



Shire of **Ngaanyatjarraku**

ON A JOURNEY

ORDINARY MEETING OF COUNCIL

UNCONFIRMED MINUTES

21 December 2022

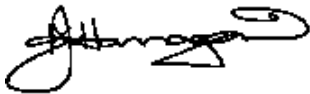
at

1.00 pm

SHIRE OF NGAANYATJARRAKU

ORDINARY MEETING OF COUNCIL

The Chief Executive Officer recommends the endorsement of these minutes at the next Ordinary Meeting of Council.



Chief Executive Officer

Date: 21-12-2022

These minutes were confirmed by Council as a true and correct record of proceedings of the Meeting of Council held on the 21 December 2022.

Presiding Member: _____ **Date:** . / /2022

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1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at _____pm.

2. ANNOUNCEMENT OF VISITORS

The Presiding Member welcomed members of the public to the gallery.

3. ATTENDANCE

3.1 PRESENT

Elected Members:	President Councillor Councillor Councillor Councillor	D McLean D Frazer (phone approval given 15/12/22) L West J Porter A Jones
Staff:	CEO GMO CFO FAC DGC	K Hannagan (via video-conference) D Mosel K Fisher (via video-conference) G Handy C Green (via video-conference)
Guests:	N.A.	
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.	

3.2 APOLOGIES

Nil

3.3 APPROVED LEAVE OF ABSENCE

4. PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4.2 PUBLIC QUESTION TIME

5. APPLICATIONS FOR LEAVE OF ABSENCE

6. DECLARATION BY MEMBERS

6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

Councillors are requested to give due consideration to all matters contained in the Agenda presently before the meeting.

6.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (a) Preside at the part of the Meeting, relating to the matter or;
- (b) Participate in or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under *Section 5.68 or Section 5.69 of the Local Government Act 1995*.

NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor, or a person closely associated with the Councillor and is capable of being measured in money terms. There are exceptions in the *Local Government Act 1995*, but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the extent of the interest, and Council carries a motion under *s.5.68(1)(b)(ii) or the Local Government Act*, or
 - 6.2 Where the Minister allows the Councillor to participate under *s.5.69(3) of the Local Government Act*, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest

7. ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

8. PETITIONS, DEPUTATIONS, PRESENTATIONS

8.1 PETITIONS

8.2 DEPUTATIONS

8.3 PRESENTATIONS

9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 ORDINARY MEETING OF COUNCIL

Voting Requirement
Simple Majority

Officers Recommendation and Council Resolution

Moved: Cr J Porter Seconded: Cr L West

That the Unconfirmed Minutes of the Ordinary Meeting of Council held on 30 November 2022 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (as circulated and available on the Shires official website) be confirmed as a true and accurate record.

Carried: 5/0

10. CEO REPORTS

10.1 PROGRESS ON THE IMPLEMENTATION OF COUNCIL RESOLUTIONS

FILE REFERENCE:	GV.05
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	14 December 2022
DISCLOSURE OF INTERESTS:	The author has no direct financial interests, indirect financial interests, proximity and impartiality interests in the proposal.

Summary

The purpose of this agenda item is to report back to Council on the progress of the implementation of Council resolutions.

Background

The best practice in governance supports the regular review of Council decisions to ensure that they are actioned and implemented in a timely manner.

Comment

All resolutions of Council have been acted upon.

Statutory Environment

Local Government Act 1995:

Section 2.7

"Role of council

(1) The council —

- a) governs the local government's affairs; and*
- b) is responsible for the performance of the local government's functions.*

(2) Without limiting subsection (1), the council is to —

- a) oversee the allocation of the local government's finances and resources; and*
- b) determine the local government's policies."*

The above section of the Act notwithstanding, there is no specific legal requirement to present such a report to Council or for Council to receive or consider such a report. The decision to have the report in the Council's monthly agenda is entirely Council's prerogative. Staff acknowledge the critical and ongoing nature of the document, in that Council 'speaks by resolution'.

Section 5.100 of the Act expressly provides that a person who is a committee member but is not a council member or an employee is not to be paid a fee for attending any meeting.

Financial Implications

There are no known financial implications for this matter.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership

Outcome 8, A well-functioning organisation

Strategy, 8.2, Maintain corporate governance, responsibility and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjarraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter.

