



Ordinary Council Meeting Agenda

To All Councillors

To be held on Wednesday, 27 April 2016

Commencing 5.00pm at the Kirup Community Hall

South West Highway, Kirup

A handwritten signature in black ink, appearing to read 'Greg Harris', is positioned above the printed name.

Greg Harris
A/ Chief Executive Officer

21 April 2016

Disclaimer

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.



ORDINARY COUNCIL MEETING AGENDA

27 APRIL 2016

TABLE OF CONTENTS

PUBLIC GALLERY.....	5
1 APOLOGIES	5
2 PUBLIC QUESTION TIME	5
3 APPLICATION FOR LEAVE OF ABSENCE	11
4 DECLARATION OF FINANCIAL/IMPARTIALITY INTEREST	11
5 PETITIONS/DEPUTATIONS/PRESENTATIONS.....	11
6 LATE ITEMS	11
7 CONFIRMATION OF MINUTES	11
7.1 Ordinary Council Meetings	11
8 DEFERRED ITEMS	12
9 ELECTED MEMBERS MOTIONS.....	12
9.1.1 SUBJECT: 2016/17 BUDGET	12
10 MINUTES OF PREVIOUS MEETINGS.....	14
10.1 Committee Minutes.....	14
11 REPORTS OF COMMITTEES	14
11.1 Balingup Townscape Committee Meeting	14
11.1.1. OTHER BUSINESS	14
11.2 Donnybrook Townscape Committee Meeting	15
11.2.1 SUBJECT: UPCOMING EVENTS SIGNS	15
11.3 Audit Committee Meeting	16

11.3.1	SUBJECT: 2016/17 YEAR FINANCIAL AUDIT AND FINANCIAL MANAGEMENT SYSTEMS REVIEW	16
11.3.2	SUBJECT: AUDITING OF LOCAL GOVERNMENT BY THE AUDITOR GENERAL – RENEWAL OF AUDIT CONTRACTS	19
11.3.3	SUBJECT: ORGANISATIONAL RISK MANAGEMENT – ACTION PLAN	21
12	REPORTS OF OFFICERS.....	23
12.1	Manager Finance and Administration	23
12.1.1	ACCOUNTS FOR PAYMENT	23
12.1.2	MONTHLY FINANCIAL REPORT	23
12.2	Manager Works & Services	24
12.2.1	SUBJECT: MRWA DONNYBROOK-KOJONUP ROAD PROPOSED UPGRADE MUMBALLUP.	24
12.2.2	SUBJECT: MRWA LAND RATIONALISATION.....	25
	DONNYBROOK-KOJONUP ROAD.....	25
12.2.3	SUBJECT: RFQ 165 SUPPLY AND DELIVERY OF ONE (1) NEW WHEEL LOADER	27
12.2.4	SUBJECT: ROAD NETWORK INFRASTRUCTURE CONDITION RATING AND VALUATION.....	31
12.3	Manager Development and Environmental Services.....	34
12.4	Principal Planner.....	34
12.4.1	SUBJECT: PROPOSED AMENDMENT NO. 2 TO LOCAL PLANNING SCHEME NO.7.	34
12.4.2	SUBJECT: PROPOSED AMENDMENT NO. 5 TO LOCAL PLANNING SCHEME NO.7.	45
12.4.3	SUBJECT: REQUEST TO ADOPT BLACKWOOD RIVER RECREATION PRECINCT FEASIBILITY STUDY	48
12.4.4	SUBJECT: REQUEST TO REPLACE EXISTING PLAQUE AT MOSEDALE PARK, LOWDEN.....	51
12.4.5	SUBJECT: PLANNING APPLICATION FOR SEA CONTAINER IN RESIDENTIAL ZONE	53

12.5	Chief Executive Officer	57
12.5.1	SUBJECT: REVIEW OF DELEGATIONS	57
12.5.2	SUBJECT: DELEGATION UNDER THE PLANNING & DEVELOPMENT (LOCAL PLANNING SCHEMES) REGULATIONS 2015	63
12.5.3	SUBJECT: POLICY 1.24 - MEDIA SPOKESPERSON	65
12.5.4	SUBJECT: ADOPTION OF CAT LOCAL LAWS	67
12.5.5	SUBJECT: POLICY 2.47 COMMUNITY GRANT FUNDING SCHEME POLICY	69
12.5.6	SUBJECT: PURCHASE OF I-CARE COMPUTER SYSTEM.....	76
12.5.7	SUBJECT: BALINGUP BOWLING & CROQUET CLUB LIGHTING PROJECT – CSRFF FUNDING	79
12.5.8	SUBJECT: LOCAL LAW REVIEW.....	82
12.5.9	SUBJECT: STANDING ORDERS LOCAL LAW.....	85
12.6	Recall Items	86
12.7	Confidential Items	87
12.7.1	SUBJECT: 2016 ASSOCIATIONS HONOURS.....	87
13	CLOSURE OF MEETING	87

