	Trend
Number of projects with overall capital budget overrun/underun (material)	0	0	Increased
Number of projects with significant deviations from the project scope	0	2	Not previously measured
Individual Material contract variations	0	?	Not previously measured
Failure to meet funding deadlines and milestones	0	1	Not previously measured

Actions (Treatments)

	Responsibility	Due Date	Resourcing
Implementation of Altus Procurement module	FAM	Oct-23	Internal
Expand Project tracker to include all grant funded projects (not just Capex)	FAM / CEO	May-23	Internal
First principle or quantity surveyor estimates for all capex projects (annual)	CEO	Jul-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Major (4)
Financial / Service Interruption / Reputational	Likelihood:	Unlikely (2)
	Residual Risk Rating	Moderate

Comments

Risk Description

Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers). This includes:
 -Not having appropriately qualified or experienced people in the right roles.
 -Insufficient staff numbers to achieve objectives.
 -Breaching employee regulations.
 -Discrimination, harassment & bullying in the workplace.
 -Poor employee wellbeing (causing stress).
 -Key person dependencies without effective succession planning in place.
 -Industrial activity.

Potential causes include;

Leadership failures	Ineffective performance management programs or procedures
Key / single-person dependencies	Limited staff availability - labour market conditions
Poor internal communications / relationships	Inadequate induction practices
Ineffective Human Resources policies, procedures and practices	Inconsistent application of policies

Key Controls	Type	Date Rated / Assessed	Rating
HR Policies & Procedures	Preventative	Dec-22	Adequate
Training Register	Preventative	Dec-22	Effective
Code of Conduct		Dec-22	Effective
Staff Inductions (non-safety)	Preventative	Dec-22	Adequate
Performance Review Process	Detective	Dec-22	Effective
Workforce Plan	Preventative	Dec-22	Effective

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Moderate (3)
Compliance / Service Interruption / Reputational	Likelihood:	Unlikely (2)
	Inherent Risk Rating	Moderate

Key Performance Indicators

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of employees leave organisation in year	5		Not previously measured
Incidents of absenteeism (Unauthorised Leave Without Pay)	0	1	Not previously measured
Workers Compensation Claims	0	2	Not previously measured
Number of Staff being performance managed under performance improvement process	0	0	Not previously measured
No of industrial actions	0	0	No change

Actions (Treatments)

Actions (Treatments)	Responsibility	Due Date	Resourcing
Develop policy to deal with provision of staff housing / subsidies	GCM / CEO	Apr-23	Internal
Review staff retention policy	CEO	Mar-23	Internal
Implement Altus Onboarding module	FAM / GCM	Feb-23	Budget 2022/23
Prepare for transition to State Industrial Relations system	GCM / CEO	Jun-23	Internal
Implement system to allow one-on-one meetings between staff and CEO	CEO	Jun-23	Internal
Investigate appropriate Staff Induction training (Introduction to Local Government and Governance)	GCM	Mar-23	Internal
Develop & undertake a workforce survey to measure employee satisfaction	GCM	Mar-23	Budget 2022/23

Residual Risk Rating

Consequence Categories	Consequence:	Moderate (3)
Compliance / Service Interruption / Reputational	Likelihood:	Rare (1)
	Residual Risk Rating	Low

Comments

Risk Description

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. This Includes:
 - Following up on any access & inclusion issues.
 - Infrastructure Projects.
 - Regional or District Committee attendance.
 - Local Planning initiatives.
 - Strategic Planning initiatives.
 This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Potential causes include;

Budget Funding Issues	Miscommunication / Poor communication
Media Attention	Relationship breakdowns with community groups
Ineffective documentation or procedures	Oversight in regards to failure to advertise statutory notices
Short lead times	

Key Controls

	Type	Date Rated / Assessed	Rating
Newsletters / Noticeboards / E-mails / Website	Preventative	Dec-22	Adequate
Community Meetings and workshops	Preventative	Dec-22	Adequate
Councillor Briefing sessions and workshops	Preventative	Dec-22	Effective
Disability Access and Inclusion Plan	Preventative	Dec-22	Adequate