Attachments

Not applicable

Voting Requirement

Simple Majority

Officers Recommendation and Council Resolution

Moved: Cr A Jones Seconded: Cr L West

That Council notes the monthly report, Progress on the implementation of Council Resolutions.

Carried: 5/0

10.2 REVIEW OF 2021/22 ANNUAL FINANCIAL STATEMENTS, INDEPENDENT AUDIT / MANAGEMENT REPORTS

FILE REFERENCE:	FM.02
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	13 December 2022
DISCLOSURE OF FINANCIAL INTEREST:	The author has no financial, proximity or impartiality interests in the proposal.

Summary

The Office of the Auditor General appointed Auditor conducted the Annual Financial Audit for 2021/22 during April 2022 to December 2022.

This report discusses outcomes of the Audit including the Independent Auditors Report and Management Letter and recommends that Council accept the Independent Auditors Report, Management Letter and Annual Financial Report and actions contained in this report in respect of the audit conducted.

Background

The following reports are attached for the year ended 30 June 2022:

- Independent Auditors Report to the Electors of the Shire of Ngaanyatjaraku;
- Management Report; and
- Annual Financial Report.

Comment

In accordance with Section 7.12A of the Local Government Act 1995, a local government is to meet with the auditor of the local government at least once in every year.

The President / Chair Audit & Risk Committee, Chief Executive Officer, General Manager Operations and Deputy Chief Executive Officer met with the OAG Auditor and their appointed Auditor, DryKirkness by video teleconference at 1.00pm on Thursday 15 December 2022.

The following matter will be the subject of a separate report to the Minister for Local Government: It is noted that it is the OAG's intention to include this issue in the management letter to local government industry wide as it is applicable to all LGs.

Fair Value of Infrastructure Assets

Finding

The Shire is required under AASB 13 Fair Value Measurement and Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 (the Regulations) to perform an assessment to determine if there are any trigger events requiring a more robust analysis of fair value in financial years where a formal valuation has not been undertaken.

The Shire has performed an assessment to determine whether its infrastructure assets represent fair value. As part of this assessment, management noted that supplier unit rates which are a key input in the valuation process have increased. However, management have advised that they did not have sufficient data to assess all the components impacting the fair value of the infrastructure assets and concluded that based on the information they have available, the fair values for these assets as at 30 June 2022 would not result in material

changes to current carrying amounts. Management has scheduled a full revaluation of the infrastructure assets for FY 23.

Whilst acknowledging management's assessment, we note that this assessment was not robust to support the conclusion that there were not material movements in fair value during the year.

Rating: Significant

Implication

Without a robust assessment of fair value of the Shire's Infrastructure Assets there is a risk that the fair value of infrastructure assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A(4)(b) of the Regulations.

Recommendation

The Shire should consider implementing as part of the preparation of financial statements each year a formal robust process to determine whether indicators exist that would trigger a requirement to perform a formal revaluation of Infrastructure Assets. This process is to ensure that the Shire's infrastructure assets are recorded at fair value in compliance with AASB 13 Fair Value Measurement and the Regulations.

This may entail obtaining relevant input from an independent valuer as to whether or not they consider there are any prevailing market factors which may indicate that the fair value of relevant assets are likely to have been impacted to any significant / material extent from the prior year.

Management comment

Consideration will be given to a more formalised evaluation of indicators that may trigger a requirement to perform a revaluation of any or all Assets earlier than planned/required.

The Shire did make an assessment and although this wasn't with input from an independent valuer, it was using managements knowledge and understanding or our Shire's uniqueness. Negotiation with our current road contractor has seen an adjustment to rates which will be reflected in the revaluation of Road Infrastructure Assets 22/23.

Excessive Annual Leave

Finding

We note that one employee had annual leave balances in excess of 8 weeks (40 days) at year end.

The Local Government Industry Award 2020 stipulates that an employee has excessive leave accrual if the employee has accrued more than 8 weeks.

Rating: Minor

Implication

Excessive annual leave balances may have adverse effects on the Shire including:

- key staff not being rotated, a preventive control against fraud;
- health and safety concerns with staff members not taking their annual leave entitlements.
- increases the Shire's costs given salary rises and increments over time.

