



**Notice is given that an Ordinary Meeting of Council will be held on:**

**Date:** Tuesday, 15 December 2020  
**Time:** 3pm  
**Location:** Kooyoora Room, Wedderburn Office  
Public access via live audiostream

# **AGENDA**

## **Ordinary Council Meeting**

**15 December 2020**

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**OPENING COMMENT**

THIS MEETING IS BEING CONDUCTED IN ACCORDANCE WITH THE LOCAL GOVERNMENT ACT 2020 AS TEMPORARILY AMENDED TO ENABLE MEETING BY ELECTRONIC MEANS OF COMMUNICATION.

THIS MEETING IS BEING RECORDED AND AUDIO STREAMED VIA THE COUNCIL WEBSITE AND FACEBOOK.

**1 OPENING PRAYER**

“Almighty God, we humbly ask you to bless this Council, direct and prosper its deliberations towards the true welfare of your people of the Shire of Loddon.”

**2 ACKNOWLEDGEMENT OF COUNTRY**

“The Loddon Shire Council acknowledges the Traditional Custodians of the land on which we are gathered and pays its respects to their Elders both past and present.”

**3 APOLOGIES****4 DECLARATIONS OF CONFLICT OF INTEREST**

**5 PREVIOUS MINUTES****5.1 CONFIRMATION OF MINUTES**

**File Number:** 02/01/001

**Author:** Lynne Habner, Manager Executive and Commercial Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** Nil

**RECOMMENDATION**

That Council confirm:

1. The minutes of the Council Briefing of 24 November 2020.
2. The minutes of the Ordinary Council Meeting of 24 November 2020.
3. The minutes of the Confidential Council Meeting of 24 November 2020.

**REPORT**

Seeking approval of the unconfirmed minutes of the previous meetings.

**6 ASSEMBLY OF COUNCILLORS****6.1 RECORD OF ASSEMBLY OF COUNCILLORS**

**File Number:** 02/01/001

**Author:** Lynne Habner, Manager Executive and Commercial Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** Nil

**RECOMMENDATION**

That Council note the Assembly of Councillors records for the following meetings:

1. Council Briefing 24 November 2020.

In accordance with Clause 51 of Council's Governance Rules, records of Councillor briefings and forums must be reported to the next Ordinary Meeting of Council and confirmed in the minutes.

The record is therefore presented for Council's noting.

**RECORD OF ASSEMBLIES OF COUNCIL**

Assembly details	Briefing
Date	24 November 2020
Councillor Attendees	Cr Beattie Cr Holt Cr Jungwirth Cr Murphy Cr Straub
Staff/Stakeholder representatives	Phil Pinyon, Chef Executive Officer Wendy Gladman, Director Community Wellbeing Sharon Morrison, Director Corporate Services Steven Phillips, Director Operations Lynne Habner, Manager Executive and Commercial Services Christine Coombes, Executive and Commercial Services Officer Simon Dobie, A/Manager Works Deanne Caserta, Manager Financial Services
Items discussed.	<ol style="list-style-type: none"> <li>1. Economic Development and Tourism monthly progress report</li> <li>2. Inglewood Industrial Estate</li> <li>3. Revenue and Rating Plan – Principles and Process</li> <li>4. Update on The Loddon Project</li> <li>5. Update on the Implementation of the Local Government Act 2020</li> <li>6. Contract 464 – Waste and Recycling collection services</li> <li>7. Advertisement of the draft Waste Management Strategy 2020-2030</li> <li>8. General business: <ul style="list-style-type: none"> <li>• COVID 19 Financial Hardship Policy</li> <li>• Event Sponsorship Program</li> </ul> </li> </ol>
Conflict of Interest Disclosures - Councillor/officer making disclosure	Nil
Councillor/officer left room	

**7 REVIEW OF ACTION SHEET****7.1 REVIEW OF ACTIONS**

**File Number:** 02/01/002

**Author:** Christine Coombes, Executive and Commercial Services Officer

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** 1. Action sheet

**RECOMMENDATION**

That Council receive and note the action sheet.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**REPORT**

Refer attachment.

Outstanding	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Monday, 7 December 2020 5:17:45 PM

**Outstanding action from previous meetings**

Meeting	Officer/Director	Section	Subject
Council 28/01/2020	Phillips, Steven Pinyon, Phil	New Item	Skinnners Flat reservoir
<p>Cr Holt requested that Council staff continue to liaise with Grampians Wimmera Mallee Water regarding changes to the originally proposed arrangements for the supply of permanent recreation water to Skinnners Flat, and provide a report to the next Council meeting about progress with finalising the heads of agreement between Council and GWM Water.</p> <p><i>14/02/2020 5:26:20 PM - Steven Phillips</i> Council Staff have been in discussions with GWMWater staff about the terms contained within the Heads of Agreement for several months, with a major sticking point being the allocation of Recreational Water for Skinnners Flat Reservoir. GWMWater is seeking that Council acquire a water entitlement up to the maximum volume as listed at Item 5 of Schedule A of the Heads Of Agreement (currently stated as 200 MI) from Northern Victoria trading zone 1A (Goulburn regulated). Council Officers have been able to secure agreement from GWMWater for the allocation of up to 200 MI of Recreational Water once off as an initial allowance. Arrangements are being made to secure a meeting between senior members of Council and GWMWater to continue negotiations over this matter.</p> <p><i>13/03/2020 5:21:57 PM - Steven Phillips</i> The Southwest Loddon Pipeline Steering Committee has a meeting scheduled for Friday 20 March. GWMWater are continuing discussion with Coliban Water to further investigate opportunities for the provision of an ongoing water supply for Skinnners Flat Reservoir.</p> <p><i>14/04/2020 5:22:52 PM - Steven Phillips</i> Discussions have been undertaken and an agreement has been reached to honor the provision of recreational water to Skinnners Flat.</p> <p><i>11/05/2020 8:42:39 PM - Steven Phillips</i> According to GWMWater staff, a definitive solution to the 200 megalitre problem remains to be found. Discussions are ongoing with GWMWater Staff.</p> <p><i>11/06/2020 2:25:54 PM - Steven Phillips</i> This matter was discussed at the June 2020 Council Forum noting that the supply of water to Skinnners Flat is still an outstanding issue. Cr Beattie undertook to contact the Chairman of the Board of GWMWater to discuss how to progress the matter.</p> <p><i>20/07/2020 1:48:05 PM - Steven Phillips</i> A meeting between Cr Holt, Cr Beattie, Phil Pinyon CEO Loddon Shire Council and Peter Vogel Chairman of the Board of GWMWater and Mark Williams Managing Director GWMWater was held on 22 June 2020 in Beaufort. Following this meeting Cr Holt, Cr Beattie, Phil Pinyon CEO Loddon Shire Council were to meet with Damian Wells Managing Director of Coliban Water to discuss possible solutions to this matter. This meeting has not been able to take place due to COVID-19 restrictions.</p> <p><i>10/08/2020 11:44:55 AM - Steven Phillips</i> Progress has been significantly hampered due to the current COVID – 19 restrictions and the desire for a face to face meeting with Coliban Water. Once restrictions allow, a face to face meeting with Coliban Water will be arranged.</p> <p><i>1/09/2020 6:05:17 PM - Steven Phillips</i> This matter is scheduled on the September Council Forum agenda for discussion. The timing and circumstances for a meeting with Coliban Water remains a critical issue. It is important that Council is able to engage with them in a meaningful way about potential solutions that they may be able to assist with.</p> <p><i>1/10/2020 6:17:27 PM - Steven Phillips</i> Following the discussion at the September Council Forum contact has been made with GHD for them to provide Council with a fee proposal to investigate the required works associated with actively maintaining the water level at Skinnners Flat. The meeting with Coliban Water has not yet been scheduled.</p> <p><i>9/11/2020 1:02:42 PM - Steven Phillips</i> GHD came back with a proposal to complete the Intermediate Inspection Report in October/November as it is due for review next year. This will provide them with sufficient</p>			

Outstanding	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Monday, 7 December 2020 5:17:45 PM

information to report to Council with recommendations based on the findings. They have also been engaged to attend a Council Forum to discuss the report and its recommendations.  
 The meeting with Coliban Water remains on hold to discuss opportunities to partner with Council on the provision of recreational water for Skinners Flat Reservoir.  
 7/12/2020 9:17:27 AM - Steven Phillips  
 The Skinners Flat Reservoir Intermediate Dam Safety Inspection has been completed by GHD and its author will be attending the December Council Briefing for discussion on the matter.  
 The meeting with Coliban Water to discuss opportunities to partner with Council on the provision of recreational water for Skinners Flat Reservoir remains on hold.

#### Actions completed since last meeting

Meeting	Officer/Director	Section	Subject
Council 24/11/2020	Caserta, Deanne Morrison, Sharon	Decision Reports	Finance Report for the period ending 30 September 2020
<b>RESOLUTION 2020/177</b>  Moved: Cr Dan Straub Seconded: Cr Wendy Murphy  That Council: <ol style="list-style-type: none"> <li>1. receives and notes the 'Finance Report for the period ending 30 September 2020'</li> <li>2. approves budget revisions included in the report for internal reporting purposes only</li> <li>3. approves the supplementary valuations of rateable and non-rateable properties in respect of the 2020/21 financial year, as returned by the Shire Valuer, LG Valuations Pty Ltd, and endorses them being incorporated into the Register of Rateable and Non Rateable Properties and Rate Book for 2020/21.</li> </ol> <p style="text-align: right;"><b>CARRIED</b></p> <p>30/11/2020 5:53:19 PM - Deanne Caserta            Action completed by: Caserta, Deanne            For information</p>			

Meeting	Officer/Director	Section	Subject
Council 24/11/2020	Caserta, Deanne Morrison, Sharon	Decision Reports	Finance Report for the period ending 31 October 2020
<b>RESOLUTION 2020/178</b>  Moved: Cr Dan Straub			

Outstanding	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Monday, 7 December 2020 5:17:45 PM

Seconded: Cr Wendy Murphy

That Council:

1. receives and notes the 'Finance Report for the period ending 31 October 2020'
2. approves budget revisions included in the report for internal reporting purposes only
3. approves the supplementary valuations of rateable and non-rateable properties in respect of the 2020/21 financial year, as returned by the Shire Valuer, LG Valuations Pty Ltd, and endorses them being incorporated into the Register of Rateable and Non Rateable Properties and Rate Book for 2020/21.

**CARRIED**

30/11/2020 5:53:11 PM - Deanne Caserta

Action completed by: Caserta, Deanne  
For information

Meeting	Officer/Director	Section	Subject
Council 24/11/2020	Caserta, Deanne Morrison, Sharon	Decision Reports	Amended Fees and charges for the year 1 July 2020 to 30 June 2021
<b>RESOLUTION 2020/179</b>			
Moved: Cr Linda Jungwirth			
Seconded: Cr Wendy Murphy			
That Council:			
<ol style="list-style-type: none"> <li>1. approves the amended Fees and Charges Schedule v2 for the year 1 July 2020 to 30 June 2021</li> <li>2. subject to the approval of the Director Corporate Services or Chief Executive Officer, make effective immediately any changes where the fees and charges are altered by legislation, and make amendment to the relevant Fees and Charges Schedule for the year 1 July 2020 to 30 June 2021.</li> </ol>			
<b>CARRIED</b>			
30/11/2020 5:53:39 PM - Deanne Caserta			
Action completed by: Caserta, Deanne Document finalised and published to Loddon website			

Meeting	Officer/Director	Section	Subject
Council 24/11/2020	Jackson, Janine Morrison, Sharon	Decision Reports	NEIGHBOURHOOD SAFER PLACES (PLACES OF LAST RESORT)



Outstanding	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Monday, 7 December 2020 5:17:45 PM

**RESOLUTION 2020/180**

Moved: Cr Gavan Holt  
 Seconded: Cr Dan Straub

That Council adopt the Loddon Shire Council Neighbourhood Safer Places Plan - September 2020, which includes and confirms designated Neighbourhood Safer Places within the municipality in the townships of Boort, Bridgewater, Inglewood, Pyramid Hill, Serpentine and Wedderburn.

**CARRIED**

2/12/2020 9:22:10 AM - Janine Jackson  
 Action completed by: Morrison, Sharon  
 Plan is available on the internet.

Meeting	Officer/Director	Section	Subject
Council 24/11/2020	Morrison, Sharon Morrison, Sharon	Compliance Reports	Consideration of the Annual Report for the period ending 30 June 2020
<b>RESOLUTION 2020/188</b>  Moved: Cr Wendy Murphy Seconded: Cr Linda Jungwirth  That Council note the consideration of the Loddon Shire Council Annual Report for the period ending 30 June 2020.  2/12/2020 9:22:37 AM - Sharon Morrison Action completed by: Morrison, Sharon Report is being circulated and is available on the internet.			

**CARRIED**

Meeting	Officer/Director	Section	Subject
Council 24/11/2020	Coombes, Christine Pinyon, Phil	Decision Reports	2021 Council Meeting Schedule
<b>RESOLUTION 2020/176</b>  Moved: Cr Gavan Holt Seconded: Cr Linda Jungwirth  That Council:			

Outstanding	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report	Printed: Monday, 7 December 2020 5:17:45 PM		

1. approve the schedule of Council Meetings for 2021 as contained within this report
2. provide public notice of the Council Meetings schedule.

**CARRIED***7/12/2020 5:17:21 PM - Christine Coombes*

Action completed by: Coombes, Christine

The 2021 Council Meeting Schedule has been advertised in the Bendigo Advertiser edition of 5/12, listed on Council's website and added to Infocouncil software in readiness for reports to be prepared.