SHIRE OF DONNYBROOK-BALINGUP

ORDINARY COUNCIL MEETING AGENDA

To be held at the Donnybrook Council Chambers
Wednesday, 23 March 2016 at 5.00pm

MEMBERS PRESENT

COUNCILLORS

Cr Logiudice (President)
Cr Mills (Deputy)
Cr Bailey
Cr Crowley
Cr Dilley
Cr King
Cr Mitchell
Cr Tan
Cr Van Der Heide

STAFF

Greg Harris – A/ Chief Executive Officer
Leigh Guthridge – Manager Development and Environmental Services
Bob Wallin – Principal Planner
Damien Morgan – Manager Works and Services
Kate O’Keeffe – Executive Assistant

PUBLIC GALLERY

1 APOLOGIES

2 PUBLIC QUESTION TIME

Questions Taken Without Notice at the Ordinary Council Meeting on 23 March 2016

Linda Brown

(Mrs Brown provided a background summary regarding an ongoing complaint over Gas Gun noise levels in Argyle)

The issue with gas gun noise has been ongoing for the seven years and has destroyed our lives and health. Why are you protecting Erceg?

Manager Development and Environmental Services
The Shire is not protecting Erceg.

Linda Brown

Why hasn't anything been followed up? Why are we still being driven mad with gas gun noise

Manager Development and Environmental Services

The Department of Environment Regulation (DER) are prepared to undertake an assessment to measure the noise levels at your property.

Linda Brown

The noise levels were measured by DER in 2013. I have contacted the Minister for Environment regarding the gas gun noise levels; He said the problem was for Council to solve.

Manager Development and Environmental Services

DER are able to follow through with prosecution if they have evidence that noise levels have been breached. To do this they would need to obtain data on the gas gun noise levels at your property.

Linda Brown

When are you going to stop the gas guns? They are operating illegally.

President

DER need concrete evidence that noise levels have been breached before they can prosecute.

Linda Brown

You have the evidence. Tests were done in 2013. A Shire staff member came to my place unannounced and tested gas gun noise levels from 600m away. He thought the noise level was acceptable. He was 860m away from the gas gun. This was not a legitimate test! Testing should be conducted at point of receipt.

Linda Brown

When is Council going to stop gas gun noise from driving us mad? What can I expect as an action from you?

President

I will discuss what options are available to you with Manager Development and Environmental Services. You need to have further noise level testing conducted by DER.

George McBrearty

Over the past several years my Mother-in-Law, who lives in Emerald Street, Donnybrook has put in numerous requests to Cr Logiudice. He told her once to speak to him if she had a complaint or needed something done. She requested the Box Trees on the verge in front of her house located in Emerald Street be trimmed as they continually lose their leaves, make a mess and block up the drainage, but it never got done.

CEO

The allocation of budget for pruning street trees is determined by priority of job, the highest priority being trees in power lines. Other tree pruning requests are considered if budget allows.

George McBrearty

My Mother-in-Law has been asking for years for this work to be done without any result however, when Cr Tan requests on her behalf, the trees outside my Mother-In-Laws house get trimmed. No other trees in the street were trimmed.

Manager Works and Services

A formal request was received. An assessment was conducted and it was considered appropriate for the trees to be trimmed.

George McBrearty

Is it coincidence that Councillor Tan moves into the same street as my Mother-in-Law and the trees get trimmed?

President

There is no coincidence with these events.

Marie Woodley

I refer to Agenda Item 12.5.2 – Unit 4 Minninup Cottages on page 50 of the Minutes from the Ordinary Council Meeting on 10 February 2016. The author indicates Minninup Cottages have been owned and built by Council in 1979 with no third party involvement. How can you say that?

CEO

The building and land have always been owned by Council.

Marie Woodley

I dispute that. There are still people in this community that remember fundraising to build them. How can you say as a Council that you built and own them? There is something a bit "off" with this statement.

CEO

The building and land are owned by Council.

Stephen Russell

On page 20 of the Ordinary Council Meeting Agenda \$250,000 from the Aged Housing Reserve is proposed to be used to offset the anticipated loss on operations of Tuia Lodge. In light of the extra cost of administering Tuia Lodge since the Board were dismissed, that has been assessed at \$18,000 to \$20,000 per month, what balance is available in the Aged Housing Reserve?

CEO

The balance of the Reserve Fund is \$800,000.

Stephen Russell

Is it normal practice to use the Reserve Account to balance the Budget?