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence:	Minor (2)
Reputational / Compliance	Likelihood:	Possible (3)
	Inherent Risk Rating	Moderate

Key Performance Indicators

	Tolerance	Latest Result	Trend
MARKYT Results - clear vision communicated [Agree - Strongly Agree]	50%	22%	Not previously measured
MARKT Results - how the community is consulted about local issues [Okay-Excellent]	50%	62%	Not previously measured
MARKT Results - the Shire has a good understanding of community needs [Agree - Strongly Agree]	50%	29%	Not previously measured
MARKYT Results - advocacy and lobbying [Okay - Excellent]	50%	62%	Not previously measured
MARKYT Results - how the community is informed about what's happening in the local area [Okay - Excellent]	50%	65%	Not previously measured
Percentage of community participation in community surveys / consultation opportunities	>10%	20%	Not previously measured

Actions (Treatments)

	Responsibility	Due Date	Resourcing
Develop Action Plan from results of Community Satisfaction Survey (MARKYT Survey)	GCM	Oct-23	Internal
Investigate communication strategy - possible resource sharing	GCM / CEO	May-23	Internal

Residual Risk Rating

Consequence Categories	Consequence:	Major (4)
Reputational / Compliance	Likelihood:	Rare (1)
	Residual Risk Rating	Low

Comments

Risk Description

Psychosocial hazards are factors in the design or management of work that increase the risk of work-related stress and can lead to psychological or physical harm. A person conducting a business or undertaking (PCBU) must eliminate psychosocial risks, or if that is not reasonably practicable, minimise them so far as is reasonably practicable in accordance with the Work Health and Safety Regulations.

Potential causes include;

Job demands	Miscommunication / Poor communication
Low job control	Relationship breakdowns with community groups
Poor support	Remote or isolated work
Lack of role clarity	Traumatic events or material
Violence, aggression, bullying and harrasment	Conflict or poor workforce relationships and interactions
Poor organisational change management	

Key Controls	Type	Date Rated / Assessed	Rating
Working Remotely Policy and Procedure	Preventative	Dec-22	Effective
Employee Assistance Scheme	Preventative	Dec-22	Adequate
Performance reviews	Preventative	Dec-22	Adequate
Return to work and injury management programs	Preventative	Dec-22	Adequate
Position descriptions reviewed annually	Preventative	Dec-22	Adequate
Equal employment opportunity policy	Preventative	Dec-22	Adequate
Bullying and harrasment policy	Preventative	Dec-22	Adequate

Overall Control Ratings: Adequate

Inherent Risk Rating

Consequence Categories	Consequence: Moderate (3)
Reputational / Compliance	Likelihood: Likely (4)
	Inherent Risk Rating High

Key Performance Indicators

	Tolerance	Latest Result	Trend
Performance reviews completed for all staff before 31 December each year	100%		Not previously measured
No working alone related incidents	0	0	Not previously measured
Number of workplace incidents (psychosocial)	0	1	Not previously measured

Actions (Treatments)

	Responsibility	Due Date	Resourcing
Implement Employee Assistance Scheme	GCM	Dec-22	Internal
Conduct audit of performance reviews completed in 2022	GCM	Jan-23	Internal

Residual Risk Rating

Consequence Categories	Consequence: Moderate (3)
Reputational / Compliance	Likelihood: Rare (1)
	Residual Risk Rating Low