**8 MAYORAL REPORT****8.1 MAYORAL REPORT****File Number:** 02/01/001**Author:** Lynne Habner, Manager Executive and Commercial Services**Authoriser:** Phil Pinyon, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION**

That Council receive and note the Mayoral Report

**REPORT**

The Mayor will present a report at the meeting.

**Cr Beattie****Rail Freight Alliance****Loddon Campaspe Councils****Murray River Group of Councils****Special Committees Of Council (Section 65 Community Asset Committees):**

Boort Aerodrome Community Asset Committee

Boort Memorial Hall Community Asset Committee

Boort Park Community Asset Committee

Korong Vale Mechanics Hall Community Asset Committee

Korong Vale Sports Centre Community Asset Committee

Little Lake Boort Community Asset Committee

Yando Public Hall Community Asset Committee

**DATE****Activity**

**9 COUNCILLORS' REPORT****9.1 COUNCILLORS' REPORTS****File Number:** 02/01/001**Author:** Lynne Habner, Manager Executive and Commercial Services**Authoriser:** Phil Pinyon, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION**

That Council receive and note the Councillors' reports

**REPORT**

Each Councillor will present a report at the meeting.

**Cr Holt**

<b>Municipal Association of Victoria</b>	
<b>Audit and Risk Committee</b>	
<b>Special Committees Of Council (Section 65 Community Asset Committees):</b> Donaldson Park Community Asset Committee Wedderburn Community Centre Community Asset Committee Wedderburn Engine Park and Market Square Reserve Community Asset Committee Wedderburn Mechanics and Literary Institute Hall Community Asset Committee Hard Hill Reserve Community Asset Committee	
<b>Other Council activities</b>	
<b>DATE</b>	<b>Activity</b>

**Cr Jungwirth**

<b>Loddon Mallee Local Government Waste Forum</b>	
<b>Central Victorian Greenhouse Alliance</b>	
<b>Municipal Emergency Management Plan Committee</b>	
<b>Other Council activities</b>	
<b>DATE</b>	<b>Activity</b>

**Cr Murphy**

<b>Calder Highway Improvement Committee</b>	
<b>Local Government Womens Charter</b>	
<b>Australia Day Committee</b>	
<b>Healthy Minds Network</b>	
<b>Special Committees Of Council (Section 65 Community Asset Committees):</b> Bridgewater on Loddon Memorial Hall Community Asset Committee Campbells Forest Hall Community Asset Committee Inglewood Community Sports Centre Community Asset Committee Inglewood Community Elderly Persons Units Community Asset Committee Inglewood Town Hall Hub Community Asset Committee Jones Eucalyptus Distillery Site Community Asset Committee	

Other Council activities	
DATE	Activity

**Cr Straub**

North Central Goldfields Regional Library	
North Central Local Learning and Employment Network	
Special Committees Of Council (Section 65 Community Asset Committees):	
East Loddon Community Centre Community Asset Committee	
Pyramid Hill Memorial Hall Community Asset Committee	
Pyramid Hill Swimming Pool Kiosk Community Asset Committee	
Other Council activities	
DATE	Activity

**10 DECISION REPORTS****10.1 ADVERTISEMENT OF THE DRAFT WASTE MANAGEMENT STRATEGY 2020-2030**

**File Number:** 15/05/001  
**Author:** Daniel Lloyd, Manager Works  
**Authoriser:** Steven Phillips, Director Operations  
**Attachments:** 1. draft Waste Management Strategy 2020-2030

**RECOMMENDATION**

That Council resolve to endorse the draft Waste Management Strategy 2020-2030 to be placed on public exhibition in accordance with section 223 of the Local Government Act 1989

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council was presented with the draft Waste Management Strategy 2020-2030 at the Council Briefing on 24 November 2020.

**BACKGROUND**

Council's current Waste Management Strategy was adopted in 2011. The strategy has provided the framework for the development and implementation of environmentally sustainable and financially viable waste management policies and initiatives. Specific waste management services and methodologies addressed within that strategy included:

- Kerbside waste and recycling collections
- Resource recovery opportunities
- Sustainable waste management education
- Waste management and monitoring

The Waste Management Strategy requires a review to guide and support Council's future direction in waste management. Council officers engaged Rawtec to conduct an assessment of Council's waste services and waste facilities to assist in preparing a new Waste Management Strategy.

The Waste Management Strategy outlines key elements involved in managing Council's waste services and waste facilities. It combines financial management, and technical practices with the aim to improve systems and processes to maximise the use of our limited resources and provide a guide to better practice management of waste and recyclables.

**ISSUES/DISCUSSION**

The draft Waste Management Strategy 2020-2030 provides a proportional framework for development and implementation of environmentally sustainable waste management policies and initiatives over a ten-year period. Several targets are identified in the draft Strategy, the achievement of which will rely on the commitment of all key stakeholders including Council, residents, businesses, and visitors.

The targets have been based on current baseline data and State Government modelling. The two main targets include aiming for greater than 60 percent diversion across the Shire by weight (currently 38 percent) and a resident satisfaction index score of greater than 70

(currently 69) for waste services in the Local Government Community Satisfaction Survey by 2030.

The ten year draft Waste Management Strategy will be used to guide and shape, not define the future direction of Council's waste management. The details of Council's management of kerbside collection services are provided in its Kerbside Waste and Recycling Policy.

The draft Strategy is based on the latest information in what is a rapidly changing sector as both the National and State Governments seek to ensure a future for a recycling industry in Australia.

### **COST/BENEFITS**

Council spends significant funds on its waste management services each year. The current Long Term Financial Plan has average annual expenditure at \$1,727,677 for kerbside collections and facility management. The draft Waste Management Strategy 2020-2030 identifies several actions to support the achievement of the stated objectives. The estimated additional costs over the ten year life of the Strategy total \$730,000.

During the process of data collection and assessment, indicative costs have been estimated for the proposed action plan. However, several actions within the Strategy will require detailed scoping and costing before they can proceed.

The actions covered in the Strategy will be funded in accordance with Council's Rating Strategy section 7.3 Services rates and charges under Section 162 which states:

*"Council currently applies a service charge for the collection and disposal of refuse on properties that fall within the collection area. Council's objective is to fully recover the costs of the waste management and waste removal function."*

Council provides approximately 3,800 properties with weekly kerbside general waste and fortnightly mixed recycling bins. Council also provides public place bin collections, event bins and additional kerbside collections during the peak periods Easter/Christmas at high traffic locations. In addition to kerbside collections, Council manages six waste facilities including three unlicensed landfills which also accept recyclables and three Resource Recovery Centres.

### **RISK ANALYSIS**

The risk to Council of not considering and then advertising the draft Waste Management Strategy 2020-2030 is that it will not comply with requirements under the Local Government Act 1989.

Without an agreed strategy, there is the risk that Council's efforts and resources could be applied ad hoc to tasks without clear objectives or results. The Strategy identifies priorities and actions which reflect research, consultation and consistency with wider regional directions to give clarity on where Council's resources and efforts should be directed.

### **CONSULTATION AND ENGAGEMENT**

The draft Waste Management Strategy 2020-2030 has been discussed with internal stakeholders on a number of occasions, this includes the Management Executive Group as well as other staff who have had multiple opportunities to review the outcomes of the Strategy.

The Council was provided opportunity to have input into the development of the draft Waste Management Strategy 2020-2030 at its June 2020 Forum. Following further development, Council was presented with a draft Waste Management Strategy at the November 2020 Council Briefing for review.





## LODDON SHIRE COUNCIL WASTE MANAGEMENT STRATEGY 2020-2030



## DOCUMENT INFORMATION

DOCUMENT TYPE:	Strategic document
DOCUMENT STATUS:	Draft
POLICY OWNER POSITION:	Manager Works
INTERNAL COMMITTEE ENDORSEMENT:	Not applicable
APPROVED BY:	Council
DATE ADOPTED:	<a href="#">Click here to enter date of approval</a>
VERSION NUMBER:	2
REVIEW DATE:	31/12/2025
DATE RESCINDED:	<a href="#">Click here to enter a date.</a>
RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	<p>Loddon Shire Council Documents: Council Plan 2017-2021 Fees and Charges Kerbside Waste and Recycling Policy Procurement Strategy Rating Strategy</p> <p>Australian Government National Waste Policy 2018 Recycling Victoria, A new Economy Feb 2020 Victoria Statewide Waste and Resource Recovery Infrastructure Plan 2018 Victorian Government Loddon Mallee Waste and Resource Recovery Group (LMWRRG) Statement of Expectations 2019</p> <p>Loddon Mallee Waste Resource Recovery Group Documents: Implementation Plan 2016-2026 Strategic Plan 2017-2020 Organics Strategy 2019-2025 Regional Litter Plan 2019</p>
RELATED LEGISLATION:	<p>Environment Protection Act 1970 Local Government Act 2020 Public Health and Wellbeing Act 2008</p>
EVIDENCE OF APPROVAL:	<hr/> <p>Signed by Chief Executive Officer</p>
FILE LOCATION:	Document2

**Strategic documents are amended from time to time, therefore you should not rely on a printed copy being the current version. Please consult the Loddon Shire website to ensure that the version you are using is up to date.**

This document is available in alternative formats (e.g. larger font) if requested.

**ACKNOWLEDGEMENT OF COUNTRY**

Loddon Shire Council acknowledges the Traditional Custodians of the land comprising the Loddon Shire Council area. Council would like to pay respect to their Elders both past and present.

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## EXECUTIVE SUMMARY

The Loddon Shire Council (Council) has a mission to enhance the sustainability and liveability of the Shire. Sound waste management practices play an important role in achieving this. This strategy provides a proportional framework for developing and implementing environmentally sustainable waste management policies and initiatives over a ten-year period. Several targets are identified, the achievement of which will rely on the commitment of all key stakeholders including the Council, Loddon residents, businesses, and visitors.

### Where we are now

Area	Current performance
Diversion	<ul style="list-style-type: none"> <li>38% diversion across the Shire including kerbside and resource recovery centres (RRCs)</li> <li>28% diversion rate at kerbside</li> <li>We are separating out our hard waste to maximise recovery</li> <li>E-waste, mattresses, metals, tyres, cardboard, concrete, green organics and other streams are captured at RRCs</li> </ul>
Circular economy	<ul style="list-style-type: none"> <li>&gt;3,900 tonnes of waste and recyclables are generated across the Shire per annum (≈525 kg/person/annum)</li> <li>&gt;1,500 tonnes of recyclables are captured across the shire or ≈200 kg/person/annum</li> <li>We have a policy that encourages buy-back of recycled material</li> </ul>
Resident satisfaction	<ul style="list-style-type: none"> <li>We offer our residents four free transactions per annum to bring their waste and recyclables to our RRCs</li> <li>Loddon Shire received an index score of 69 for waste management in the Local Government Community Satisfaction Survey</li> </ul>

### Where we would like to be by 2030

The following objectives will help us achieve our key performance indicators (KPIs):

- increase diversion at kerbside and RRCs
- deliver cost-effective, efficient and continuously improved services
- promote the circular economy and drive up demand for recycled products.

Area	Key performance indicator
Diversion	Aim for >60% diversion across the Shire by weight by 2030.
Circular economy	<p>Aim to purchase back 5-10%<sup>1</sup> (by weight) of recyclables (comingled and organics) disposed across the Shire in goods (park benches, bollards, irrigation, compost, etc) per annum by 2030.</p> <p>Aim to reduce kilograms per capita (kerbside and resource recovery centres) by 10%, from 525 to 470 kg/capita/annum by 2030.</p>
Resident satisfaction	Aim for >70 index score for waste services in the Local Government Community Satisfaction Survey by 2030.

<sup>1</sup> Percentage to be confirmed when baseline established

## 1 PURPOSE

The waste management strategy outlines key elements involved in managing Council's waste services and waste facilities.

It combines management, financial, and technical practices with the aim to improve systems and processes to maximise the use of our limited resources and move to better practice management of waste and recyclables.

## 2 BUDGET IMPLICATIONS

Indicative costs have been estimated for the proposed work plan, however, several actions within the Strategy will require detailed scoping before they can be properly costed.

Estimated costs (additional to operating budgets) over the life of the Strategy total \$730,000. The indicative timing for expenditure is:

- 2020-21: \$3,000
- 2021-22: \$53,000
- 2022-23: \$58,000
- 2023-24: \$43,000
- 2024-25: \$343,000
- 2025-26: \$43,000
- 2026-27: \$43,000
- 2027-28: \$58,000
- 2028-29: \$43,000
- 2029-30: \$43,000

## 3 RISK ANALYSIS

Without an agreed strategy, there are risks that Council's efforts and resources could be applied to ad hoc tasks without clear objectives or results. The Strategy identifies priorities and actions which reflect research, consultation and consistency with wider regional directions to give clarity on where Council's resources and efforts should be directed.

It will never avoid all ad hoc initiatives and opportunities being raised and pursued, but decisions by Council to pursue these opportunities can be measured against the relative merits (and resourcing requirements) of the initiatives in this Strategy.



#### 4 GLOSSARY OF ACRONYMS AND TERMS

Acronym	Description
CDL	Container deposit legislation
RRC	Resource Recovery Centre. This is often called a transfer station and the two terms are interchangeable.
E-waste	Electronic waste. This includes anything with a cord such as computers, televisions, and appliances (e.g. microwave) but does not include white goods such as refrigerators.
KPI	Key Performance Indicator
LMWRRG	Loddon Mallee Waste and Resource Recovery Group

## 5 INTRODUCTION

This document details Council's Waste Management Strategy for 2020–2030 (Strategy). The Strategy encompasses Council's overall vision and mission and how this relates to waste management, our waste service offering to residents, waste performance and current initiatives. We set out three objectives and an action plan over the next ten years, with associated KPIs to measure our success.