CEO

This practice is not unusual. The Reserve Fund for Minninup Cottages has been accessed to renovate Unit 4. Accessing the Reserve Fund ensures there is no direct impact on rate payers. The Reserve Fund is an accumulation over the last thirty years.

Stephen Russell

When do Council envisage Tuia Lodge returning to profit?

CEO

An assessment of the costs involved has been undertaken and is mostly attributed to wages. To give you some background, during this interim period full accreditation has been achieved. The next visit is not expected until November 2016. Three new residents have settled in and it is anticipated that Tuia Lodge will be back to a surplus when the rest of the rooms are full. A new Facility Manager has been appointed and will commence on 11 April 2016 and two new Administration Assistants have also been appointed.

Tony Scaffidi

I am disgusted about Tuia Lodge running at a loss and the treatment of tenants; it's a shame the Migrants Memorial is no longer being erected in Donnybrook, and instead will go to Bunbury City Council; the subdivision the South West Highway has lost sales of about \$200,000. How can Council, in light of the petitions received and the concerns raised by community face the public? It's a disgrace.

President

I stand by the decisions Council has made. Councillors may individually wish to respond. I am not going to discuss the petitions.

Elsie Woodley

The Shire President answered my question raised at the February Ordinary Council Meeting regarding the claim of Shire ownership of Tuia Lodge and that there was a misrepresentation in the Donnybrook-Bridgetown Mail. As I downloaded my copy from the Shire website "Shire of Donnybrook –Balingup Press Release" How can the paper be blamed?

President

The President indicated that there was no intent of misrepresentation or blame of the Donnybrook-Bridgetown Mail; rather clarification of the position of ownership of Tuia Lodge by the Community/Council.

Elsie Woodley

How could you say Council owns Tuia Lodge when it was built from money fundraised, grants and loans?

President

The Facility is owned by Community.

Elsie Woodley

I refer to the motion from the Electors meeting that if a number of Councillors do not resign to

bring a fresh Council Election then this Electors Meeting supports a vote of no confidence in the full Council. This was lost 4/5 because the same five Councillors who voted to stand down the Tuia Lodge Board also voted against this motion. Does this mean that all rate payers are disenfranchised and have no say in Council decisions relating to this Shire?

President

I stand by the decisions Council has made.

Elsie Woodley

I believe Council has taken control of the Tuia lodge Bus which was purchased by Friends of Tuia Lodge. Why has a bus and car been hire to take a few residents on a trip?

President

I am not aware of this and cannot comment.

Elsie Woodley

Is Council rewriting the history of this town? There is no mention in Agenda Item 12.5.2 – Unit 4 Minninup Cottages from the Ordinary Council Meeting on 10 February 2016 of the residents of Donnybrook fundraising to have these units built.

President

I will take that on board.

Joe Betti

Since the Friends of Tuia Lodge ceased volunteering there has been no one available to drive the bus. I heard that the Facility Manager arranged for a van to be hired for resident outings. Is there any Councillors willing to take the residents out on a bus trip?

I make regular visits to Tuia Lodge, it is not going well; running at a loss, staff coming and going. Talk to the residents, they will provide an insight.

CEO

The Administration staff are coming on board. A new Facility Manager has been appointed and will commence on 11 April 2016 and two new Administration Assistants have also been appointed.

Joe Betti

The Administration Staff are new and don't know how things are run at Tuia Lodge.

CEO

A transition period is expected when new staff commence. They will be given support to get up to speed with procedures at Tuia Lodge.

Joe Betti

The fence at Tuia Lodge is only half done and lying on the ground. It needs to be fixed up.

President

Thanks Joe, the installation of the fence will be followed up.

Questions Taken On Notice at the Ordinary Council Meeting on 23 March 2016

Linda Brown

When is Council going to stop gas gun noise from driving us mad? What can I expect as an action from you?

President

Council at the March 2015 Ordinary Meeting resolved in part the following:

That Council advise the Department of Environment and Regulation (DER) that the Noise Management Plan is not delivering the service levels and amenity that is required by Mr James and Mrs Linda Brown, owners of 924 Hurst Road Argyle and refer the complainants to DER for future management of this issue, as the Shire of Donnybrook-Balingup does not have the resources, expertise and equipment to enforce the provisions of the Environmental Protection Act and associated Regulations of which the Complainants request.

The Shire instructed you to direct all future complaints relating to noise from gas guns to the Department of Environment and Regulation. The position of the Shire has not changed.

Mr Jeff Fussell, Senior Investigator from DER, has informed the Shire that the department is prepared to pursue legal action in accordance with their Enforcement and Prosecution Policy 2013. In order to do this a formal evidence gathering process is required including the provision of signed statements, facilitation and activation of sound monitoring equipment in their house and the willingness to provide testimony in Court if required.