Recommendation

The Shire should ensure that employees take leave in a timely manner and excessive leave balances are reduced in agreement with the employee.

Management Comment

As advised last FYE:

The Shire has lacked professional resource numbers to cover leave adequately for the CEO as the Shire has been addressing issues raised by:

- *DLGSC Show Cause Notice for Legislative Non-Compliance*
- *Setting up systems and controls to address non-compliance and Audit matters raised*
- *Recruitment of staff with suitable senior experience*
- *Alternative Organisation Structure to address remote location issues*

It is pleasing to see your comments that the Shire management improvements are working. As advised last year a new position of General Manager Operations was approved by Council to start taking over day to day operational management issues from the CEO to enable leave clearance.

The new GMO started in August 2022 and it is planned to clear CEO excess leave by third quarter 2023.

Furthermore, legal advice has been sought on this matter as follows:

Clause 4.3(a) of the Local Government Industry Award 2020 states that the award 'does not cover ... the Chief Executive Officer of a local government entity, however described ...'

It follows that the auditor's comments, as set out in your email, are mistaken insofar as those comments are based on their assumption that the Award applies to a CEO and, in particular, that the provisions in the Award relating to 'excessive leave accruals' (clauses 23.6-23.8) apply to your accrued leave, as the Shire's CEO.

Under clause 9.2(3) of your employment contract with the Shire (quoted in your email), the Council has a discretion whether or not to direct you to take any annual leave that you have accrued in excess of 30 days' entitlement.

In considering whether or not to issue a direction to you under clause 9.2(3), it would be lawful and proper for the Council to have regard to the matters referred to in your email including –

- (1) *its awareness of your leave and its acknowledgment that the Shire has not had sufficient staff to cover your leave without an impact on day-to-day operational management, statutory compliance and a range of strategic matters that you are working on; and*
- (2) *that the Council's adoption of a new Organisational Structure to create the position of General Manager Operations to take over the day-to-day operations should enable you to commence clearing annual leave from 2023.*

Statutory Environment

Local Government Act 1995

7.12AD. Reporting on a financial audit

- (1) *The auditor must prepare and sign a report on a financial audit.*
- (2) *The auditor must give the report to —*
 - (a) *the mayor, president or chairperson of the local government; and*
 - (b) *the CEO of the local government; and*
 - (c) *the Minister.*

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.

Financial Implications

The Shire has made a Budget Allocation for this Audit in its 2022/23 Adopted Budget.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership

Outcome 8, A well-functioning organisation

Strategy, 8.1, Maintain corporate governance, responsibility, and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjarraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources, other than contained in the Recommendation.

Policy Implications

There are no known policy implications for this matter.

Attachments

10.2 – Annual Financial Statements, Independent Auditor / Management Reports 2021/22.

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr A Jones Seconded: Cr L West

That Council:

- 1. Accepts the Independent Auditors Report and Annual Financial Report and actions contained in the reports in respect of the 2021/22 audit conducted;**
- 2. Notes progress made on addressing matters raised in the 2020/21 Audit and other matters in the 2021/22 Management Report;**
- 3. Requests the Chief Executive Officer to prepare a report to the Minister for Local Government addressing one matter identified as significant by the auditor in the audit report and stating as above what action the local government has taken or intends to take with respect to each of those matters; and**
- 4. Within 14 days after giving the above report to the Minister the Chief Executive Officer must publish a copy of the report on the local government's official website.**

Carried: 5/0

10.3 ANNUAL REPORT 2021/22 AND AGM OF ELECTORS

FILE REFERENCE:	CS.13
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	14 December 2022
DISCLOSURE OF FINANCIAL INTEREST:	The author has no financial, proximity or impartiality interests in the proposal.

Summary

The Local Government Act 1995 ("the Act") requires that Council accepts the draft Annual Report for 2021/22, including the Annual Financial and Auditor's Reports, no later than 31 December or within two months of the Auditor's Report becoming available if that is not received prior to 31 December of that FYE.

Council is also required to select a date, time and venue for the Annual General Meeting of Electors.