Comments

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Legal & Compliance	Reputational	Property	Environment
Insignificant (1)	First aid injuries	Less than \$5,000	No material service interruption	Compliance: No noticeable regulatory or statutory impact Legal: Threat of litigation requiring small compensation Contract: No effect on contract performance	Unsubstantiated, low impact, low profile or 'no news' item <i>Example: gossip, online post seen by limited persons</i>	Inconsequential damage	Contained, reversible impact managed by on site response <i>Example: pick up bag of rubbish</i>
Minor (2)	Medical type injuries	\$5,001 - \$15,000	Short term temporary interruption – backlog cleared < 1 day	Compliance: Some temporary non-compliances Legal: Single minor litigation Contract: Results in meeting between parties in which contractor expresses concern	Substantiated, low impact, low news item <i>Example: online post seen by the community</i>	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response <i>Example: pick up trailer of rubbish</i>
Moderate (3)	Lost time injury <30 Days	\$15,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Compliance: Short term non-compliance but with significant regulatory requirements imposed Legal: several minor litigations Contract: Receive verbal advice that if breaches continue, a default notice may be issued	Substantiated, public embarrassment, moderate impact, moderate news profile <i>Example: local paper article, online post taken up by people outside of Shire</i>	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies <i>Example: Contractor removal of asbestos sheets</i>
Major (4)	Lost time injury >30 Days	\$50,000 - \$150,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Compliance: Non-compliance results in termination of services or imposed penalties Legal: Single moderate litigation Contract: Receive written notice from contractor threatening termination if not rectified	Substantiated, public embarrassment, high impact, high news profile, third party actions <i>Example: State wide paper, TV news story, significant online presence</i>	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies <i>Example: truck/train spill of diesel of oil on road reserve</i>
Catastrophic (5)	Fatality, permanent disability	More than \$150,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Compliance: Non-compliance results in litigation, criminal charges or significant damages or penalties Legal: Single major litigation or numerous moderate litigations Contract: Termination of contract for default	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions <i>Example: Au wide paper, TV news,</i>	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

Risk Matrix						
Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	CEO
EXTREME (16-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings		
Rating	Detailed Description	Description and Action Required
Effective	No control gaps. The control is influencing the risk level and inly continues monitoring is needed	Description: Control addresses risk, is officially documented, in operation and has been tested to confirm effectiveness
Moderately Effective	Few control gaps. The control is influencing the risk level however improvement is needed	Control addresses risk but documentation and/or operation of control could be improved
Partially Effective	Some control gaps that result in the control having limited influence on risk level	Description: Control addresses risk at least partially, but is not documented and/or operation of control needs to be improved Action Required: Must have a treatment plan (action) to improve the control effectiveness to at least 'Moderately Effective'
Inadequate	Signifiant control gaps that result in the control not influencng the risk level.	Description: At best, control addresses risk, but is not documented or in operation, at worst, control does not address risk and is neither documented nor in operation. Action Required: Must have a treatment plan (action) to improve the control effectiveness to at least 'Moderately Effective'