DER advised that you are not prepared to be involved in the formal evidence gathering and prosecution process, and as such, DER is inhibited in its capacity to investigate a breach of noise regulations in the absence of this vital cooperation.

DER have encouraged you to reconsider the option of working with them in the evidence gathering process. In the event that a breach is subsequently established, DER will be able to consider appropriate enforcement action in accordance with its Enforcement and Prosecution Policy 2013.”

I encourage you to assist DER in this regard.

Stephen Russell

What was the operating monthly income or loss from Tuia Lodge prior to the Board being dismissed?

CEO

- 1) In the five months from the 1st July 2015 to 30th November 2015 the average operating loss per month was \$23,597;
- 2) The average loss per month from the 1st December 2015 to 29th February 2016 was \$23,476

While the figures indicate average similar losses per month the following should be taken into account:

- One period is for three months and the other period is for five months
- Operating figures are often skewed dependant on when Federal Government subsidies are paid.

The figures for the Financial Year from 1st July 2014 to 30th June 2015 indicate a monthly loss of \$205.

3 APPLICATION FOR LEAVE OF ABSENCE

4 DECLARATION OF FINANCIAL/IMPARTIALITY INTEREST

5 PETITIONS/DEPUTATIONS/PRESENTATIONS

Mr Simon Capel has requested to present in relation to Agenda Item 12.4.1 – *Proposed Amendment No.2 to Local Planning Scheme Number 7.*

6 LATE ITEMS

Council Decision

Moved: Cr

Seconded: Cr

That late item 12.5.10 - Regional Tourism Development Strategy be received for Council consideration.

Please Note: Agenda Item 12.5.10 to be tabled at the April 2016 Ordinary meeting.

7 CONFIRMATION OF MINUTES

7.1 Ordinary Council Meetings

Council Decision

Moved: Cr

Seconded: Cr

That the minutes of the ordinary meeting held on 23rd March 2016 be confirmed as a true and accurate record.

8 DEFERRED ITEMS

Nil

9 ELECTED MEMBERS MOTIONS

9.1.1	SUBJECT:	2016/17 BUDGET
	Location:	Shire of Donnybrook-Balingup
	Applicants:	Cr Bailey
	Zone:	N/A
	File Ref:	CNL 34G
	Author:	Greg Harris, A/CEO
	Report Date:	15 May 2015
	Attachments:	9.1.1 – WALGA Economic Briefing - March 2016

Cr Bailey has proposed the following notice of motion:

Notice of Motion

As part of the budget review the CEO request managers of each level of the Shire to prepare a list of possible savings for the 2016-2017 budget.

Cr Bailey's Comment

As the economy is slowing, organisations and individuals need to achieve savings. WALGA's March 2016 economic briefing suggests a 1.5% increase in cost for the 2016-2017 financial year.

Policy/Statutory/Voting Implications

Policy/ Statutory

N/A

Voting

Simple Majority

Acting CEO's Comment

Councillor Bailey's motion reflects the sentiment that the WA Economy is slowing and therefore Council should be cutting costs as a direct result. Shire of Donnybrook-Balingup records do not necessary reflect this sentiment as Planning and Building activity within this Shire generally remains strong. Below is a table providing the statistics for the number of Planning Applications and Building Licence Applications received between January and April for the past three consecutive years. The table shows a general increase in activity from last year. Planning activity is up by 27% and Building Licence Applications, although less in 2015, are increasing.

Planning Applications and building license applications

Year	Planning Applications	Building Licences
Jan – Apr 2014	31	77
Jan – Apr 2015	27	65
Jan – Apr 2016	37	68

In Local Government, costs are intrinsically linked to levels of service, the higher the level of service the greater the cost and vice versa. Looking at ways to simply cut costs is only looking at one side of the equation. With very few exceptions it is unlikely that any real savings can be achieved without a corresponding decrease in service levels.

The Integrated Planning Framework focuses on the need to undertake reviews of service levels, in particular in regard to the management of assets. The framework focuses on the need to identify the level of service currently being provided, the level of service desired by the community, the associated cost of each level of service with the aim of reaching a level of service (and cost) acceptable to the community.

It is the Acting CEO's opinion that to simply look at cost cutting measures without examining levels of service may potentially lead to Council reducing service to a level that is unacceptable to the community. A more robust process would be to systematically commence a review of service levels within an agreed timeframe.

It is of course incumbent upon Management to ensure that resources are utilised in the most efficient manner to deliver the services as defined by Council through its Community Strategic Plan and subsidiary documents. Council staff remain vigilant in this respect and ensure that budgets and actual expenditure reflects only what is required to deliver the current level of service.