Background

Under section 5.53 of the Act, the Shire is required to prepare an Annual Report for each financial year. The report is to contain:

- A report from the Shire President and the Chief Executive Officer;
- An overview of the Plan for the Future, including any major initiatives that are proposed to commence or continue in the next financial year;
- The Financial Report;
- Prescribed information in relation to payments made to employees;
- Council member information (including meetings attended)
- The Auditor Report;
- A report under section 29(2) of the Disability Services Act 1993;
- Entries made under section 5.121 during the financial year in the register of complaints; and
- Any other prescribed information.

Copies of the Annual Report for 2021/22 will be placed on the Shire's website when adopted.

Comment

Council is also requested to consider determining the date, time and location of the Annual General Meeting (AGM). The meeting must be held within 56 days from the date Council accepts the Annual Report and Financial Statements. If Council accepts the Annual Report at this meeting the latest possible date for the AGM is Wednesday, 15 February 2023. Councils OCM for February 2023 is scheduled to be held on Wednesday 22 February 2023.

Council therefore has two options:

1. Hold the AGM of Electors on the same day as the scheduled OCM. However, this will raise a 'non-compliance' matter as the meeting will be held outside the 56 days from the date Council accepts the Annual Report and Financial Statements at the December meeting. Due to 'lore time' on the lands, Council does not have a January meeting and this issue has arisen in previous FYE. As such the non-compliance would be advised to the Audit & Risk Committee as in previous years.
2. Publicly advertise to bring forward the February Council meeting by one week to 15 February 2023 and hold the AGM of Electors prior to this meeting. However, this

raises a potential further difficulty in getting a quorum due to 'lore time' closures on the lands during the summer months. This would raise the same non-compliance issue as mentioned at 1 above.

Statutory Environment

Local Government Act 1995

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.*

5.29. Convening electors' meetings

(1) *The CEO is to convene an electors' meeting by giving —*

(a) *at least 14 days' local public notice; and*

(b) *each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.*

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

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 —*

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.*

Financial Implications

The financial implications are detailed in the Annual Financial Report. Budget allocation has been made in the Adopted Annual Budget for holding the AGM of Electors.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership

Outcome 8, A well-functioning organisation

Strategy, 8.2, Maintain corporate governance, responsibility and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjarraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is now "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

Not Applicable

Attachments

10.3 – Annual Report 2021/22

Voting Requirement

Absolute Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr L West

Seconded: Cr D Frazer

That Council:

- 1. Accepts the 2021/22 Annual Report as per Attachment 10.3;**
- 2. Hold the Annual General Meeting of Electors on Wednesday 22 February 2023 commencing at 1.00 pm prior to the Ordinary Meeting of Council in Warburton;**
- 3. Publish the Annual Report on the Shire's official website within 14 days;**
- 4. Provide Public Notice of availability of the 2021/22 Annual Report; and**
- 5. Advertise the Annual General Meeting of Electors giving at least 14 days local public notice.**

Carried: 5/0

11. GENERAL MANAGER OPERATIONS

12 CHIEF FINANCIAL OFFICER REPORTS

12.1 MONTHLY PAYMENTS LISTING

FILE REFERENCE: FM.07

AUTHOR'S NAME AND POSITION: Kerry Fisher
Chief Financial Officer

AUTHORISING OFFICER AND POSITION: Kevin Hannagan
Chief Executive Officer

DATE REPORT WRITTEN: 14 December 2022

DISCLOSURE OF INTERESTS: The author has no direct financial interests, indirect financial interests, proximity and impartiality interests in the proposal.

Summary

For Council to confirm the payment of accounts listed in the attached Accounts for Payment.

Background

In accordance with the Local Government (Financial Management) Regulations 1996 the Chief Executive Officer is required to present a list of payments to the Council at the next ordinary meeting of the council after the list is prepared.

Comment

The payments made are consistent with previous months.

Statutory Environment

Local Government (Financial Management) Regulations 1996

S13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.