This is a fluid document in an ever-changing industry. Recent changes and challenges include ongoing impact of China Sword, roll out of four bins at kerbside in metro Vic, COVID\_19 and the recent release of Recycling Victoria, A new Economy in February 2020 which may impact kerbside bin service offered to Victorian residents and have new waste targets.

### 5.1 Who we are

Loddon Shire (Shire) is in the Loddon Mallee region of Victoria, 175km northwest of Melbourne<sup>2</sup> (Figure 1). The terrain across the Shire varies greatly, encompassing approximately 6,700 square kilometres of land including prime agricultural and farming areas which support the primary agricultural and horticultural activities in the region. Many within the population are employed in agriculture, forestry and fishing, the largest industry in the area by employment.

The Shire has an estimated population of 7,500 people<sup>3</sup>, with half the population distributed among several small towns. Averaging just over 1 person per square kilometre, the Shire has a low density compared to other councils within Victoria.



Figure 1: Loddon Shire within Victoria<sup>4</sup>

<sup>2</sup> <https://knowyourcouncil.vic.gov.au/councils/loddon>

<sup>3</sup> <https://profile.id.com.au/loddon>

<sup>4</sup> Image from Loddon Shire Council Plan 2017 - 2021



## 5.2 Council vision and mission

In June 2017, Council released the 2017-2021 Council Plan. This plan contained Loddon Shire Council's Vision, Mission and Values to be used to guide Council's decisions and growth for the years to come.

### 5.2.1 Vision

Loddon Shire Council's vision is to be a prosperous, vibrant and engaged community.

### 5.2.2 Mission

Its mission is to enhance the sustainability and liveability of Loddon Shire.

As can be seen above, sustainability is at the forefront of Council's goals and objectives, within which waste and resource management play a critical role. The Strategy considers waste management planning for Council over the next ten years.

## 5.3 Link to the LMWRRG

Council is part of the Loddon Mallee Waste and Resource Recovery Group (LMWRRG) along with seven other Victorian councils. The LMWRRG facilitates the procurement of waste and resource recovery infrastructure and services across the eight councils. It also aims to educate businesses and communities to reduce waste going to landfill and to integrate regional and local knowledge into State-wide waste strategies. Council is committed to remaining a proactive member of the LMWRRG to work with the group for better waste and resource recovery outcomes as well as seeking their support and guidance where appropriate.

## 6 WASTE SERVICE OFFERING FOR OUR RESIDENTS

Council provides some 3,800 households with kerbside weekly general waste and fortnightly comingled recycling bins. We also have six facilities that accept waste and recyclables. This includes three landfills which also accept recyclables, and three resource recovery centres (RRCs) which accept a range of recyclables including metals, tyres, E-waste, and mattresses. A map of waste infrastructure throughout Loddon Shire can be seen in Figure 2 below.

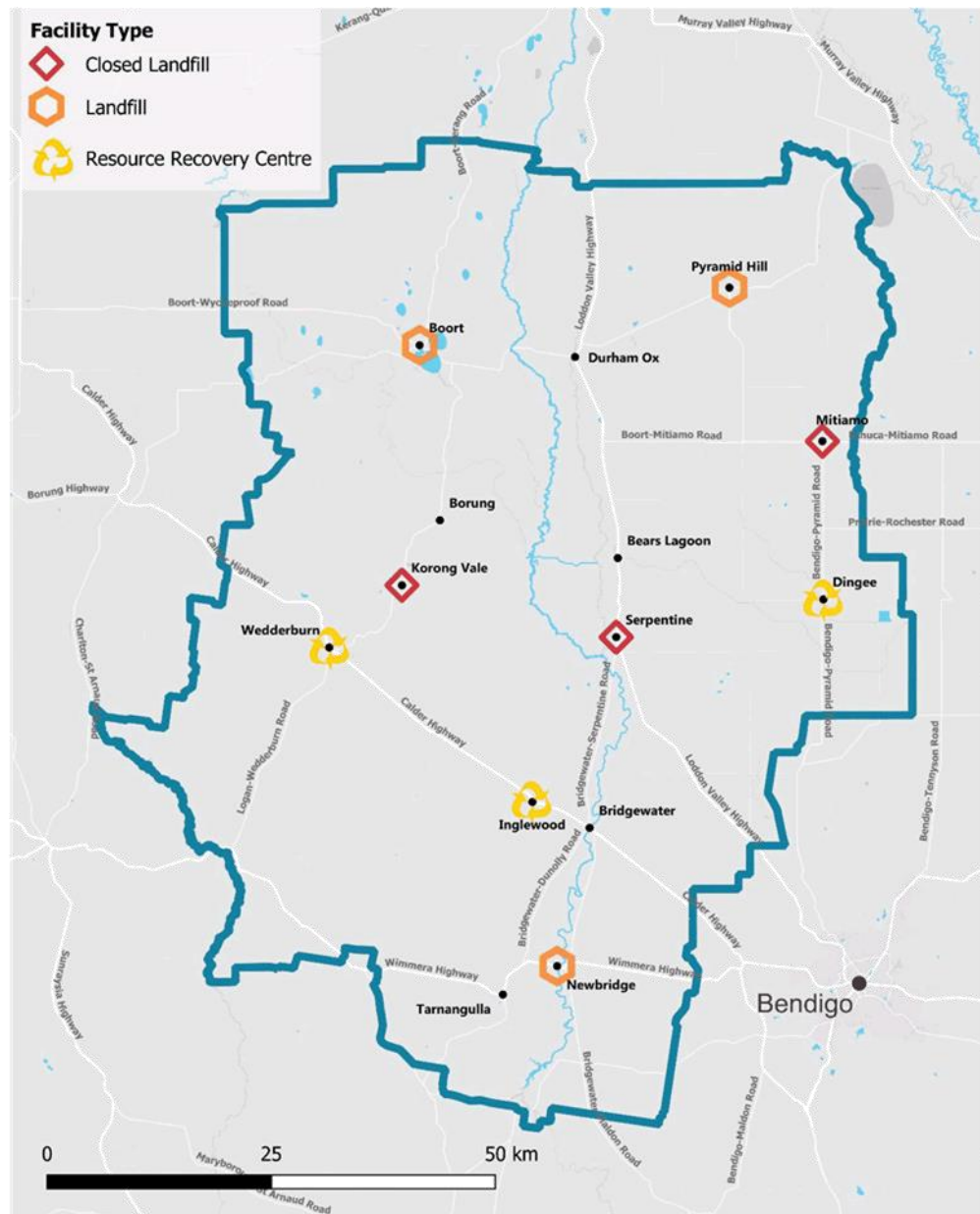


Figure 2: Loddon Shire area and waste infrastructure

## 7 STRATEGIC CONTEXT

The following section outlines the concepts, policies and strategies that influence this document. This includes broader waste management concepts such as the waste hierarchy and circular economy, and relevant national, state, regional and local policies and strategies.

### 7.1 Waste hierarchy

The *Environment Protection Act 1970* describes eleven principles of environment protection which are intended as a guide for EPA Victoria<sup>5</sup>. The waste hierarchy is one such principle which guides the management of waste by preferencing options at the top of the hierarchy. Figure 3 illustrates the waste hierarchy, with avoidance being the most preferable waste management option and disposal being the least preferable option.

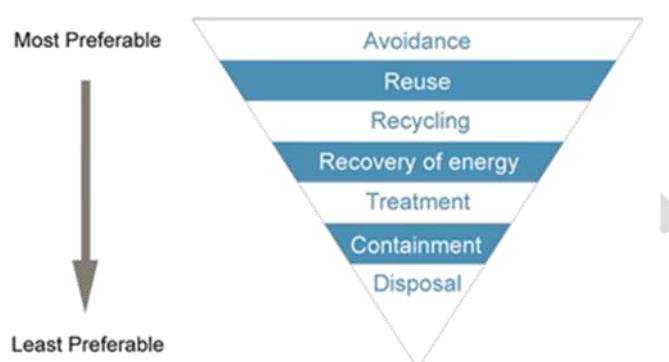


Figure 3: Victoria EPA Waste Hierarchy<sup>5</sup>

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<sup>5</sup> <https://ref.epa.vic.gov.au/your-environment/waste>

## 7.2 Circular economy

Typical consumer systems follow make-take-dispose models, which consume materials in an inefficient manner and can negatively impact the environment. A circular economy model, detailed in Figure 4, is characterised by the avoidance of waste through the efficient and productive use of materials throughout their life cycle. This is achieved by prioritising the reduction of waste through good design and by encouraging the reuse and repair of items to keep materials within the system for as long as possible before disposal. When items can no longer be reused or repaired, they should be made available for recycling and energy recovery processes, with minimal materials sent to landfill if they cannot be recovered. An effective circular economy requires the development of markets for recovered materials to complete the cycle and maximise material use.

A circular economy encourages manufacturers and retailers of products to provide end-of-life options for the recycling and energy recovery stage of the cycle. This might include a service that assists consumers with maintenance or disposal of a product.

While a circular economy aims to reduce environmental impacts, it has the added benefits of maximising the economic value obtained from resources, encouraging innovative thinking, stimulating economies, generating business in existing areas and encouraging the development of new businesses and jobs.

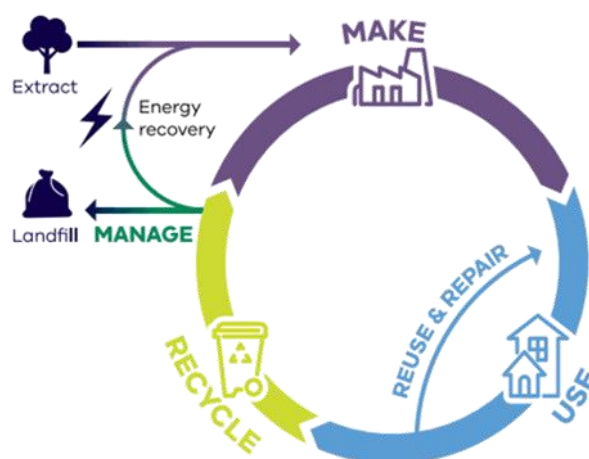


Figure 4: Resource flows in a circular economy from Recycling in Victoria, a New Economy, Feb 2020

### 7.3 Relevant policies and strategies

The Strategy is informed by the policies, strategies and other waste-related documents detailed in Figure 5, including the *Australian Government National Waste Policy 2018* and *Recycling Victoria, A New Economy Feb 2020*.

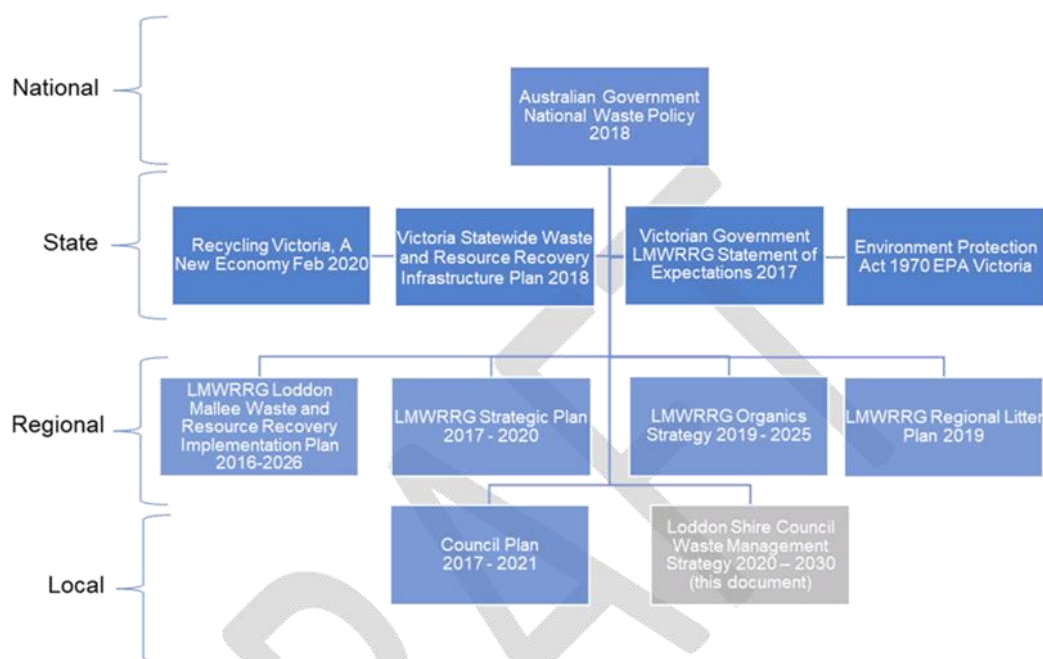


Figure 5: Relevant policies, strategies and other waste-related documents<sup>6</sup>

<sup>6</sup> Note LMWRRG = Loddon Mallee Waste Resource Recovery Group

#### 7.4 Key objectives from these policies and strategies

Key themes across these documents include reducing waste generation and an increase in diversion, particularly through organics recycling.

Relevant objectives/direction from these policies and strategies are included below.