Audit Plan with Timeline										2023				2024				2025				2026			
Project No	Strategic Planning Objectives	Auditable Risk Theme	Objective of Audit	Risk	Indicative Audit Scope and Description	Consequence	Likelihood	Audit Requirement Rating	Resourcing	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2023																									
1.2122	1.3.2 Provide services and processes to enhance public safety 1.3.1 Provide a high level of compliance with external regulation, in a resource efficient manner	Business Disruption	BUSINESS CONTINUITY The objectives of the Internal Audit are to: 1. Assess the current controls, processes and policies to ensure the operation of a safe and effective emergency management service for prevention /mitigation and preparedness; and 2. Establish if responsibilities for the Shire in relation to the Emergency Management Act 2005 and the Emergency Management Regulations 2006 have been complied with, in particular, the LEM Committee and other associated responsibilities in respect of prevention/mitigation and preparedness	The Shire fails to manage its responsibilities in relation to compliance with the Emergency Management Act 2005 and the Emergency Management Regulations 2006 (1954)	1. Assess the current controls, processes and policies to ensure the operation of a safe and effective emergency management service for prevention /mitigation and preparedness; and 2. Establish if responsibilities for the Shire in relation to the Emergency Management Act 2005 and the Emergency Management Regulations 2006 have been complied with, in particular, the LEM Committee and other associated responsibilities in respect of prevention/mitigation and preparedness. Stakeholder engagement including MOUs and agreements with stakeholders such as DFES, Water Corporation, etc. * Management plans;* Risk assessment * Roles and responsibilities. * Review efficacy of education/ community awareness * Record keeping.	Major (4)	Unlikely (2)	Moderate (8)	Office of Emergency Management LGIS DFES																
1.2223	1.2.1 Manage organisation in a financially sustainable manner 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Errors, omissions and delays Procurement / Contract Management and Tendering	CONTRACT MANAGEMENT Review variations and extensions of contracts to ensure compliance with statutory requirements, including timely communication with contractors	* Contract terms are breached by contractor / Shire * Non-compliance with procurement and tendering obligations * Over budget expenditure	* Policies and procedures governing contract extensions and variations * complete and accurate records * complying with resolutions/delegations * contractor performance	Minor (2)	Unlikely (2)	Low (4)	OAG has conducted an audit/report which could be used as the basis for review																
2.2223	1.4.2 Manage and reduce waste 1.1.2 Provide buildings, facilities and services to meet community needs 1.3.1 Provide a high level of compliance with external regulation, in a resource efficient manner	Environment Management	WASTE MANAGEMENT The Audit is to assess: 1. Are waste services planned to minimise waste and meet community expectations? 2. Does the Shire have effective and economical arrangements in place to collect and transport domestic kerbside waste to maximise recycling rates and minimise costs? 3. Is the Shire complying with its legislative requirements?	The Shire fails to manage its responsibilities in relation to compliance with the Waste and Resource Recovery Act	Assess whether the Shire's has effective waste managements, practices and services in place to reduce waste. Documented evidence in the focus areas below: * Residents satisfaction survey results * Corporate plans * Contractual arrangements * Policies, procedures * WHS * Finances	Catastrophic (5)	Rare (1)	Moderate (5)	Waste Avoidance & Resource Recovery Strategy 2030 [Waste Authority]																
2024																									
1.2324	1.2.3 Provide sound corporate governance of the Shire and create an attractive work environment 1.3.2 Provide services and processes to enhance public safety	Work Health and Safety	WORKPLACE HEALTH AND SAFETY To assess the Shire's performance in relation to all procedures, processes and controls in relation to OSH matters	Non-compliance with the Work Health and Safety Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.	* Policies and procedures * Record keeping * Education and training * Adequate and safe plant, equipment, tools and PPE * Templates, tools and guidelines * WHS induction training * Toolbox / staff meetings * WHS Legislation and compliance * Reporting and Audits * WHS Management Systems * Health and well being program	Catastrophic (5)	Possible (3)	High (15)	Three Steps to Safety Audit LGIS																