Council members also have the opportunity to review all areas of expenditure during the Draft Budget Meeting with particular emphasis being placed on discretionary budget items.

Cr Bailey's Notice of Motion

Moved: Cr

Seconded: Cr

As part of the budget review the CEO request managers of each level of the Shire to prepare a list of possible savings for the 2016-2017 budget.

Officer's Recommended Resolution

Moved: Cr

Seconded: Cr

That Council staff review service levels as per the Department of Local Government and Communities Integrated Planning Framework.

10 MINUTES OF PREVIOUS MEETINGS

10.1 Committee Minutes

Council Decision

Moved: Cr

Seconded: Cr

That the following Committee minutes be received:

- **Donnybrook Recreation Centre Meeting – 6 April 2016**
 - **Balingup Townscape Committee Meeting – 13 April 2016**
 - **Donnybrook Townscape Committee Meeting – 13 April 2016**
 - **Audit Committee Meeting – 27 April 2016**
-

11 REPORTS OF COMMITTEES

11.1 Balingup Townscape Committee Meeting

11.1.1. OTHER BUSINESS

Committee's Recommended Resolution

Moved: Cr

Seconded: Cr

That the Committee reallocates the \$1,000 set aside for installing a fence along Balingup Brook to engaging an artist to paint a mural at the Balingup Skate Park.

11.2 Donnybrook Townscape Committee Meeting

11.2.1	SUBJECT:	UPCOMING EVENTS SIGNS
	Location:	Donnybrook
	Applicants:	N/A
	Zone:	N/A
	File Ref:	TP 07/2
	Author:	Bob Wallin (Principal Planner)
	Report Date:	5 April 2016
	Attachment:	11.2.1 – Quote 1263 from Convert Signs

Background

A suggestion has been received regarding the “upcoming” events signage located at the northern and southern entrances to town.

These signs provide space for events to advertise. Sometimes they are black white spaces. It has been suggested that when the space is not being used for specific events, some standard shire promotion should be presented. This will remove the perception that there is nothing happening.

It is suggested that three boards be prepared. These would consist of:

- a) Image of Apple fun park;
- b) Image and short details of activities at recreation centre (gym, pool etc); and
- c) Image of trails and wineries with limited text.

A quote to prepare these boards is being prepared and presented at the meeting.

Comment

The boards will be put up and down at the time when staff place events notices up.

The boards will help promote activities available in the town to enjoy and will ensure that spaces do not remain blank.

Policy/Statutory Implications

N/A

Financial Implications

The Townscape committee has a budget of \$14,900.00 for a purpose “Council yet to determine”. It is suggested that Council allocate a portion of this amount for the purpose of signage.

Strategic Implications

Outcome 2.8 – Our townsites are attractive, well presented and maintained.

Committee's Recommended Resolution

Moved: Cr

Seconded: Cr

That Council

- 1) Amend the Donnybrook Townscape budget to allocate up to \$3000 for the purpose of preparing 2 designs for signs to display under the “upcoming events” notice boards located at the northern and southern approaches to the Donnybrook townsite;
- 2) Obtain at least two quotes before starting works;
- 3) Delegate authority to the Chief Executive Officer to under these tasks.

11.3 Audit Committee Meeting

11.3.1	SUBJECT:	2016/17 YEAR FINANCIAL AUDIT AND FINANCIAL MANAGEMENT SYSTEMS REVIEW
	Location:	Shire of Donnybrook / Balingup
	Applicants:	Administration
	Zone:	N/A
	File Ref:	ADM 24
	Author:	Greg Harris, A/CEO
	Report Date:	14 April 2016
	Attachments:	Nil

Background

The financial year audit process for the 2016/17 financial year commences with an interim audit. The Shire's appointed auditors, AMD Chartered Accountants will be conducting their onsite review on 30th and 31st May 2016. This will be followed by the onsite component of the Financial Management Systems review which will be conducted on 1st and 2nd June 2016. At the last Audit Committee Meeting it was decided that a further Audit Committee Meeting would be conducted prior to the interim audit. This would give the Committee an opportunity to discuss the impending audit and to review the scope of the audit.

Comment

In considering this matter it is worth reviewing the functions of the Audit Committee.

Section 16 of the *Local Government (Audit) Regulations 1996* states the following:

“16. Audit committee, functions of

An audit committee —

- (a) *is to provide guidance and assistance to the local government —*
 - (i) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - (ii) *as to the development of a process to be used to select and appoint a person to be an auditor;*

and

- (b) *may provide guidance and assistance to the local government as to —*
 - (i) *matters to be audited; and*
 - (ii) *the scope of audits; and*
 - (iii) *its functions under Part 6 of the Act; and*
 - (iv) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
- (c) *is to review a report given to it by the CEO under regulation 17(3) (the **CEO’s report**) and is to —*
 - (i) *report to the council the results of that review; and*
 - (ii) *give a copy of the CEO’s report to the council.”*

Local Government Operational Guideline number 09 – revised in September 2013 provides advice in regard to the functions of the Audit Committee. The following is an extract from the guidelines which is relevant to this item.