1. Recycling Victoria, a New Economy (2020). In this document the Victorian Government is:
  - proposing a four-bin system at kerbside including comingled recycling, general waste, food and garden organics and glass<sup>7</sup>
  - aiming to reduce waste generation per capita by 15 per cent and to divert 80 per cent of waste from landfill by 2030. There is an interim diversion target of 72 per cent by 2025
  - aiming to cut the volume of organic material going to landfill by 50 per cent between 2020 and 2030, with an interim target of 20 per cent reduction by 2025
  - aiming for 100 per cent of households have access to a separate food and organics recovery service or local composting by 2030.
2. The LMWRRG Waste and Resource Recovery Implementation Plan 2016-2026 indicates the LMWRRG is aiming to:
  - educate the community to reduce waste generation per capita
  - enable beneficial use of organics
  - increase reuse and resource recovery rates across the region
  - encourage and support innovation and research to develop new waste management solutions and markets.
3. The LMWRRG developed a Regional Organics Strategy 2019-2025 with an overarching vision of zero organics to landfill.

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<sup>7</sup> See <https://www.vic.gov.au/four-bin-waste-and-recycling-system>



## 8 LODDON SHIRE COUNCIL CURRENT WASTE PERFORMANCE

Council achieved the following results in 2019-20.

### 38%

diversion rate overall including kerbside and RRCs. Total waste generation is 3,900 tonnes at RRCs/landfills and kerbside or 525 kg/person

### 28%

diversion rate at kerbside which is a 2% increase from 2018-19 and a 5% increase from 2016-17.

### 1,500 tonnes recycled or 200 kg/person



across the Shire including metals, glass, cardboard, E-waste. 45% of this is from kerbside comingled recyclables.

### Over 300 tonnes of green waste



recovered at our RRCs.

### 7 tonnes of mattresses



recovered in 2019-20 and made into various items including carpet, roof sheeting and mulch.

### Four waste transactions per annum



provided to our residents. Each quarter, residents can bring 4m<sup>3</sup> of domestic waste and recyclables to RRCs and landfills for free.

### New E-waste infrastructure built



at the Boort, Dingee, Inglewood and Wedderburn facilities over the past two years. We have recovered over 50 tonnes of E-waste over the past four years.

### Improved hard waste recovery and tracking



with Council separating recoverable items from non-recoverable items. We are tracking volumes of each material to better understand hard waste in the Shire.

## 9 OBJECTIVES FOR LODDON SHIRE COUNCIL

Council has three objectives relating to waste and recycling:

1. deliver cost-effective, efficient and continuously improved services
2. increase diversion at kerbside and RRCs
3. promote the circular economy and drive up demand for recycled products.

### **Objective One – Deliver cost-effective, efficient, and continuously improved services**

Council will continue to deliver cost-effective, efficient, and continuously improved services for our residents. We will seek opportunities to improve in these areas and continue to measure our performance. For example, reducing unnecessary collection of street litter bins and finalising a voucher system or similar in place of scheduled fee free days.

### **Objective Two – Increase diversion at kerbside and at RRCs**

In line with national and state targets of reducing waste to landfill, Council is also aiming to increase diversion. The Victorian Government has set a target of 80 per cent diversion of waste from landfill by 2030 and LMWRRG has a vision of zero organics to landfill.

Increasing diversion at kerbside and at our RRCs is one way that Council can contribute to these targets. We currently offer kerbside collection of general waste to landfill and comingled recyclables. We also separate out our hard waste where possible to maximise recovery and will continue to do so. Each landfill and RRC offers several separate recycling streams. However, there is room for improvement, and we are committed to exploring how we can increase diversion at kerbside and RRCs. For example, organics and glass bins at kerbside, and home composting solutions if kerbside organics is not viable.

### **Objective Three – Promote the circular economy (including reducing waste generation) and drive up demand for recycled products**

Council will explore methods for promoting the circular economy within the Shire. The Victorian Government and LMWRRG aim to reduce waste generation per capita and increase re-use opportunities, which are all aligned with the principles of the circular economy and waste hierarchy. There are also opportunities to drive up demand for recyclables through Council procurement of goods.



## 10 KEY PERFORMANCE INDICATORS

The following key performance indicators (KPIs) will be used to assess our success against our Objectives.

Table 1: KPIs

Area	Key performance indicator
Diversion	Aim for >60% diversion across the Shire by weight by 2030.
Circular economy	Aim to purchase back 5-10% <sup>8</sup> (by weight) of recyclables (comingled and organics) disposed at kerbside in goods (park benches, bollards, irrigation, compost, etc) per annum by 2030.
	Aim to reduce kilograms per capita (kerbside and resource recovery centres) by 10%, from 525 to 470 kg/capita/annum by 2030.
Resident satisfaction	Aim for >70 index score for waste services in the Local Government Community Satisfaction Survey by 2030.

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<sup>8</sup> Percentage to be confirmed when baseline established

## 11 ACTION PLAN AND FUNDING

Table 2: Actions to achieve objectives, including timelines<sup>9</sup>

Action	Timeline	Responsibility	Funding (additional to operating budget)
<b>Objective One - Deliver cost-effective, efficient, and continuously improved services</b>			
1. Better understand street litter bins required in the Shire to minimise collection costs whilst ensuring littering is also reduced.	Jun. 2023	Works and Assets and Infrastructure	\$0
2. Complete roll out of voucher system for RRC drop offs to all residents to replace fee free days.	Monitor annually 2020 - 2030	Works	\$3,000 per year
3. Explore options to maximise lifespan of landfills and RRCs. Update facilities as required to ensure longevity. Apply for funding support if applicable.	Review site masterplans to maximise lifespan of assets every 5 years. Next due 2022.	Works and Assets and Infrastructure	\$30,000
4. Convert Newbridge landfill into an RRC.	2024 - 2025	Works and Assets and Infrastructure	\$300,000 (Potential to apply for Victorian Government contribution)
5. Consider opportunities to minimise kerbside waste costs. For example, joint procurement opportunities (if these will reduce costs), a rise and fall calculator that adjusts the gate rate based on the price of saleable comingled recycling materials etc.	2021 - 2030	Works	\$0
6. Additional support the recycling of materials from our landfills and RRCs.	Annually	Works	\$40,000
7. Continue to track hard waste resource recovery performance and cost. Identify opportunities to increase re-use and recovery.	Monitor annually 2021 - 2030	Works	\$0
8. Review viability of E-waste contract after first two years. Adjust gate fees accordingly.	Monitor bi-annually 2022 - 2030	Works	\$0
9. Investigate the viability of a dedicated Environmental Officer that includes a waste focus.	Jun. 2025	Works	\$0
10. Review all gate fees to ensure fees are appropriate given recovery and landfill costs.	Review annually 2021 - 2030	Works	\$0
<b>Objective Two - Increase diversion at kerbside and at transfer stations</b>			
1. Explore costs, savings and potential diversion outcomes from organics recycling bins and/or glass bins at kerbside, and/or home composting or	Dec. 2021	Works	\$10,000

<sup>9</sup> Note RRC = Resource Recovery Centre/Transfer Station

Action	Timeline	Responsibility	Funding (additional to operating budget)
other models to increase household diversion. Compare to business as usual.			
2. Increase capture and reduce contamination of organics at transfer stations and landfills. Consider selling/giving back to community as mulch and if not viable, using as mulch on each site to improve amenity. Include supporting documentation to help minimise contamination and weeds (e.g. instructions for operators and RRC visitors).	Decision by Jun. 2021  Supporting documentation by Dec. 2021	Works	\$0
3. Keep abreast of waste to energy options for the region. Support local initiative of small scale waste to energy technology development, through the provision of nil cost undertakings. Investigate potential solutions for Loddon Shire and Council.	As required	Works	\$0
<b>Objective Three - Promote the circular economy (including reducing waste generation) and drive up demand for recycled products</b>			
1. In line with the Procurement Policy, buy back goods containing recycled content (bollards, park benches, compost, irrigation) and track kilograms purchased. Ensure Procurement Policy encourages the purchase of products containing recycled content.	Track volumes and monitor annually	All departments	\$0
2. Support businesses engaging in circular economy approaches. 'Businesses' may include those reducing waste, re-using materials, repairing, food sharing, extending product lifespan, using recycled materials in products, etc. 'Support' may include Council purchasing goods and engaging services of these businesses, providing grants, etc.	Assess progress in Dec. 2021	All departments	\$0
3. Explore opportunities to improve community participation in the circular economy (e.g. repair cafes, local sharing platforms). Apply for Victorian Government funding if required.	Assess progress in Dec. 2021. New facilities built and businesses established by 2025.	Works, LMWRRG	\$0 Apply for Victorian Government funding if required.
4. Explore opportunities to improve our agriculture sector's use of waste materials, particularly organics.	Consultation with sector June 2022, identify opportunities and implement June 2023, monitor annually	Works, LMWRRG	\$0 Apply for Victorian Government funding if required.

## APPENDIX 1: DETAILED WASTE DATA

### Overall waste generation and diversion

Residents in Loddon Shire disposed 3,900 tonnes of waste in 2019-20, including 2,400 tonnes of general waste, 1,200 tonnes of recyclables and 300 tonnes of organic waste (Figure A1). This includes tonnes collected at kerbside and tonnes brought into our RRCs and landfills.

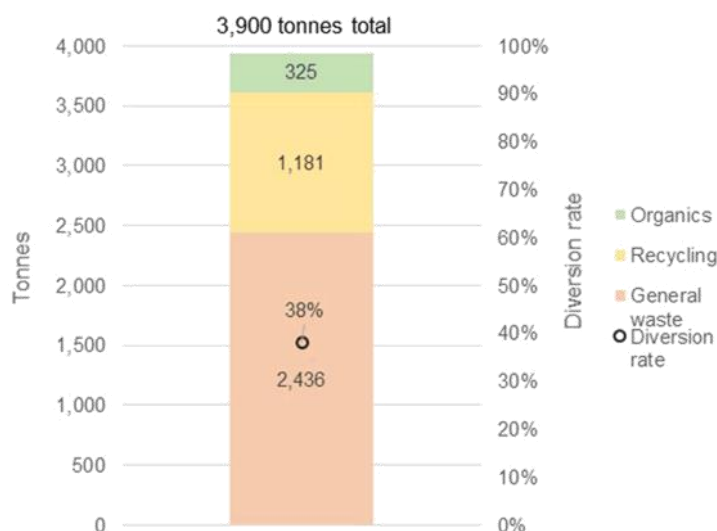


Figure A1: Total waste by stream and waste diversion rate across Council

### Kerbside

In 2019-20, 2,200 tonnes of waste was disposed through the kerbside service, including 1,600 tonnes of general waste and 600 tonnes of recyclables (Figure A2). This equates to 300 kilograms per resident. Waste collected via the kerbside service decreased by 600 tonnes from 2017-18 to 2019-20.

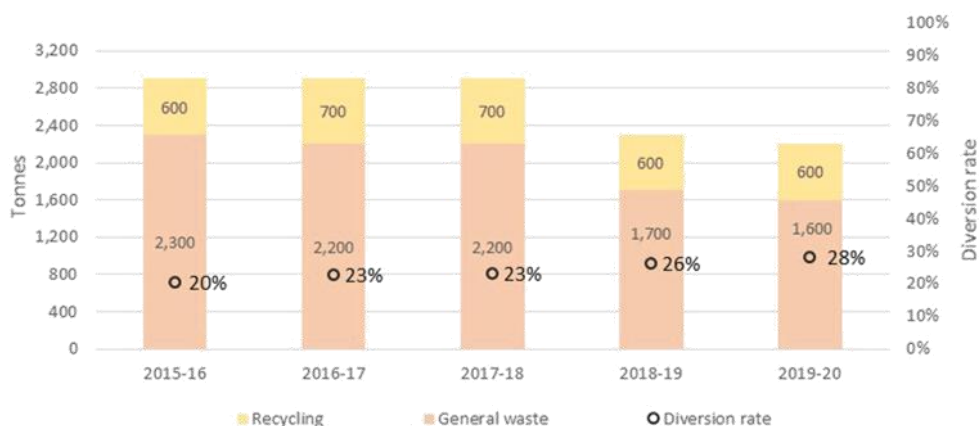


Figure A2: Kerbside waste by stream and waste diversion rate from 2015-16 to 2019-20

### Resource recovery centres and landfills

We have six facilities that accept a variety of waste streams. The tonnes accepted at each facility in 2019-20 can be found in Figure A3, and tonnes by stream in 2019-20 across all facilities in Figure A4. Dingee accepts the lowest volumes per annum (approximately 30 tonnes) while the other facilities accept around ~250-350 tonnes per annum.