2.2324	1.1.2 Provide buildings, facilities and services to meet community needs 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Facilities / Venues / Events / Properties	LEASING & LAND MANAGEMENT To ensure that leased properties are being effectively and appropriately managed	* Failure to renew leases in a timely fashion * Risk of missing out on either lease income, or strategic land access as a result of mismanagement of leases * Failure to meet Accounting Standards where relevant leases are not identified and reported	* Review existing lease register and associated management processes * Seek to identify any properties which do not appear on lease register, and update register * Ensure processes provide for timely reminders to renew/review leases and Land Management Agreements * Rent review schedules	Moderate (3)	Unlikely (2)	Moderate (6)																	
2025																									
1.2425	1.2.4 Seek innovative ways to improve organisational efficiency and effectiveness. 1.3.1 Provide a high level of compliance with external regulation, in a resource efficient manner	Document Management Processes Misconduct External Theft and Fraud	RECORDS MANAGEMENT 1. To review the Shire's security and privacy policies and procedures and provide recommendations for any optimisations, cost reductions and efficiencies 2. To Assess the systems and processes in relation to records access, capture and retrieval, retention, storage and disposal. 3. To assess the Shire's performance in relation to fraud management and prevention, inclusive of: * Risk identification; * Opportunities reduction; * Awareness and Monitoring. 4. Is the current records management software enabling efficient records management? 5. Is the Shire providing adequate resourcing in terms of software, hardware, personnel and strategic planning?	* Inadequate records management could result in a breach of State Records Act 2000 and loss of information. * Records cannot be located in a timely and effective manner particularly in the event of appeal or litigation as well as operational requirements * Potential for records information inconsistency; files not retrieved, systems contain incorrect data on applicants and property. * Potential for illegitimate use of local government computers, or illegitimate access to local government property of power supplies	Examine the Shire's Records Management internal control environment including: * Recordkeeping Plan * Information security * Record management and IT software * Change control * Physical security * Policies and procedures * Storage and disposal practices * Staff training and inductions	Moderate (3) Moderate (3) Major (4)	Possible (3) Unlikely (2) Unlikely (2)	Moderate (9) Moderate (6) Moderate (8)	OAG LG records management audit Shire Recordkeeping Plan																
2.2425	1.1.2 Provide buildings, facilities and services to meet community needs 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Asset Management	ASSET MANAGEMENT AND DISPOSAL Ensure proper procurement, data control and disposal of assets	* Assets not accounted for in financial/asset systems * Inadequate maintenance activities * Increase in insurance claims * Ineffective usage / down time	* Check for compliance with policies, procedures and guidelines * Review asset register / insurance register	Catastrophic (5)	Unlikely (2)	High (10)																	
2026																									
1.2526	1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Governance & Compliance	MANAGEMENT OF LICENCES Assess the effectiveness of the controls over the management of licences, including obtaining an understanding of the type of licence held by the Shire- To include the following license types: IT software; Building statutory; Waste transfer station ; Depot fuel.	Licenses are not renewed in a timely manner or failure to obtain relevant licenses	* Register of licences. * Procedures/processes for recording, monitoring and renewing * Managing currency of staff qualifications and licences.	Moderate (3)	Almost Certain (5)	High (15)																	
2027																									
2.2627	1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Governance & Compliance	LEGISLATIVE COMPLIANCE Assess the framework / systems review for legislative compliance, which should include: * a documented process to capture legislative changes * A system that documents legislative requirements and tracks the Shire's progress	The Shire fails to identify legislative compliance obligations leading to a reactive culture and increasing its likelihood of identifying legislative compliance obligations only in the event of an emerging problem. This has the potential to reduce the effectiveness of the administration as a whole, with respect to legislative compliance.	* Compliance Calendar * Compliance Audit Return (CAR)	Moderate (3)	Almost Certain (5)	High (15)																	
1.2728	1.2.3 Provide sound corporate governance of Shire and create an attractive work environment	Misconduct	FRAUD MANAGEMENT To assess the Shire's performance in relation to fraud management and prevention, inclusive of: * Risk identification; * Opportunities reduction; * Awareness and Monitoring.	Incidents of fraud may result in financial loss and/ or reputation damage to the Shire	* Fraud risk assessment * Public Interest Disclosure * Code of Conduct. * Induction. * Investigation and reporting procedures	Insignificant (1)	Possible (3)	Low (3)	OAG LG fraud prevention report																