“The committee may need to liaise regularly with the external auditor to discuss the audit plan, results of the audit and implementation of any recommendations for action emerging from the audit. How communication and liaison between the auditor and committee is to occur should be addressed in the agreement of appointment.

Advice from the auditor may address issues such as –

- (i) As assessment of accounting procedures;
- (ii) An assessment of internal controls;
- (iii) As assessment of risk;
- (iv) Compliance with the Act and associated regulations;
- (v) Compliance with Council policies;
- (vi) Performance assessments on the efficiency and effectiveness of operations;
- (vii) Processes of the internal audit
- (viii) Outcomes of the external audit prior to issue of management and audit reports; and

- (ix) Changes to accounting standards and legislation and the impact on the local government.”

AMD Chartered Accountants utilise the Interim Audit Checklist and Interim Audit Fraud Checklist during their interim audit. These checklists provide an overview on the scope of review undertaken as part of the interim audit.

Councillors may wish to raise questions in regard to the interim audit process or may identify specific areas upon which they wish the Auditor to focus.

Under the terms of the audit contract provision is made for the Auditor to attend Audit Committees. A fee is charged for this attendance. The Auditor has not been asked to attend this meeting.

Section 5 (2) of the Local Government (Financial Management) Regulations 1996 states the following:

“The CEO is to —

- (a) ensure that the resources of the local government are effectively and efficiently managed; and*
- (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*
- (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.”*

The review of the Financial Management Systems was last done in 2012 and is therefore due again in 2016. It is expedient to undertake this review at the same time as the interim audit.

AMD Chartered Accountants have been engaged by the CEO to undertake a review and prepare a report on their findings to the CEO. The findings from AMD's review will form an integral part of the CEO's report to Council as required by Section 5 (2) of the regulations.

Consultation

N/A

Policy/Statutory Implications

Please refer to the comment section of this report.
Legislative references are:

Section 16 of the Local Government (Audit) Regulations 1996

Section 5 (2) of the Local Government (Financial Management) Regulations 1996.

Financial Implications

N/A

Strategic Implications

N/A

Officer's and Committee's Recommended Resolution

Moved: Cr

Seconded: Cr

That Council note that Council's Auditors will be onsite at the Shire of Donnybrook-Balingup Administration Centre between 30th and 31st May 2016 to undertake the Interim (Financial) Audit and also between the 1st June and 2nd June 2016 to undertake the Financial Management Systems Review.

11.3.2	SUBJECT:	AUDITING OF LOCAL GOVERNMENT BY THE AUDITOR GENERAL – RENEWAL OF AUDIT CONTRACTS
	Location:	Shire of Donnybrook / Balingup
	Applicants:	Administration
	Zone:	N/A
	File Ref:	ADM 24
	Author:	Greg Harris, Manager Finance & Administration
	Report Date:	14 April 2016
	Attachments:	Nil

Background

Circular No. 03-2016 has been received from the Minister for Local Government; Community Services; Seniors and Volunteering; Youth advising that it is intended to amend the Local Government Act 1995 to allow the Auditor General and the Office of the Auditor General (OAG) to take responsibility for local government financial audits from 1st July 2017. This initiative is being introduced as part of the State Government's commitment to strengthening local government accountability, performance and transparency and providing independent oversight of the sector.

Under the proposed changes the Auditor General may contract out some of the financial audits, but all financial audits will be done under the supervision of the Auditor General and the OAG.

Local governments have been requested not to renew audit contracts beyond the 2016/17 year as a result of the impending legislation.

Comment

Council's current contract with AMD Chartered Accountants concludes at the end of the 2017/18 financial year. It is unknown if the legislation will require the existing contract to be terminated prior to its expiry.

AMD Chartered Accountants have indicated that they have lodged an expression of interest to become a contractor for the OAG. Should they be successful there is no guarantee that they will be awarded the contract specifically for the audits of the Shire of Donnybrook-Balingup.

At this stage there is no indication as to the cost to be imposed upon local government however it is envisaged that the OAG will seek full cost recovery of all audit and administrative costs.

Further information will be provided to the Audit Committee and Council once the details of the amended legislation come into force.

Consultation

N/A

Policy/Statutory Implications

Part 7, Division 2 of the Local Government Act 1995 relates to the audit of local governments. Sections 7.2 and 7.3 are specifically relevant and currently state:

7.2. Audit

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

7.3. Appointment of auditors

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

** Absolute majority required.*

- (2) The local government may appoint one or more persons as its auditor.
- (3) The local government's auditor is to be a person who is —
 - (a) a registered company auditor; or

(b) an approved auditor.