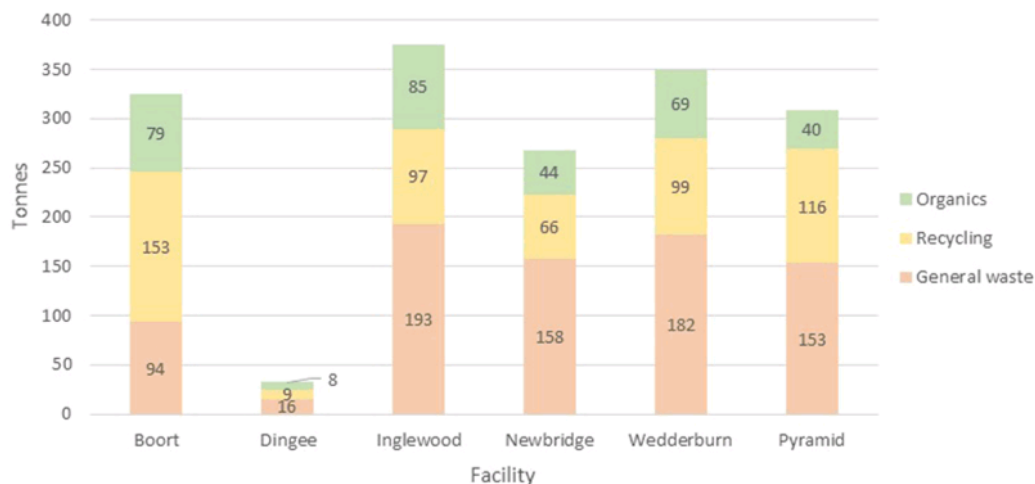


Figure A3: Total waste at each facility by stream in 2019-20

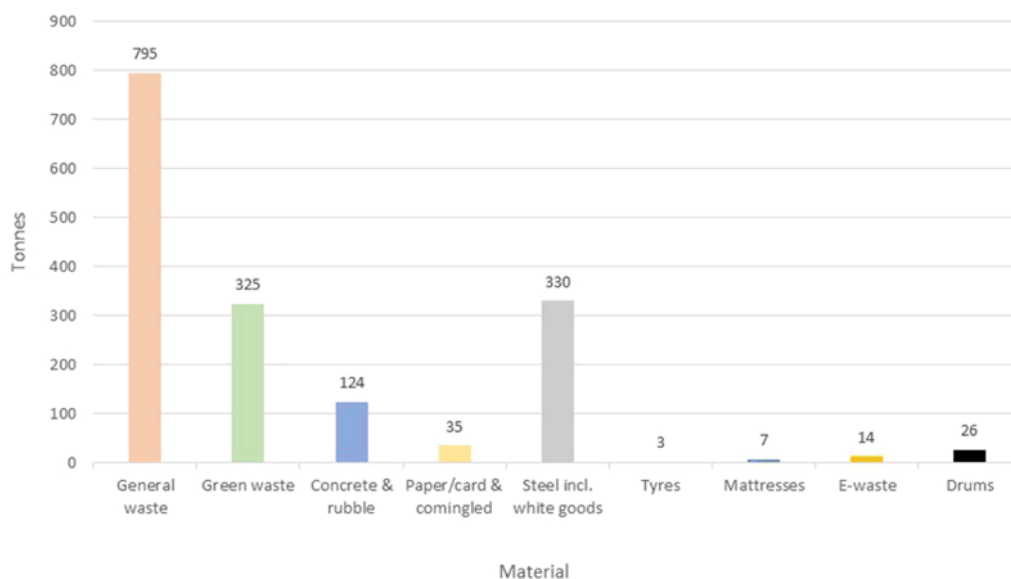


Figure A4: Total waste by material type in 2019-20 – RRCs and landfills only

Table A1: Total waste (kerbside and RRCs) by stream and waste diversion rate (2015-16 to 2019-20)

Waste stream	Tonnes per annum				
	2015-16	2016-17	2017-18	2018-19	2019-20
General waste	2,939	2,673	2,646	2,326	2,436
Recycling	1,129	1,514	1,137	1,066	1,181
Organics	179	301	157	218	325
<b>Total tonnes</b>	<b>4,247</b>	<b>4,487</b>	<b>3,940</b>	<b>3,610</b>	<b>3,942</b>
<b>Diversion rate</b>	<b>31%</b>	<b>40%</b>	<b>33%</b>	<b>36%</b>	<b>38%</b>

Table A2: Total waste by stream and waste diversion rate (2015-16 to 2019-20) – Kerbside waste only

Waste stream	Tonnes per annum				
	2015-16	2016-17	2017-18	2018-19	2019-20
General waste	2,323	2,196	2,183	1,730	1,600
Recycling	597	654	659	620	600
<b>Total tonnes</b>	<b>2,920</b>	<b>2,850</b>	<b>2,842</b>	<b>2,350</b>	<b>2,300</b>
<b>Diversion rate</b>	<b>20%</b>	<b>23%</b>	<b>23%</b>	<b>26%</b>	<b>28%</b>

Table A3: Total waste by stream and waste diversion rate (2015-16 to 2019-20) – RRCs and landfills only

Waste stream	Tonnes per annum				
	2015-16	2016-17	2017-18	2018-19	2019-20
General waste	616	476	463	597	795
Recycling	532	860	478	446	539
Organics	179	301	157	218	325
<b>Total tonnes</b>	<b>1,327</b>	<b>1,637</b>	<b>1,098</b>	<b>1,261</b>	<b>1,659</b>
<b>Diversion rate</b>	<b>54%</b>	<b>71%</b>	<b>58%</b>	<b>53%</b>	<b>52%</b>

Table A4: Total waste by material type in (2015-16 to 2019-20) – RRCs and landfills only

Material	2015-16	2016-17	2017-18	2018-19	2019-20
General waste	616	476	463	597	795
Green waste	179	301	157	218	325
Waste oil	5	0.2	0.3	2	0
Concrete & rubble	0	243	36	68	124
Paper/card & comingled	206	410	239	64	35
Steel	284	134	161	286	330
Tyres	10	20	1	3	3
Mattresses	2	10	5	5	7
E-waste	3	25	5	9	14
Drums	22	18	32	10	26
<b>Total</b>	<b>1,327</b>	<b>1,637</b>	<b>1,098</b>	<b>1,261</b>	<b>1,659</b>
<b>Diversion rate</b>	<b>54%</b>	<b>71%</b>	<b>58%</b>	<b>53%</b>	<b>52%</b>

**10.2 NOVEMBER 2020 AUDIT AND RISK COMMITTEE MEETING OVERVIEW**

**File Number:** FOL/20/612  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** 1. Signed minutes of the August 2020 Audit and Risk Committee meeting  
2. Review of Outstanding Actions November 2020

**RECOMMENDATION**

That Council:

1. receives and notes this report on the November 2020 Audit and Risk Committee Meeting
2. receives and notes the signed minutes of the August 2020 Audit and Risk Committee meeting (**attached**)
3. notes the review of outstanding audit actions (**attached**)
4. notes the changes by the Audit and Risk Committee to the report on the effectiveness of internal audit as mentioned in the report below
5. notes the changes by the Audit and Risk Committee to the report on the schedule for 2021 and the annual plan, as mentioned in the report below.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council was provided with a summary of the August 2020 Audit and Risk Committee Meeting at the Ordinary Meeting held on 25 August 2020.

**BACKGROUND**

The Audit and Risk Committee was established under Section 53 of the Local Government Act 2020, which states that "A Council must establish an Audit and Risk Committee", by Council resolution on 23 June 2020.

The committee is made up of four independent community members, and Cr Gavan Holt, as Council's representative. At the Council Meeting on 19 November 2020, it was resolved that Councillor Beattie be the alternate Council representative in the event that Cr Holt is unable to attend the Audit and Risk Committee meeting. Council's Chief Executive Officer and Director Corporate Services attend the meetings in an advisory capacity.

The objectives of the Audit and Risk Committee are to:

- a) monitor the compliance of Council policies and procedures with
  - i. the overarching governance principles; and
  - ii. this Act and the regulations and any Ministerial directions
- b) monitor Council financial and performance reporting
- c) monitor and provide advice on risk management and fraud prevention systems and controls



- d) oversee internal and external audit functions.

In order to provide a structured approach and ensure that the Committee addresses each of its responsibilities, an annual work plan and an internal audit review program are established each year, and these guide the activities of the Committee.

## ISSUES/DISCUSSION

The agenda for the November 2020 meeting included the following:

### Decision Reports

The minutes of the August 2020 Audit Committee meeting (**attached**) were endorsed.

The chair reported on his discussions with the internal and external auditor.

The internal audit for the quarter was reviewed. This quarter it was a review of outstanding actions. It was noted that a review of the relevance of the outstanding actions was a methodology worth repeating in future years.

There was a report on the effectiveness of internal audit. The committee suggested two changes - question 1 and question 12. While the response to both questions was correct it was also to be noted that Council staff provide a similar role to that noted in the questions and were also performing those roles to a strong standard and that this is likely to be more comprehensive with the addition of the Governance Coordinator role. The committee requested that the report be amended to include these observations.

The committee also approved the meeting schedule for 2021 and approved the proposed annual work program with two changes - the frequency of the report on the control environment to be changed to annual after a report in May 2021; and the frequency for the 'organisation health report' be changed to half yearly. It was further requested that the work program be updated to clearly identify legislated reporting frequencies.

### Compliance Reports

A number of compliance reports were considered and noted including:

- CEO Report of suspected and actual fraud, thefts and breaches of the law - a nil report
- CEO Report on major lawsuits facing council - VEC matters were discussed
- Report of Councillor expenses
- Report on items raised by Council - a nil report
- Review of the Council Plan
- Report on governance principles
- External audit management letter
- Report on Council's risk profile.

### Information Reports

The Audit and Risk Committee also received the following information reports:

- Monthly finance report
- Presentation by staff member - Manager Community Support
- Status of delivery of annual internal audit plan
- Significant changes to key systems report
- Organisation health check report
- Report on impact of VAGO reports
- Report on impact of reports of other regulatory bodies



- Update on service planning
- Update on business continuity framework
- Update of risk management framework

The date of next audit committee meeting is 12 February 2021.

The next review will be OHS (Manslaughter provisions).

### **COST/BENEFITS**

There are costs associated with the Audit and Risk Committee and internal audit function. However, in most cases, actions resulting from audit reviews do not bear any new costs as they are undertaken by current staff.

The benefits that the internal audit function provides Council are:

- business improvement relating to the audit review areas
- standard policy and procedure documents which are developed through the action list
- improvement in knowledge management that will assist with succession planning over time
- a reduction in risk in areas relating to audit reviews.

### **RISK ANALYSIS**

The internal audit program has been created and is annually updated on a risk basis, ensuring that Council's program addresses the areas of highest risk or greatest concern to Audit and Risk Committee members and Council officers.

### **CONSULTATION AND ENGAGEMENT**

Nil



**Date:** Thursday, 13 August 2020  
**Time:** 9.15am  
**Location:** WebEx

# **MINUTES**

## **Audit and Risk Committee Meeting**

**13 August 2020**

**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020**

**MINUTES OF LODDON SHIRE COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE KOOYOORA ROOM, WEDDERBURN COUNCIL OFFICE, WEDDERBURN  
ON THURSDAY, 13 AUGUST 2020 AT 9.15AM**

**PRESENT:** Mr Alan Darbyshire, Cr Gavan Holt, Mr Rod Poxon, Mr Rod Baker, Mr Jarrah O'Shea

**IN ATTENDANCE:** Phil Pinyon (Chief Executive Officer) (left meeting at 11.45am); Sharon Morrison (Director Corporate Services); Michelle Hargreaves (Administration Officer Corporate Services); Kundai Mtsambiwa, Zara Shan and Andy Viswanath (HLB Mann Judd)

**1 WELCOME**

**2 ACKNOWLEDGEMENT OF COUNTRY**

"The Loddon Shire Council acknowledges the Traditional Custodians of the land on which we are gathered and pays its respects to their Elders both past and present."

**3 APOLOGIES**

Nil

**4 DECLARATIONS OF CONFLICT OF INTEREST**

Nil

## AUDIT AND RISK COMMITTEE MEETING MINUTES

13 AUGUST 2020

**5 PREVIOUS MINUTES****5.1 MINUTES FOR MAY 2020****File Number:** 06/02/003**Author:** Michelle Hargreaves, Administration Officer**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Minutes Audit Committee Meeting 14 May 2020**RECOMMENDATION**

1. That the Audit and Risk Committee accepts the minutes of the meeting held 14 May 2020.
2. That the Audit and Risk Committee authorise the chair to sign the minutes of the meeting held on 14 May 2020.
3. That the Audit Committee forward the signed minutes of the meeting held 14 May 2020 to the next ordinary meeting of Council.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT AND RISK COMMITTEE DISCUSSION**

None

**BACKGROUND**

Clause 5.3 (i) of the Audit and Risk Committee Charter version 9 states that minutes will be taken by an appointed Secretary and signed by the Chair.

Clause 5.4(c) of the Audit and Risk Committee Charter version 9 states that the Audit and Risk Committee must:

- (c) Prepare a biannual audit and risk report that describes the activities of the Audit and Risk Committee and includes its findings and recommendations and provide a copy of the biannual audit and risk report to the Chief Executive Officer for tabling at the next Council meeting (Note section 54(5) of the 2020 Act).

**ISSUES/DISCUSSION**

The minutes of the previous meeting are reviewed and accepted with or without amendments each meeting.

The chair signs the confirmed minutes of the previous meeting at each meeting.

The Audit and Risk Committee have chosen to provide a report to the Council after each quarterly meeting rather than twice a year.

**COST/BENEFITS**

The minutes are taken by an administration officer.

The benefit of taking minutes is an accurate record of decisions and deliberations, transparency and good governance.

**RISK ANALYSIS**

The key risk is inaccurate minute taking. This risk is addressed by having the minutes reviewed by all members and staff in attendance.

**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020****CONSULTATION AND ENGAGEMENT**

The draft minutes are reviewed by the chair of the Audit and Risk committee and Director Corporate Services before being presented to the Audit and Risk Committee for acceptance.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted the value of draft minutes being sent out shortly after the meeting.

**COMMITTEE RESOLUTION 2020/41**

Moved: Mr Jarrah O'Shea  
Seconded: Mr Alan Darbyshire

1. That the Audit and Risk Committee accepts the minutes of the meeting held 14 May 2020.
2. That the Audit and Risk Committee authorise the chair to sign the minutes of the meeting held on 14 May 2020.
3. That the Audit Committee forward the signed minutes of the meeting held 14 May 2020 to the next ordinary meeting of Council.