- (1) *If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —*
- (a) *the payee's name; and*
 - (b) *the amount of the payment; and*
 - (c) *the date of the payment; and*
 - (d) *sufficient information to identify the transaction.*
- (2) *A list of accounts for approval to be paid is to be prepared each month showing—*
- (a) *for each account which requires council authorisation in that month —*
 - (i) *the payee's name; and*
 - (ii) *the amount of the payment; and*
 - (iii) *sufficient information to identify the transaction; and*
 - (b) *the date of the meeting of the council to which the list is to be presented.*
- (3) *A list prepared under subregulation (1) or (2) is to be —*
- (a) *presented to the council at the next ordinary meeting of the council after the list is prepared; and*
 - (b) *recorded in the minutes of that meeting.*

Financial Implications

The Shire makes annual budget allocations for payment of accounts.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership: Showing the way for our communities

Outcome 8, A well-functioning organisation

Strategy, 8.1, Maintain corporate governance, responsibility and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjarraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter

Attachments

12.1 – Payment Listing

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr D Frazer Seconded: Cr A Jones

That Council receives the Payment Listing November 2022 totaling payments of \$1,028,356.24 as per Attachment 12.1.

Carried: 5/0

12.2 COUNCIL INVESTMENTS

FILE REFERENCE:	FM.04
AUTHOR'S NAME AND POSITION:	Kerry Fisher Chief Financial Officer
AUTHORISING OFFICER AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	14 December 2022
DISCLOSURE OF INTERESTS:	The author and the authorising officer have no direct financial interests, indirect financial interests, proximity and impartiality interests in the proposal.

Summary

For Council to be advised of the Shires Municipal Account and Investments as attached.

Background

To invest the Shire of Ngaanyatjarraku surplus funds with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, whilst ensuring that liquidity requirements are being met.

Comment

Preservation of capital is to be the principal objective with consideration given to liquidity, cashflow requirements and return on investment.

Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.

The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.

The investment is expected to achieve a predetermined market average rate of return that takes into account the Shire's risk tolerance. Any additional target set by the Shire will also consider the risk limitation and prudent investment principles.

Better rates have been thru a quotation process with Commonwealth Banking and as such \$5.7m have now been deposited there. Westpac have now agreed to be more competitive and \$3.6m has been invested with them. Westpac's 31 day Notice account interest rate has also improved and a further \$1.8m is held here, with \$740k in the Shires Muni Operating a/c. These funds are mainly from the Commonwealth's FAG's 2022/23 and Roads grants paid in advance along with shire reserve accounts. Attached is a copy of the Shire Investment Register recording the details of these longer-term investments.

Statutory Environment

Local Government Act

1995 Section 6.14

Power to Invest

(1) *Money held in the municipal fund or the trust fund of a local government that is not, for*

- the time being, required by the local government for any other purpose may be invested as trust funds may be invested under the Trustees Act 1962 Part III.*
- (2A) *A local government is to comply with the regulations when investing money referred to in subsection (1).*
- (2) *Regulations in relation to investments by local governments may —*
- (a) make provision in respect of the investment of money referred to in subsection (1); and*
 - [(b) deleted]*
 - (c) prescribe circumstances in which a local government is required to invest money held by it; and*
 - (d) provide for the application of investment earnings; and*
 - (e) generally, provide for the management of those investments.*

Local Government (Financial Management) Regulations 1996

19. *Investments, control procedures for*
- (1) A local government is to establish and document internal control procedures to be followed by employees to ensure control over investments.*
 - (2) The control procedures are to enable the identification of —*
 - (a) the nature and location of all investments; and*
 - (b) the transactions related to each investment.*
- 19C. *Investment of money, restrictions on (Act s. 6.14(2)(a))*
- (1) In this regulation —*
 - authorised institution means —*
 - (a) an authorised deposit taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or*
 - (b) the Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986;*
 - foreign currency means a currency except the currency of Australia.*
 - (2) When investing money under section 6.14(1), a local government may not do any of the following —*
 - (a) deposit with an institution except an authorised institution;*
 - (b) deposit for a fixed term of more than 3 years;*
 - (c) invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;*
 - (d) invest in bonds with a term to maturity of more than 3 years;*
 - (e) invest in a foreign currency.*

Financial Implications

Not applicable.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership: Showing the way for our communities

Outcome 8, A well-functioning organisation

Strategy, 8.1, Maintain corporate governance, responsibility and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

Corporate Policy Finance 2.12 Investment.

Attachments

12.2 – Westpac screen prints of Municipal Accounts and CBA / Westpac Investment Register.