Audit Plan with Timeline										2023				2024				2025				2026				
Project No	Strategic Planning Objectives	Auditable Risk Theme	Objective of Audit	Risk	Indicative Audit Scope and Description	Consequence	Likelihood	Audit Requirement Rating	Resourcing	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Other Risk Themes / Topics																										
	1.3.1 Provide a high level of compliance with external regulation, in a resource efficient manner	Environment Management	ENVIRONMENTAL HEALTH SERVICES Review inspection and reporting records	* Records not maintained * Incorrect advice issued * Delays in service delivery * Incident/s impacting public health * Statutory reporting requirements not met	Inspect records relating to Environmental Health Services, including: * Public Health * Food surveillance and premises * Caravan Licensing * Mosquito management * Legislative compliance	Moderate (3)	Possible (3)	Moderate (9)																		
	1.2.1 Manage organisation in a financially sustainable manner 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Errors, omissions and delays Governance & Compliance Misconduct	CREDITORS & PAYMENT PROCESSING To provide assurance that the function is being effectively managed and free of any risks of fraud. To provide recommendations (if any) for the improvements in efficiencies of the function and effectiveness of controls and procedures. The audit will: 1. Evaluate internal controls designed to prevent fraud and corruption in the payment processes; 2. Verify that the payments were made correctly, timely, and properly supported. 3. Review for duplicate payments 4. Evaluate compliance with policy, procedures and legislation.	* Exposure to fake invoices / scams * Payments made to incorrect creditor / additional time to make corrections * Incidents of corruption, fraud and theft * Non-compliance with legislation and policy * Poor audit outcomes and reporting	* Financial management guidelines / procedures * Reconciliations * Electronic fund transfer security protocols * Segregation of duties including fraud management controls * Management reporting	Moderate (3)	Unlikely (2)	Moderate (6)																		
	1.2.4 Seek innovative ways to improve organisational efficiency and effectiveness. 1.3.1 Provide a high level of compliance with external regulation, in a resource efficient manner	External Theft & Fraud Misconduct	FRAUD & CORRUPTION MANAGEMENT To review the Shire's practices and controls in fraud and corruption management.	* Incidents of fraud may result in financial loss and/ or reputation damage to the Shire * Poor processes/ control weaknesses could impact the quality of employees in, and the integrity of, the Shire	Scope- 1. Has the Shire implemented a coordinated approach to manage fraud risks? 2. Does the Shire have adequate controls for preventing and detecting fraud? 3. Can the Shire respond appropriately to suspected fraud? Code of Conduct * Conflict of Interest Guidelines * policies and procedures, reporting mechanisms and protection * risk management practices * Pre-employment screening * screening of grant recipients * training	Major (4) Major (4)	Unlikely (2) Unlikely (2)	Moderate (8) Moderate (8)	OAG Fraud prevention audit. OAG employee screening audit.																	
	1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Governance & Compliance	PLANNING AND DEVELOPMENT SERVICES To ensure that Planning & Development services are being provided in line with statutory obligations. The audit will: 1. Assess the adequacy of control processes relating to planning services 2. Assess the management arrangements for the delivery of planning services 3. Extent to which the Shire is complying with key legislatives, planning scheme, policies, procedures, guidelines and other requirements in providing planning services.	* Delays in the planning approval process results in tribunal appeals * Inadequate internal quality assurance procedures results in poor outcomes binding the Shire * Systems do not support ease of use in relation to planning and development approvals	* Delegated authority * Policies and procedures * Archiving of information * Business continuity * Environmental, health, building approvals.	Moderate (3)	Unlikely (2)	Moderate (6)																		
	1.1.2 Provide buildings, facilities and services to meet community needs	Facilities / Venues / Events / Properties	BUILDING MAINTENANCE Review and assess the effectiveness of the Shire's systems, processes and activities in relation to building infrastructure and maintenance services.	* Dilapidation of building leading to a lack of capital for services * Increased building and more infrastructure will increase the costs of renewal & maintenance to such an extent that it will be unsustainable for the Shire into the future, resulting in reduced customer service * The Shire could be exposed to litigation by third party users of Shire's buildings * A fire results in injury or death to members of the public and/or Shire staff	* Inspections * Condition surveys and reporting (on a random basis, confirmation of the condition reports matching to physical site inspection) * Budget and financial management * Risk assessment * OSH inspections (e.g. evidence of test & tag, fire management, roof restraints) * Inductions * JSA's * Management of work orders and service requests * Asbestos register review.	Catastrophic (5)	Unlikely (2)	High (10)																		