**CARRIED**

## AUDIT AND RISK COMMITTEE MEETING MINUTES

13 AUGUST 2020

**6 REVIEW OF ACTION SHEET****6.1 ACTION SHEET****File Number:** 06/02/003**Author:** Michelle Hargreaves, Administration Officer**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Audit and Risk Committee Action Report August 2020**RECOMMENDATION**

That the Audit and Risk Committee note that there are currently no outstanding actions.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Actions arising from the minutes are reviewed at each Audit and Risk Committee meeting.

**BACKGROUND**

From time to time, the Audit and Risk Committee requests further action on items raised during the meeting. These actions are recorded and, where possible, actioned prior to the next meeting.

**ISSUES/DISCUSSION**

There are currently no outstanding actions arising from the minutes of previous meetings.

**COST/BENEFITS**

The cost of responding to actions arising from the minutes will vary according to the time involved in actioning the request.

The benefit of responding to the actions is an improvement in the data, information and knowledge available for decision making.

**RISK ANALYSIS**

The risk of not responding to the actions is a potential decline in the confidence of the Audit and Risk Committee in council and management.

**CONSULTATION AND ENGAGEMENT**

Other staff and stakeholders will be consulted where the action requires their input.

**AUDIT AND RISK COMMITTEE COMMENT**

Director Corporate Services noted that actions were either complete or a report was included in this agenda.

**COMMITTEE RESOLUTION 2020/42**

Moved: Cr Gavan Holt

Seconded: Mr Rod Baker

That the Audit and Risk Committee note that there are currently no outstanding actions.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

13 AUGUST 2020

**7 DECISION REPORTS****7.1 STRATEGIC INTERNAL AUDIT PLAN**

**File Number:** 06/02/003  
**Author:** Michelle Hargreaves, Administration Officer  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee:

1. Approves the Strategic Internal Audit Plan 2020-2023, subject to any agreed amendments being made
2. Refer the Strategic Internal Audit Plan 2020-2023 to the next available Council meeting.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The Audit and Risk Committee approved the 2019-2022 Strategic Internal Audit Plan in August 2019.

**BACKGROUND**

HLB Mann Judd has been appointed by Council to provide internal audit services for the period 1 July 2019 to 30 June 2023.

Clause 5.4(iii) of the Audit and Risk Committee Charter version 9 states that the duties and responsibilities of the Audit and Risk Committee include:

(iii) To review the scope of the internal audit plan and program and the effectiveness of the function. This review should consider whether, over a period of years the internal audit plan systematically addresses:

- internal controls over significant areas or risk, including non-financial management control systems
- internal controls over revenue, expenditure, assets and liability processes
- the efficiency, effectiveness and economy of significant Council programs
- compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.

**ISSUES/DISCUSSION**

HLB Mann Judd has prepared the attached Strategic Internal Audit Plan 2020-2023. The Audit and Risk Committee is invited to provide feedback on this draft.

**COST/BENEFITS**

The cost of developing the Strategic Internal Audit Plan is part of the service contract Council has entered into with HLB Mann Judd. The benefits of developing Strategic Internal Audit Plan include

**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020**

gaining an understanding of council's high level priorities, strategic perspectives, risk appetite and policy and portfolio objectives.

**RISK ANALYSIS**

Implementing the Strategic Internal Audit Plan will help to identify and manage risks faced by Council.

**CONSULTATION AND ENGAGEMENT**

The CEO, Director Corporate Services, Audit Committee Chair and Mayor have been directly consulted by HLB Mann Judd in the preparation of the original four year Strategic Internal Audit Plan upon which this plan is based.

**AUDIT AND RISK COMMITTEE COMMENT**

Zara Chan from HLB Mann Judd presented the draft Strategic Internal Audit Plan 2020-2023. The Committee discussed risk associated with the recent manslaughter legislation and requested that an internal audit be added to provide assurance on Council's level of risk. The proposed timetable for the internal audits for the coming year was discussed. It was suggested that the Capital Works internal audit be brought forward and Caravan Parks internal audit rescheduled at another time when it is not peak season.

**COMMITTEE RESOLUTION 2020/43**

Moved: Cr Gavan Holt

Seconded: Mr Rod Poxon

That the Audit and Risk Committee:

1. Approves the Strategic Internal Audit Plan 2020-2023, subject to any agreed amendments being made
2. Refer the Strategic Internal Audit Plan 2020-2023 to the next available Council meeting.

**CARRIED**



**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020****7.2 REPORT ON INTERNAL AUDIT****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Review of VPDSS**RECOMMENDATION**

That the Audit Committee:

1. Note the recommendations in the Audit Report "Review of Victorian Protective Data Security Standards"
2. Refer the Audit Report "Review of VPDSS" to the next ordinary meeting of Council.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Each quarter the Audit and Risk Committee discusses the latest finalised internal audit report.

**BACKGROUND**

Clause 5.4(vi) of the Audit and Risk Committee Charter version 9 states that the duties and responsibilities of the Audit and Risk Committee include to:

- (vi) Review reports of internal audit and the extent to which Council and management react to matters raised by internal audit, by monitoring the implementation of recommendations made by internal audit.

**ISSUES/DISCUSSION**

The internal audit program is set out in the Loddon Shire Council Strategic Internal Audit Plan 2019-2022. This document is updated annually to reflect the priorities for the coming year.

Originally the Strategic Plan contained a review of CyberRisk. The Audit and Risk Committee decided to alter the focus on the review to the Victorian Protective Data Security Standards (the Standards).

During the course of the review, research confirmed that Council does not need to comply with the Standards. However, the Standards are considered best practices. Therefore, the internal audit report for consideration by the Audit and Risk Committee this quarter is the report titled "Review of VPDSS as Better Practice Criteria".

This report contains noted six findings. The findings are rated low (1) to medium (4) and high(1). There are four management actions in response to the findings.

**COST/BENEFITS**

The cost of the audit is in accordance with the contract awarded to HLB Mann Judd following the 2019 tender.

**RISK ANALYSIS**

There is a risk that Council will not be able to resource the implementation of recommendations within the suggested timeframes. This risk is reduced by seeking input from relevant staff members

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about the proposed timeframes and negotiating changes to timeframes with the internal auditor prior to the finalisation of the report for the Audit and Risk Committee and Council. Other priorities can still impact upon Council's ability to meet the agreed timeframes.

**CONSULTATION AND ENGAGEMENT**

The report identifies the staff consulted during the audit. Additional staff may have been consulted regarding the draft report.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee discussed the risks and suggested that the review be amended to address the high risk sooner rather than later. It was agreed that the high risk item be addressed in the next 3 to 6 months.

**COMMITTEE RESOLUTION 2020/44**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit Committee:

1. Note the recommendations in the Audit Report "Review of Victorian Protective Data Security Standards"
2. Refer the Audit Report "Review of VPDSS" to the next ordinary meeting of Council.

**CARRIED**

## AUDIT AND RISK COMMITTEE MEETING MINUTES

13 AUGUST 2020

**7.3 RESULTS OF FINANCIAL AND PERFORMANCE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020****File Number:** 06/02/003**Author:** Deanne Caserta, Manager Financial Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:**  
1. Finance Statements for year ending 30 June 2020  
2. Performance Statements for the year ending 30 June 2020**RECOMMENDATION**

That the Audit Committee:

1. Notes the results of the Financial and Performance Statements for the year ended 30 June 2020 and
2. Recommends to Council the adoption of the Annual Report including the Financial Statements and Performance Statements.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Nil.

**BACKGROUND**

Clause 5.5 (ix) of the Audit Committee Charter version 6 states that one of the duties and responsibilities of the Audit Committee in pursuing its Charter is to review Council'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
- explanations for significant adjustments to the financial report (if any) arising from the audit process
- compliance with accounting standards and other reporting requirements
- significant variances from prior years.

Clause 5.5 (x) states that one of the duties and responsibilities of the Audit Committee is to:

- recommend adoption of the Annual Report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the Financial Statements and Performance Statements are signed.

**ISSUES/DISCUSSION**

The external auditors (RSD Audit on behalf of the Victorian Auditor General's Office), partially completed the audit remotely and then attended Council premises during 13 to 14 August 2020.

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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**COST/BENEFITS**

The cost of the external audit is \$39,800. The benefit of annual audit is compliance with legislation and standards and reassuring councillors, officers and the Audit Committee.

**RISK ANALYSIS**

There is a risk that the Financial and Performance Statements will not be ready for the August Audit Committee meeting. This risk is mitigated by developing a timetable of events required to meet various deadlines including the Audit Committee meeting.

**CONSULTATION AND ENGAGEMENT**

The Financial Service Department has been extensively consulted in the review of the Financial and Performance Statements.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted that the external auditors had not finished the external audit of the statements. Accordingly, it was suggested that the words 'in principle' be added to the resolution.

**COMMITTEE RESOLUTION 2020/45**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit Committee:

1. Notes the results of the Financial and Performance Statements for the year ended 30 June 2020 in principle and
2. Recommends to Council the adoption of the Financial Statements and Performance Statements as presented in principal.

**CARRIED**

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13 AUGUST 2020

**7.4 INVESTMENT POLICY V5****File Number:** 06/02/004**Author:** Deanne Caserta, Manager Financial Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Investment Policy v5**RECOMMENDATION**

That Internal Audit reviews and recommends that Council adopts the Investment Policy v5.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

The last approved version of the Investment Policy (version 4) was in 2018.

**BACKGROUND**

The purpose of the Investment Policy is to set the principles for investment decisions by Loddon Shire Council.

**ISSUES/DISCUSSION**

This policy has been updated to provide further clarification around the 40% investment limit for any authorised banking institution. It now outlines that this calculation is undertaken at the time the investment is being made.

Further updates were also undertaken in Section 3.1 – Requirements of the Local Government Act 2020, to ensure it complies with the new Act.

The policy has a review timeline of four years.

**COST/BENEFITS**

The investment caps that Council imposes can impact on the availability of interest rates available when competition is low, it does however share the investment portfolio with other reputable institutions.

**RISK ANALYSIS**

There is a risk that Council's income will be reduced due to accepting lower interest rates on investments. This risk is minimised by limiting the percentage of funds invested with any one institution and also putting a limit on the extent to which a lower interest rate will be acceptable. By also sharing the investment portfolio it also reduces the loss risk rather than if it was with one institution.

**CONSULTATION AND ENGAGEMENT**

The document has been reviewed by the relevant departments, Policy Review Group and Management Executive Group before being recommended for review by Internal Audit.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted the policy.

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**COMMITTEE RESOLUTION 2020/46**

Moved: Mr Jarrah O'Shea

Seconded: Mr Alan Darbyshire

That Internal Audit reviews and recommends that Council adopts the Investment Policy v5.

**CARRIED**



## AUDIT AND RISK COMMITTEE MEETING MINUTES

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**8 COMPLIANCE REPORTS****8.1 RISK MANAGEMENT REPORT****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Risk Management Report as at 1 August 2020

2. Incident Report - Confidential

This attachment is designated as confidential in accordance with Section 77(2)(c) of the *Local Government Act 1989* on the grounds that it contains information defined as confidential in accordance with Section 3(1)(f) of the *Local Government Act 2020*. It contains personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs.

Personal information potentially identifiable due to workforce characteristics

**RECOMMENDATION**

That the Audit Committee:

1. note the Risk Management Report and attachments
2. refer the Risk Management Report to the next ordinary meeting of Council.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The last Risk Management Report was considered at the February 2020 Audit Committee meeting.

**BACKGROUND**

Clause 5.4 (ix) of the Audit and Risk Committee Charter version 9 states that one of the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter is monitoring the risk exposure of Council by determining if management has appropriate risk management processes and adequate management information systems.

**ISSUES/DISCUSSION**

This Risk Management Report provides the Audit Committee with a Risk Register Report and summary of the OH&S Meeting and the Risk Management Meeting as well as other risk items of interest.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report as it is used for multiple purposes. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council's risk exposure.

**RISK ANALYSIS**

Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020****CONSULTATION AND ENGAGEMENT**

Various staff are consulted in the preparation of the attached report as a result of the membership of the OHS committee and the Risk Management Committee.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee discussed the need to review the risk levels on a regular basis.

**COMMITTEE RESOLUTION 2020/47**

Moved: Mr Rod Poxon

Seconded: Mr Alan Darbyshire

That the Audit Committee:

1. note the Risk Management Report and attachments
2. refer the Risk Management Report to the next ordinary meeting of Council.

**CARRIED**



## AUDIT AND RISK COMMITTEE MEETING MINUTES

13 AUGUST 2020

**8.2 CORPORATE GOVERNANCE REPORT****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Annual Work Plan for the year ending 30 June 2021**RECOMMENDATION**

That the Audit Committee note the Corporate Governance Report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

This matter was discussed at the Audit Committee meeting on 14 May 2020.

**BACKGROUND**

The Audit and Risk Committee conduct an annual self-assessment of performance. This self-assessment is based upon a template in the Department of Planning and Community Development's Audit Committees, A Guide to Good Practice for Local Government 2011 (Good Practice Guide).

Question 11 of the survey states "The Audit Committee has worked with management and internal audit to develop a framework for monitoring the multi-dimensional elements of corporate governance".

Some of the responses to this statement indicated 'unsure'. Accordingly, a discussion on the intention of the question is warranted.