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr A Jones Seconded: Cr L West

That the report on Council Investments as at 14 December 2022 as per Attachment 12.2 be received.

Carried: 5/0

Unconfirmed

12.3 MONTHLY STATEMENT OF FINANCIAL ACTIVITY FOR THE MONTH ENDED

FILE REFERENCE:	FM.10
AUTHOR'S NAME AND POSITION:	Kerry Fisher Chief Financial Officer
AUTHORISING OFFICER AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	24 November 2022
DISCLOSURE OF INTERESTS:	The author and the authorising officer have no direct financial interests, indirect financial interests, proximity and impartiality interests in the proposal.

Summary

For Council to receive the monthly financial report.

Background

Council is to prepare monthly financial reports as required by the Local Government (Financial Management Regulations) 1996.

Council has resolved those details and explanations of the material variances reflected on the Statement of Financial Activity are provided as required by Local Government (Financial Management) Regulation 34(1) (d). The attached statements include details of variances between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold of \$20,000 or 10.00% whichever is the greater (refer last page of statements). These materiality levels have been applied in the preparation of this report.

Comment

Comments in relation to budget to actual variances are included as notes (last page) in the Financial Reports attached. Comments related to 'Timing' refer to an estimate of when costs would occur at the time the budget was formulated versus actual costs being incurred. 'Permanent' variances to note as at end of the month are:

- Rate Income over budget \$165k due to Rates now charged due to the Oz Minerals mining development
- Building Fees over budget \$113k due to Oz Minerals building applications for their mine construction
- Employee Costs under budget due to staff vacancies
- Insurance expenses slightly higher than budgeted.

The 2021/22 opening surplus amount brought forward has been reduced in the 2021/22 Annual Audit by \$144,000 and this is now included in the monthly financial statements.

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.

Local Government (Financial Management) Regulations 1996.

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.

Financial Implications

Monthly financial reporting is a primary financial management and control process. It provides the Council with the ability to oversee the Shire's financial performance against budgeted targets.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership: Showing the way for our communities

Outcome 8, A well-functioning organisation

Strategy, 8.1, Maintain corporate governance, responsibility and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

No policy implications apply in the preparation of the report.

Attachments

12.3 - Monthly Financial Report, November 2022;

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr J Porter Seconded: Cr D Frazer

That Council receives the monthly financial report for November 2022.

Carried: 5/0

13. DIRECTOR GOVERNANCE & STRATEGIC REPORTS

14. DIRECTOR INFRASTRUCTURE SERVICES REPORTS

14.1 ACTION REPORT – ENVIRONMENTAL HEALTH & BUILDING SERVICES

FILE REFERENCE: EM.00

AUTHOR'S NAME AND POSITION: Gordon Houston
EHO & Building Officer

AUTHORISING OFFICER AND POSITION: David Mosel
General Manager Operations

DATE REPORT WRITTEN: 14 December 2022

DISCLOSURE OF INTERESTS: The author and the authorising officer have no direct financial interests, indirect financial interests, proximity and impartiality interests in the proposal.

Summary

To inform Council of Environmental Health & Building Services activities and actions for the preceding month.

Background

Not applicable

Comment

See attachment.

Statutory Environment

Not applicable

Financial Implications

No known financial implications for this matter.

Strategic Implications

Plan for the Future 2021 - 2031

Goal 1, Our People

Outcome 2, Healthy People

Strategy: 2.2, Ensure appropriate regulatory health and waste services provision with funding

Risk Management

This item has been evaluated against the Shire of Ngaanyatjarraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources.

Policy Implications

There are no known policy implications for this matter.

Attachments

Attachment 14.2 – Action Report, EHO / Building Services

Voting Requirement

Simple Majority Required.

Officers Recommendation and Council Resolution

Moved: Cr L West Seconded: Cr J Porter

That Council receives the Action Report, EHO / Building Services for December 2022.

Carried: 5/0

**15. NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY
DECISION**

16. CONFIDENTIAL MATTERS

16 NEXT MEETING

Scheduled for Wednesday, 22 February 2022 at the Tjulyuru Cultural and Civic Centre, Warburton Community commencing at 1:00 pm.

17 CLOSURE OF MEETING

There being no further business to discuss the Presiding Member closed the meeting at 1.19 pm.