	1.3.2 Provide services and processes to enhance public safety 2.4.2 Continue programs to improve the look and feel of the community public spaces, places and services to support an active and inclusive lifestyle	Facilities / Venues / Events / Properties	EVENTS MANAGEMENT To ensure that any risks posed to the Shire through events are being managed effectively. To ensure each program is operating within and adhering to the required safety and risk management standards.	* Non-compliance with relevant OSH legislation and DAIP requirements * Accident of injury occurs * COVID-19 outbreak	Review current event application processes and develop an appropriate checklist to ensure all requirements are met.	Catastrophic (5)	Unlikely (2)	High (10)																		
	1.2.3 Provide sound corporate governance of Shire and create an attractive work environment	Employment Practices Errors, omissions and delays	PAYROLL The audit will: 1. Test that only bona fide employees are paid for work performed, paid on time and are paid using correct pay rate. 2. Review and test the adequacy of the IT system controls including: * System access and profiles (at the application level); * Administrator access; * EFT controls, security of documentation and that there is adequate segregation of duties * Edit-ability of payroll data files (ABA file).	Wages, salaries and/or conditions of employment are incorrectly paid to employees	* Setting up of employees in Synergy * Payroll system- review access controls * Recovery of overpayment * Processing timesheets * Authorisation, including overtime approval * Reconciliation * Payment processing in accordance with LGIA, EBA's, policies. * Recording and paying employees for leave. * Review archiving practice for ex-employee records. * Cross-reference banking records against creditor/debtor modules.	Moderate (3)	Unlikely (2)	Moderate (6)	IT Vision support																	
	1.2.1 Manage organisation in a financially sustainable manner	Errors, omissions and delays Governance & Compliance Misconduct	FINANCIAL MANAGEMENT Assess the effectiveness of the process level controls within the following financial functions: * Credit cards * Bank reconciliations * Petty cash * Fees and charges * Investments * Fixed Assets * Receiving administration (library, rec centres, leases etc)	The risk is that the Shire has incomplete and/or inaccurate financial records. Fraud	* Financial management guidelines / procedures * Reconciliations * Electronic fund transfer security protocols * Segregation of duties including fraud management controls * Management reporting	Moderate (3)	Unlikely (2)	Moderate (6)																		
	1.2.1 Manage organisation in a financially sustainable manner 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Projects / Change Management Errors, omissions and delays	GRANTS MANAGEMENT CAS Grants - Review grants issued under CAS are compliant with Council Policy and conditions External Grants - review to determine if the Shire has complied with grant condition requirements and appropriately managed expenditure and acquittals Review grant activities for both issuing grant funds and receiving	* Grants funds not expended within timeframes * Payments issued to correct grant receiver	* Check compliance with Council Policy * Check compliance with grant conditions * Adequate receipts/invoices provided to evidence grant compliance * Reporting requirements met	Moderate (3)	Unlikely (2)	Moderate (6)																		
	1.2.1 Manage organisation in a financially sustainable manner 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Errors, omissions and delays Governance & Compliance Misconduct	RATES & PROPERTY MANAGEMENT Review adequacy of controls in place to ensure legislative requirements are met, interim and final rates are processed correctly, valuations are correctly administered and appropriate debt collection procedures are in place.	* Inaccurate rate records * Incorrect funds collected from rates * Additional resourcing to remedy errors * Excessive debt collection costs	Review policies, procedures and records to check rate records reflect current and accurate valuations, and that rate notices align.	Moderate (3)	Unlikely (2)	Moderate (6)																		
	1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	IT or Communication Systems and Infrastructure Governance & Compliance	WEBSITE MANAGEMENT Ensure all legislated documents are published	* Non-compliance with statutory requirements * Incorrect information available to public * Increase in volume of queries / complaints * Reduced community engagement and education / awareness	Check legislative requirements with regard to information being published on the Shire's website	Moderate (3)	Unlikely (2)	Moderate (6)	CAR, Policy Manual to inform requirements																	