[Section 7.3 amended by No. 49 of 2004 s. 6.]

Financial Implications

The cost of the OAG overseeing the local government financial audit function has not yet been established.

Strategic Implications

N/A

Officer's & Committee's Recommended Resolution

Moved: Cr

Seconded: Cr

That Council receive the Acting CEO's Report advising of the proposed to amend the Local Government Act 1995 to allow for the Auditor General and the Office of the Auditor General to take responsibility for local government financial audits from 1st July 2017.

11.3.3	SUBJECT:	ORGANISATIONAL RISK MANAGEMENT – ACTION PLAN
	Location:	Shire of Donnybrook / Balingup
	Applicants:	Administration
	Zone:	N/A
	File Ref:	ADM 24
	Author:	Greg Harris, Manager Finance & Administration
	Report Date:	14 April 2016
	Attachments:	Nil

Background

At the previous Audit Committee meeting held on 11th February 2016 Council endorsed the Shire's Organisational Risk Management Action Plan for the period July 2015 to December 2016. This plan addresses in a systematic way the recommendations of a comprehensive assessment of the Shire's system by AMD Chartered Accountants in November 2014.

The Plan outlines the following information:

- Recommendations from the November 2014 review categorised into three different focus areas; risk management, internal controls and legislative compliance.

- The task required to address each recommendation from the report.
- A proposed timeline.
- Responsible Officer/s.
- Details of Action to date.

One of the recommendations was to include a standing agenda item to the Audit Committee for risk reports to be tabled.

Comment

Committee members are asked to review and note the updated Action Plan.

Consultation

N/A

Policy/Statutory Implications

Regulation 17 of the Local Government (Audit) Regulations 1996 states the following:

“17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —*
 - (a) risk management; and*
 - (b) internal control; and*
 - (c) legislative compliance.”*

Financial Implications

N/A

Strategic Implications

N/A

Officer’s & Committee’s Recommended Resolution

Moved: Cr

Seconded: Cr

That Council receive and note the updated Organisational Risk Management Action Plan for the period July 2015 to December 2016.

12.2 Manager Works & Services

12.2.1	SUBJECT:	MRWA DONNYBROOK-KOJONUP ROAD PROPOSED UPGRADE MUMBALLUP.
	Location:	Shire of Donnybrook-Balingup
	Applicants:	MRWA
	Zone:	Mumballup
	File Ref:	WRK 06/1
	Author:	Damien Morgan, Manager Work & Services
	Report Date:	7 April 2016
	Attachments:	12.2.1(1) - MRWA Correspondence (ICOR51746) 12.2.1(2) – Drawings 201602-0103-1 and 201602-0104-1

Background

Main Roads WA (MRWA) has planned to improve its road network within the Shire of Donnybrook-Balingup. In order to improve safety for road users, MRWA has written to the Shire to advise of their intention to acquire land on the Donnybrook-Kojonup Road (Attachment 12.2.1(1)) in the vicinity of Mumballup for road purposes.

MRWA requests Councils support of the future dedication of the land for road purposes.

Comment

MRWA's acquisition of the land will allow for geometric improvements to the curve and increase the pavement width of the road (Attachment 12.2.1(2)). The works are anticipated to be carried out over the summer of 2017/18.

As part of MRWA's initiation to acquire land for road purposes, they are required to obtain the Shire's support for the future dedication of the land.

MRWA is currently in negotiations with the affected owners. Council's support for the dedication is required to allow formalities to proceed. MRWA requires a copy of the Council's resolution with direct reference to Section 56 of the *Land Administration Act (1997)* in order to proceed with this process.

Consultation

MRWA are in negotiation with the impacted land owner for the acquisition of their land.

Policy/Statutory Implications

Section 56 of the *Land Administration Act (1997)*.

Financial Implications

Nil

Strategic Implications

The following outcomes from the Strategic Community Plan relate to this proposal:

Outcome 1.7 - A well-used and efficient transport network.

Outcome 4.2 – Maintain long term financial viability

Outcome 4.3 – An open and accountable Local Government that is respected, professional and trusted.

Outcome 4.7 – Maintain and enhance Shire assets.

Officer's Recommended Resolution

Moved: Cr

Seconded: Cr

In accordance with Section 56 of the *Land Administration Act (1997)*, Council endorse the future dedication of the land being acquired for road purposes as shown on MRWA plans 201602-0102, 201602-0103-1 and 201602-0104-1 Donnybrook-Kojonup Road (M013), Realignment, 28.40 to 29.00 SLK, Land Dealings Index Plan, Lot 6 (D.G. & D.B. Bowden), UCL (Rail Corridor).