**ISSUES/DISCUSSION**

The Local Government Act 2020 (the Act) states that a Council must in the performance of its role give effect to the overarching governance principles:

- a) Council decisions are to be made and actions taken in accordance with the relevant law
- b) priority is to be given to achieving the best outcomes for the municipal community, including future generations
- c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted
- d) the municipal community is to be engaged in strategic planning and strategic decision making
- e) innovation and continuous improvement is to be pursued
- f) collaboration with other Councils and Governments and statutory bodies is to be sought
- g) the ongoing financial viability of the Council is to be ensured
- h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making
- i) the transparency of Council decisions, actions and information is to be ensured.

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In giving effect to the overarching governance principles, a Council must take into account the following supporting principles—

- a) the community engagement principles
- b) the public transparency principles
- c) the strategic planning principles
- d) the financial management principles
- e) the service performance principles.

The Audit and Risk Committee has historically adopted a calendar for the upcoming year in November each year. It is opportune to review this calendar in light of changes to the Audit and Risk Committee Charter and in line with the requirement for Audit and Risk Committee's to adopt an annual work program pursuant to section 54(3) of the Act.

Attached is a sample work plan provided by Local Government Victoria.

**COST/BENEFITS**

The cost associated with the work plan is officer time. The benefit is compliance with the Local Government Act 2020, the Audit and Risk Committee Charter and good governance.

**RISK ANALYSIS**

There is a risk that the reporting burden will be unmanageable. This risk is partly mitigated by templated reporting.

**CONSULTATION AND ENGAGEMENT**

Nil

**AUDIT AND RISK COMMITTEE COMMENT**

The committee expressed concern about the additional workload on staff. The Director Corporate Services indicated that the work was already being done but documenting it in the workplan gave greater visibility to the work.

**COMMITTEE RESOLUTION 2020/48**

Moved: Mr Rod Poxon  
Seconded: Mr Jarrah O'Shea

That the Audit Committee note the Corporate Governance Report and consider the work plan at the next meeting.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

13 AUGUST 2020

**8.3 FRAUD REPORT**

File Number: 06/02/003

Author: Sharon Morrison, Director Corporate Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: Nil

**RECOMMENDATION**

That the Audit and Risk Committee note the Fraud Report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The last Fraud Report was considered at the May 2020 Audit Committee meeting.

**BACKGROUND**

Clause 5.4 (xi) of the Audit and Risk Committee Charter version 9 states that one of the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter is receiving from management reports on all suspected and actual frauds, thefts and breaches of the law.

**ISSUES/DISCUSSION**

The Fraud Report is a verbal report provided by the CEO.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council's risk exposure.

**RISK ANALYSIS**

Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**CONSULTATION AND ENGAGEMENT**

Various staff are consulted by the CEO as part of the preparation for this report.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted a fraud incident was now in the hands of police.

**COMMITTEE RESOLUTION 2020/49**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit and Risk Committee note the Fraud Report.

**CARRIED**

AUDIT AND RISK COMMITTEE MEETING MINUTES

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**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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**8.4 REVIEW OF MAJOR LAWSUITS FACING COUNCIL REPORT**

File Number: 06/02/003

Author: Michelle Hargreaves, Administration Officer

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: Nil

**RECOMMENDATION**

That the Audit and Risk Committee note the Major Lawsuits Report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The last Major Lawsuits Report was considered at the May 2020 Audit and Risk Committee meeting.

**BACKGROUND**

Clause 5.4 (xiii) of the Audit and Risk Committee Charter version 9 states that one of the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter is monitoring the progress of any major lawsuits facing the Council.

**ISSUES/DISCUSSION**

This Major Lawsuits Report is a verbal report provided by the CEO.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council's risk exposure.

**RISK ANALYSIS**

Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**CONSULTATION AND ENGAGEMENT**

Various staff are consulted by the CEO as part of the preparation for this report.

**AUDIT AND RISK COMMITTEE COMMENT**

The CEO stated there was nothing to report.

**COMMITTEE RESOLUTION 2020/50**

Moved: Mr Alan Darbyshire

Seconded: Mr Rod Poxon

That the Audit and Risk Committee note the Major Lawsuits Report.

**CARRIED**

## AUDIT AND RISK COMMITTEE MEETING MINUTES

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**8.5 ITEMS RAISED BY COUNCIL THAT MAY IMPACT THE AUDIT AND RISK COMMITTEE**

**File Number:** 06/02/003  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That the Audit and Risk Committee notes the matters raised.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The May 2020 Audit Committee meeting agenda listed this matter.

**BACKGROUND**

Clause 5.5 (xiv) of the Audit and Risk Committee Charter version 9 states that one of the duties and responsibilities of the Audit and Risk Committee in pursuing its Charter is to address issues brought to the attention of the Committee, including responding to requests from Council for advice that is within the parameters of the Committee's terms of reference.

**ISSUES/DISCUSSION**

The Councillor representative and officers of Council are provided with the opportunity to raise items that may impact the Audit and Risk Committee.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report. The benefit of providing this report to the Audit and Risk Committee is enabling the Audit and Risk Committee to monitor Council's risk exposure.

**RISK ANALYSIS**

Failing to provide this report may result in the Audit and Risk Committee having a reduced level of confidence in management and Council.

**CONSULTATION AND ENGAGEMENT**

Councillors and officers may consult with others when preparing for this item.

**AUDIT AND RISK COMMITTEE COMMENT**

Councillor Holt raised the new Transparency Policy as having the potential to create more work. The Director Corporate Services commented that the policy was creating visibility of work already being done.

**COMMITTEE RESOLUTION 2020/51**

Moved: Mr Jarrah O'Shea  
Seconded: Mr Rod Poxon

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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That the Audit and Risk Committee notes the matters raised.

**CARRIED**



## AUDIT AND RISK COMMITTEE MEETING MINUTES

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## 9 INFORMATION REPORTS

## 9.1 LODDON PERFORMANCE FRAMEWORK RESULTS TO 30 JUNE 2019 INCLUDING LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK RESULTS TO 30 JUNE 2019

File Number: 06/02/003

Author: Sharon Morrison, Director Corporate Services

Authoriser: Sharon Morrison, Director Corporate Services

- Attachments:
1. Draft LGPRF Report of Operations as at 5 August 2020
  2. Draft LGPRF Performance Statements as at 5 August 2020
  3. Draft Governance and Management Checklist as at 5 August 2020
  4. Draft Loddon Performance Framework Report as at 5 August 2020

**RECOMMENDATION**

That the Audit and Risk Committee:

1. Note the Local Government Performance Reporting Framework (LGPRF) Results contained in the attached Report of Operations, Performance Statement and Governance and Management Checklist (LGPRF Results)
2. Note the Loddon Performance Framework Results
3. Refer the Loddon Performance Framework Results and the LGPRF Results to the next ordinary meeting of Council.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The July to December 2019 results of the Loddon Performance Framework were discussed at the February 2020 Audit Committee meeting.

**BACKGROUND**

It is a requirement of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014 that Council has a performance reporting framework (a set of indicators measuring financial and non-financial performance including the performance indicators referred to in Section 131 of the Act). It is also a requirement to complete performance reporting (six monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act).

**ISSUES/DISCUSSION**

The Loddon Performance Framework contains Loddon performance indicators as well as the requirements of the Local Government Performance Reporting Framework (LGPRF).

The results of the Loddon performance indicators are attached.

The results of the LGPRF are attached in the format required by Local Government Victoria as the Report of Operations, the Performance Statement and the Governance and Management Checklist. These results are uploaded to the Know Your Council website and made public in about September each year.



**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020**

At the time of printing, final checking of data and comments was still taking place so some amendments will be advised at the Audit and Risk Committee meeting.

**COST/BENEFITS**

The cost involved in the preparation of these reports is staff time. The benefits are compliance with legislation and improved data, information and knowledge to support decision making.

**RISK ANALYSIS**

There is a risk that the results will change after being presented to the Audit and Risk Committee as a result of feedback from the external auditors and/or Local Government Victoria. If the change is material, the audit committee will be consulted. If the change is considered minor, the change will be made and presented to Council for adoption and signing.

**CONSULTATION AND ENGAGEMENT**

A range of staff members have been consulted in the development of the attachments to the report.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted the statements and queried the value of the data to the organisation. The Director Corporate Services commented that the reporting was becoming more streamlined as agencies aligned their data requests more often.

**COMMITTEE RESOLUTION 2020/52**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee:

1. Note the Local Government Performance Reporting Framework (LGPRF) Results contained in the attached Report of Operations, Performance Statement and Governance and Management Checklist (LGPRF Results)
2. Note the Loddon Performance Framework Results
3. Refer the Loddon Performance Framework Results and the LGPRF Results to the next ordinary meeting of Council.

**CARRIED**

## AUDIT AND RISK COMMITTEE MEETING MINUTES

13 AUGUST 2020

## 9.2 MANSLAUGHTER LEGISLATION

File Number: 06/02/003

Author: Sharon Morrison, Director Corporate Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: Nil

**RECOMMENDATION**

That the Audit Committee notes the report on the 'manslaughter legislation'.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

At the May 2020 Audit Committee meeting, it was moved that the Audit Committee receive information about 'manslaughter rules/legislation' and how they apply to on Audit Committee members.

**BACKGROUND**

The Workplace Safety Legislation Amendment (Workplace Manslaughter and Other Matters) Act 2019 is now in effect, commencing 1 July 2020. According to WorkSafe the new law is designed to strengthen workplace safety in Victoria. It aims to prevent workplace death and provide a strong deterrent for officers, organisations and employers to comply with their OHS obligations. It will see tougher penalties where a workplace death is caused by criminal negligence. The changes do not create additional duties; they introduce tougher penalties on already existing duties under the OHS Act.

**ISSUES/DISCUSSION**

The key issues for Audit and Risk Committee members is whether the members are considered the employer or other duty holder or an officer of an organisation.

For councils, the councillors are considered the employer of the CEO and the CEO is the employer of staff. Under the OHS Act, an officer is an individual at the highest level of an organisation, who has the power and resources to improve safety.

As the Audit and Risk Committee is an advisory committee of Council it does not have the power or resources to improve safety. No legal advice has been sought in coming to this conclusion and not definitive statements have been found during research (which included attendance at seminars on this topic and review of various webpages on the topic) to categorically state that the Audit and Risk Committee members would not be charged or found liable.

It should be noted that this is not legal advice.

**COST/BENEFITS**

There is a cost associated with obtaining legal advice on this matter. The benefit of obtaining this advice would be peace of mind for Audit and Risk Committee members and the organisation.

**RISK ANALYSIS**

While there is a risk that Audit and Risk Committee members could be charged or found liable, clause 5.8 of the Audit and Risk Committee Charter states that members of the committee are covered by Council's insurance policies.

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

13 AUGUST 2020

**CONSULTATION AND ENGAGEMENT**

No staff have been consulted or engaged with in the preparation of this report.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee discussed concerns about the application of the legislation. The Director Corporate Services suggested that the risk be added to the risk register. The committee suggested an additional internal audit focussing on the legislation.

**COMMITTEE RESOLUTION 2020/53**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Audit Committee notes the report on the 'manslaughter legislation' and that the risk be added to the risk register.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

13 AUGUST 2020

**9.3 AUDIT AND RISK COMMITTEE CHARTER****File Number:** 06/0/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Audit and Risk Committee Charter version 9**RECOMMENDATION**

That the Audit Committee

1. Note version 9 of the Audit and Risk Committee Charter

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

At the Audit Committee meeting on 14 February 2020 version 8 of the Audit Committee Charter (the Charter) was approved and presented to the Council meeting on 28 April 2020 for adoption.

**BACKGROUND**

Clause 8 of the Audit and Risk Committee Charter states that the Director Corporate Services under direction of the Audit Committee will review the Audit Committee Charter for any necessary amendments no later than 1 year after adoption of the current version.

Version 8 of the Charter was adopted by Council on 28 April 2020.

**ISSUES/DISCUSSION**

Section 54 of the Local Government Act 2020 states that a Council must establish an Audit and Risk Committee. Section 54 states that a Council must prepare and approve an Audit and Risk and that a Council must approve the first Audit and Risk committee Charter and establish the first Audit and Risk Committee on or before 1 September 2020.

At the Council meeting on 23 June 2020, Council resolved to establish the Loddon Shire Council Audit and Risk Committee and approve the Audit and Risk Committee Charter version 9. Version 9 was based on version 8 recently endorsed by the Committee and adopted by Council with very little change.

**COST/BENEFITS**

There are no costs associated with the adoption of the charter other than operational costs associated with the Audit Committee.

**RISK ANALYSIS**

There is a risk that the Audit and Risk Committee does not agree with the terms of the Charter. This risk was minimised by basing version 9 on version 8 previously endorsed by the Committee and by keeping the Charter consistent with the provisions with the Local Government Act 2020.

**CONSULTATION AND ENGAGEMENT**

The Audit Committee was engaged in the development of the revised version 8.

**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020****AUDIT AND RISK COMMITTEE COMMENT**

The committee noted the revised charter and there was concern expressed about the limited skill set for members set out in the legislation. Mr Darbyshire commented that he would raise this with the Auditor-General's office.

**COMMITTEE RESOLUTION 2020/54**

Moved: Mr Jarrah O'Shea

Seconded: Cr Gavan Holt

That the Audit Committee

1. Note version 9 of the Audit and Risk Committee Charter

**CARRIED**

## AUDIT AND RISK COMMITTEE MEETING MINUTES

13 AUGUST 2020

**9.4 PRESENTATION BY STAFF MEMBER****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit Committee note the presentation by staff member.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The Audit Committee received a presentation by the Manager Assets and Infrastructure in May 2020.

**BACKGROUND**

The Audit and Risk Committee has expressed a desire to hear from one staff member each meeting to help gain a better understanding Council's business.