Audit Plan with Timeline										2023				2024				2025				2026			
Project No	Strategic Planning Objectives	Auditable Risk Theme	Objective of Audit	Risk	Indicative Audit Scope and Description	Consequence	Likelihood	Audit Requirement Rating	Resourcing	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	1.1.2 Provide buildings, facilities and services to meet community needs 1.2.2 Enhance open and trusting communication between Council and the community, and deliver high quality services in partnership with external stakeholders	Community Engagement	CUSTOMER SERVICE DELIVERY Review the adequacy and effectiveness of the Shire's customer services in relation to: *the Customer Service Charter * The processes for handling enquiries and customer complaint * The processes, operation and management of the customer service 'desk'. * The handling of after hours queries * Response times to queries (including general residential enquiries) * Tracking of outstanding complaints 2. To aid in the development and implementation of a customer service charter	* Customer enquiries are not adequately managed in a timely manner resulting in reputational damage. * Complaints are mismanaged resulting in customer dissatisfaction and possible escalation of complaint to external bodies. * Inadequate / incorrect / outdated information disseminated to the public. * Staff have lack of clarity regarding expectations due to lack of Customer Service Charter	* Key performance indicators for customer service * Customer Service Charter / standards * Management reporting processes * Processes for escalating service requests and complaints * Development of Customer Service Charter * Training of staff	Minor	Likely	Low (3)	Internal review; external templates will be sought and utilised for Customer Service Charter																
	1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner 1.2.3 Provide sound corporate governance of Shire and create an attractive work environment	Employment Practices Errors, omissions and delays	HUMAN RESOURCE MANAGEMENT Assess the effectiveness of the Shire's HR strategies and management processes including recruitment, staff retention, termination, disciplinary actions, performance management, training and development.	* The Shire is unable to recruit and retain sufficiently skilled people to fulfil strategic objectives * Recruitment process opened to challenge- misconduct risk; * Recruited staff does not have the requisite skills, experience and expertise; * High turnover or short retention period.	* Workforce plan and staff retention strategies; * Policies and procedures (recruitment, leave, flexible work arrangement etc); * Recruitment, selection and appointment processes including internal review of recruitment lessons. * Staff on long term higher duties. * Performance appraisal and management system; * Training. * Grievance and disciplinary guidelines and procedures. * Personnel records management including privacy; * Termination.	Major (4)	Unlikely (2)	Moderate (8)																	
	1.2.1 Manage organisation in a financially sustainable manner 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	Procurement / Contract Management and Tendering	TENDERING & PROCUREMENT Assess the Shire's processes, procedures, controls and activities in relation to procurement, including tendering, supplier's selection, and approval.	* Breach of probity standards and/or Local Government Act 1995 * Loss of reputation due to a lack of transparency, accountability, impartiality, confidentiality and security of information in the procurement process * Failure to obtain the best value for money.	* Tendering policies and procedures * The processes for tender advertising, submission and receipting and securing. * The process of tender evaluation; * Probity measures. * Internal controls designed to prevent fraud and corruption. * Authorisation and approval processes, delegations.	Moderate (3)	Unlikely (2)	Moderate (6)																	
	1.2.1 Manage organisation in a financially sustainable manner	External Theft & Fraud Governance & Compliance Misconduct	WAIVERS, CONCESSIONS AND WRITE OFFS To ensure approvals for waivers, concessions and write offs are in accordance with legislation, Council policy and procedures.	* Unauthorised transactions * Insufficient fees collected * Breach of delegation conditions	Check all fee waivers, concessions and write offs against delegations, policies and booking forms / works requests	Moderate (3)	Unlikely (2)	Moderate (6)																	
	1.2.1 Manage organisation in a financially sustainable manner 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner	External Theft & Fraud Governance & Compliance Misconduct	CYBERSECURITY Review systems, safeguards and policy impacting IT security.	* Unauthorised account access and use * Loss of data and information, including private and confidential information * Financial cost to recover data * Open to legal prosecutions	Determine best practice methods and conduct a risk assessment on actions based on feasibility and cost	Moderate (3)	Possible (3)	Moderate (9)	Possible external assistance from LGIS and Inifinitum																