12.2.2	SUBJECT:	MRWA LAND RATIONALISATION DONNYBROOK-KOJONUP ROAD.
	Location:	Shire of Donnybrook-Balingup
	Applicants:	MRWA
	Zone:	Donnybrook-Kojonup Road
	File Ref:	WRK 06/1
	Author:	Damien Morgan, Manager Work & Services
	Report Date:	7 April 2016
	Attachments:	12.2.2(1) - MRWA Correspondence (ICOR51487) 12.2.2(2) - Drawing 201602-0127-1

Background

Main Roads WA (MRWA) has identified an anomaly in the land tenure in the vicinity of Lowden within the Shire of Donnybrook-Balingup. The existing road is built on a severed portion of Crown Reserve 2034, and MRWA has written to the Shire to request consent to the

excision of 3.2160 hectares (Ha) from Reserve 2034, and that the portion of land be dedicated as road reserve.

Comment

The management of Reserve 2034 is the responsibility of the Department of Planning and Infrastructure. MRWA requires this land to be created as road reserve to remove any ambiguity should any legal issues (accidents) arise on this portion of land.

As part of MRWA process to acquire the land for road purposes, they are required to obtain the Council's consent to the excision of 3.2160Ha from Reserve 2034 and for the portion of land to be dedicated as road reserve.

A copy of the Council's resolution with direct reference to Section 56 of the Land Administration Act (1997) is required by MRWA to proceed with this process.

Consultation

MRWA are responsible for the consultation with impacted parties

Policy/Statutory Implications

Section 56 of the *Land Administration Act (1997)*.

Financial Implications

Nil

Strategic Implications

The following outcomes from the Strategic Community Plan relate to this proposal:

Outcome 1.7 - A well-used and efficient transport network.

Outcome 4.2 – Maintain long term financial viability

Outcome 4.3 – An open and accountable Local Government that is respected, professional and trusted.

Outcome 4.7 – Maintain and enhance Shire assets.

Officer's Recommended Resolution

Moved: Cr

Seconded: Cr

In accordance with Section 56 of the Land Administration Act (1997), Council endorse the Main Roads Western Australia excision of 3.2160 hectares of Reserve 2034, and for that portion to be dedicated as road reserve as shown on MRWA plan 201602-0127, Donnybrook-Kojonup Road (M013), Lowden Section, 15.10 to 16.25 SLK, Land Dealings Plan, Reserve 2034 Lot 5077.

12.2.3	SUBJECT:	RFQ 165 SUPPLY AND DELIVERY OF ONE (1) NEW WHEEL LOADER
	Location:	Shire of Doinnybrook-Balingup
	Applicants:	MRWA
	Zone:	Shire Donnybrook-Balingup
	File Ref:	WRK 06/1
	Author:	MWS and SETO
	Report Date:	11th April 2016
	Attachments	12.2.3(1) - CONFIDENTIAL: Response Evaluation for Wheel Loader (VP46937) 12.2.3(2) - Comparison Spreadsheet

Background

In accordance with the Shire of Donnybrook-Balingup's adopted Plant Replacement Policy the Shire has budgeted in the 2015/2016 financial year to replace its existing Caterpillar 924G Wheel Loader.

Comment

The WALGA Preferred Supplier System has been used to obtain quotes from five (5) suppliers of Plant and Equipment being Bunbury Machinery, Westrac Pty Ltd, CJD Equipment Pty Ltd, Hitachi Construction Machinery (Aust) and Komatsu Australia Pty Ltd.

Under the *Local Government (Functions and General) Regulations 1996*, a tender exemption applies to WALGA's Preferred Supply Panels. This means that Local Governments can purchase any value of goods or services from a preferred Supplier without going to Tender.

RFQ 165 was advertised on 14th March 2016 and closed on 29th March 2016 through WALGA eQuote's Vendor panel – Plant and Equipment – Contract No.C023-11.

Five (5) companies submitted Six (6) quotes to Supply and deliver one (1) new wheel loader. The quotations were evaluated with the following criteria:

Description of Qualitative Criteria	Weighting
Price and overall value for money	20%
Availability and delivery date	20%
Minimum Technical Specifications	25%
Compatible with Technical requirements	25%
Additional extras offered	10%

The WALGA eQuote Vendor panel Evaluation matrix allows the quotations to be evaluated in an unbiased manner whereby the supplier with the highest overall points may be considered to be the most advantageous quotation. This is to be used as a guide only during the assessment and is not necessarily binding. Shire staff has evaluated the Responses received and a Response Evaluation Summary score and weighting score has been provided.