**ISSUES/DISCUSSION**

Amy Holmes was appointed as Council's Manager Community Wellbeing in November 2019. Amy has worked in the Health sector for many years with specialist roles in health and wellbeing, community development, partnerships and service coordination. Her career has been spread across roles in Local Government, Community Health and Private Enterprise.

The Manager Community Wellbeing is responsible for contributing to improved health and wellbeing outcomes for the Loddon community through the development and implementation of the Municipal Public Health and Wellbeing Plan, delivery of Aged and Disability services, Children and Youth services and other community service/wellbeing programs and by developing and culturing partnerships and collaborative working relationships.

**COST/BENEFITS**

The cost of a staff member attending the Audit Committee are outweighed by the benefit the Audit and Risk Committee receives in better understanding Council's business and the risks being addressed by different areas of the business.

**RISK ANALYSIS**

There is a risk that presentations by staff members may result in the Audit and Risk Committee becoming too involved in operational matters. This risk can be managed by the chair of the Audit and Risk Committee keeping the focus on matters set out in the Audit Committee's Charter.

**CONSULTATION AND ENGAGEMENT**

The staff member presenting to the Audit and Risk Committee may consult with other staff members when preparing for their presentation.

**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020****AUDIT AND RISK COMMITTEE COMMENT**

The committee noted the diverse portfolio in Community Wellbeing department, and the significant impact and workload created by COVID-19 hygiene requirements

**COMMITTEE RESOLUTION 2020/55**

Moved: Mr Jarrah O'Shea

Seconded: Mr Alan Darbyshire

That the Audit Committee note the presentation by staff member.

**CARRIED**

## AUDIT AND RISK COMMITTEE MEETING MINUTES

13 AUGUST 2020

## 9.5 HLB MANN JUDD QUARTERLY SECTOR REPORT

File Number: 06/02/003

Author: Sharon Morrison, Director Corporate Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. HLB Mann Judd Quarterly Sector Report

**RECOMMENDATION**

That the Audit and Risk Committee note HLB Mann Judd's Quarterly Sector Report.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Nil

**BACKGROUND**

HLB Mann Judd produce a quarterly sector report on recent reports and publications.

**ISSUES/DISCUSSION**

The attached report is provided for the Audit and Risk Committee's information and comment.

**COST/BENEFITS**

There is minimal cost involved in the preparation of this report, other than staff time. The benefit of providing the report is the provision of sector based information from parties external to Council.

**RISK ANALYSIS**

There is a risk that the report will highlight more work for Council. However, this risk can be managed by focussing on the Strategic Internal Audit Plan and adjusting it to respond to risks.

**CONSULTATION AND ENGAGEMENT**

Nil

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted sector report and commented on the report being a useful summary of the focus by many agencies.

**COMMITTEE RESOLUTION 2020/56**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit and Risk Committee note HLB Mann Judd's Quarterly Sector Report.

**CARRIED**



AUDIT AND RISK COMMITTEE MEETING MINUTES13 AUGUST 2020

## 9.6 VAGO ANNUAL PLAN 2020-21

File Number: 06/02/003

Author: Sharon Morrison, Director Corporate Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. Extract VAGO Annual Plan for Local Government

**RECOMMENDATION**

That the Audit Committee note the extract of the VAGO Annual Plan 2020-21.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

The Audit Committee noted the extract of the VAGO Annual Plan 2019-20 in August 2019.

**BACKGROUND**

Under the Audit Act 1994, VAGO is required to prepare and table an annual plan before 30 June each year that describes the proposed work program for the coming financial year.

**ISSUES/DISCUSSION**

The following audits are planned for 2020-21 and beyond:

- Performance audit work program
  - 2020-21
    - **Fraud control over local government grants**
    - Maintaining local roads
    - Sexual harassment in local government
  - 2021-22
    - Developing Fishermans Bend
    - Food safety regulation in local government
    - Fraud and corruption risk in local government procurement
  - 2022-23
    - Council waste management services
    - Regulation of council building approvals in local government

The objective of each audit and further information is available in the attached extract.

- Financial audit work program
  - Results of 2020-21 Audits

**It should be noted that Loddon Shire Council is a proposed agency for the Fraud control over local government grants audit.**

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

13 AUGUST 2020

**COST/BENEFITS**

The only audit Council is guaranteed to be included in is the financial audit. The performance audits are often a selection of councils. The benefit of reviewing the VAGO Annual Plan is being aware of the areas of focus in coming years and being able to be proactive in those areas where resourcing permits.

**RISK ANALYSIS**

There is a risk that Council will be selected for one or more of the performance audits which will require prioritisation of the work over other activities.

**CONSULTATION AND ENGAGEMENT**

No staff have been consulted in the preparation of this report.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted Loddon Shire as a proposed agency for the fraud control over local government grants audit

**COMMITTEE RESOLUTION 2020/57**

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit Committee note the extract of the VAGO Annual Plan 2020-21.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020****10 GENERAL BUSINESS****10.1 ITEMS REFERRED TO COUNCIL IN ACCORDANCE WITH RESOLUTIONS****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil

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**10.2 COMMITTEE ITEMS****RECOMMENDATION**

That any correspondence with the Audit and Risk Committee between sessions be listed in the agenda.

That contact numbers for the committee members be distributed to committee members.

That the committee note the requirement for mandatory training for election candidates.

## AUDIT AND RISK COMMITTEE MEETING MINUTES

13 AUGUST 2020

**10.2 MEETING HELD UNDER CLAUSE 5.3(E) OF THE CHARTER WITH INTERNAL AND EXTERNAL AUDITORS AND WITHOUT OFFICERS PRESENT****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit and Risk Committee confirm the occurrence on 13 August 2020 of the meeting held under clause 5.3(e) of the Charter.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS AUDIT COMMITTEE DISCUSSION**

Each August the Audit and Risk Committee community members and councillor representative meet with the internal and external auditors without officers present.

**BACKGROUND**

Clause 5.3(f) of the Audit Committee Charter version 9 states that:

At the committee's discretion, significant time will be set aside with non-officer members of the committee for the purpose of open discussion with the internal and/or external auditors.

**ISSUES/DISCUSSION**

Time was set aside with non-officer members of the committee for the purpose of open discussion with the internal and/or external auditors at 9.15am on 13 August 2020.

**COST/BENEFITS**

There is minimal cost associated with this action. The benefit is an opportunity for the community member and councillor representative to have open discussion with the internal and external auditors.

**RISK ANALYSIS**

There is a risk that the internal and/or external auditor or some of the Audit and Risk Committee non-officer members will be unable to attend. Alternative arrangement can be made at the committee's discretion.

**CONSULTATION AND ENGAGEMENT**

The non-officer members of the Audit Committee are able to engage with the internal and external auditors.

**AUDIT AND RISK COMMITTEE COMMENT**

The committee noted that due to the availability of internal and external auditors and the challenges of coordinating an online meeting without officers present, that the chair contact both parties out of session and report back to the committee on the discussions.

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

**13 AUGUST 2020**

**COMMITTEE RESOLUTION 2020/58**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

That the Chair of the Audit and Risk Committee contact the lead contact at both the internal and external auditors to discuss Council performance confidentially and report back to the committee members confidentially at the next meeting.

**CARRIED**

**AUDIT AND RISK COMMITTEE MEETING MINUTES****13 AUGUST 2020****10.3 AUDIT AND RISK COMMITTEE NON-OFFICER MEMBERS ONLY DEBRIEF****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** Nil**RECOMMENDATION**

That the Audit and Risk Committee non-officer members of the committee meet for open discussion.

AUDIT AND RISK COMMITTEE MEETING MINUTES13 AUGUST 2020**11 NEXT REVIEW**

Capital Works

**NEXT MEETING**

The next Audit and Risk Committee meeting will be held on 12 November 2020 at Wedderburn commencing at 9.15am.

There being no further business the meeting was closed at 12.39pm.

Confirmed this.....day of..... 2020

.....



CHAIRPERSON

# INTERNAL AUDIT REPORT

LODDON SHIRE COUNCIL

Review of Outstanding Actions

November 2020



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### Disclaimer

Inherent limitation – the nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

### Third party reliance

Other than our responsibility to Loddon Shire Council, neither HLB Mann Judd (VIC) Pty Ltd nor any member or employee of HLB Mann Judd (VIC) Pty Ltd undertakes responsibility arising in any way from reliance placed by a third party, on this report. Any reliance placed is that party's sole responsibility.

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## EXECUTIVE SUMMARY

### Background

Internal audit is a vital resource for an organisation in providing assurance that key areas of the organisation are operating appropriately, in identifying any weaknesses or deficiencies in operations, and in providing assistance to the organisation in addressing these issues through the provision of value-added recommendations.

In order to maximise the effectiveness of the audit process, it is important that the internal audit recommendations and corresponding actions contained in management responses are pragmatic and monitored by management and the Audit and Risk Committee ("the Committee"). This will ensure that they are implemented appropriately and in a timely manner.

As at April 2020, there were approximately 99 internal audit recommendations that were either completed, outstanding, partially completed or in progress as at April 2020. The following reports were followed-up on as part of this review:

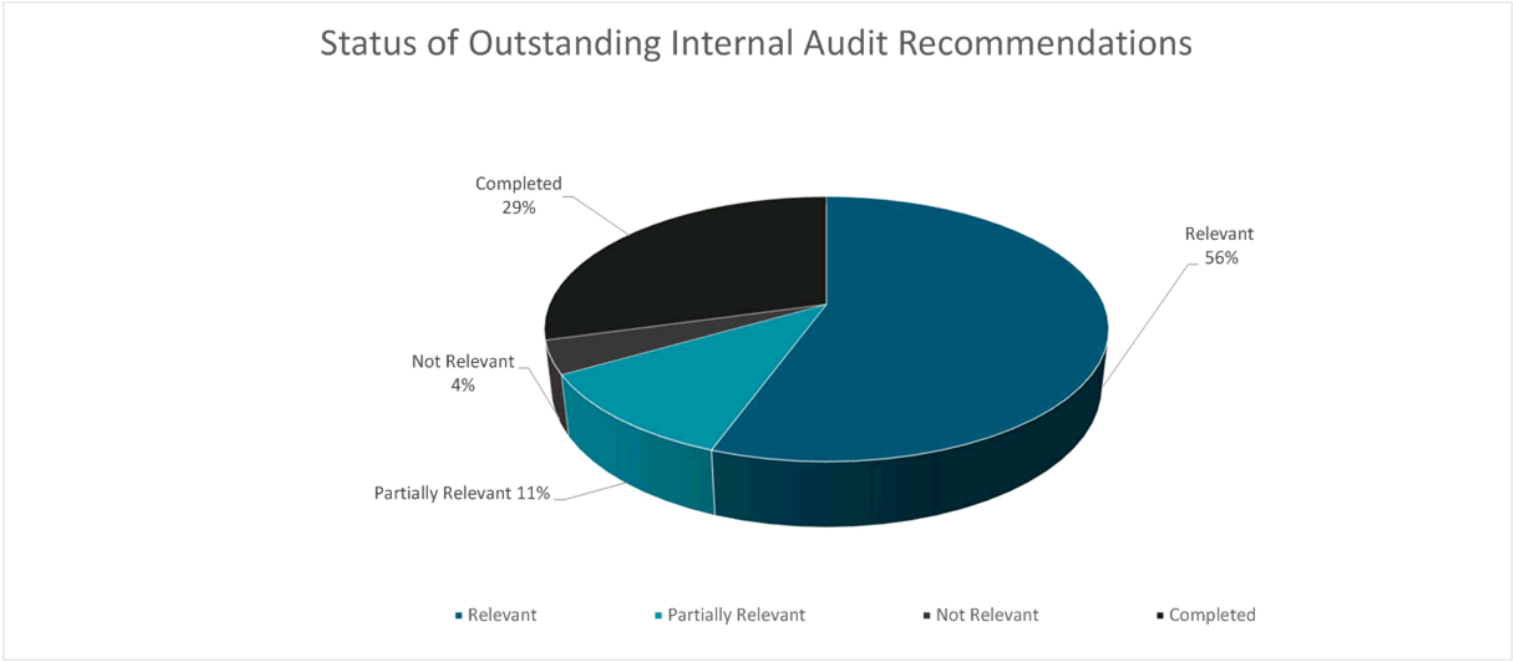
- Review of Waste Management Planning (October 2018);
- Service Planning Review (January 2019);
- Review of Human Resources Management and Payroll, incl. Data Analytics (July 2019);
- Review of Councillor Expenses (November 2019);
- Outstanding / In Progress / Partially Completed areas from the previous Follow-Up Review (November 2019). This includes:
  - Review of Purchases and Issues from Council Depot Stores (incl. purchases made on credit cards) (August 2016);
  - Review of Accounts Payable (October 2016);
  - Review of the Management of Privacy Responsibilities (February 2017);
  - Follow-Up areas from May 2017 Follow-Up Areas;
  - Review of Occupational Health & Safety (October 2017);
  - Review of Records Management (December 2017); and
  - Review of the Whole-of-Life Costing Review (April 2018).



This review has been approved by the Committee of Loddon Shire Council (the “Council” or “LSC”) in line with the 2019-20 Internal Audit Program.

ANALYSIS OF IMPLEMENTATION STATUS OF RECOMMENDATIONS

The chart below provides an overall summary of the status of outstanding internal audit recommendations as at April 2020.





The following table below summarises our observations regarding outstanding internal audit recommendations as at April 2020.

Previous Internal Audit Reports	Outstanding Internal Audit Recommendations				
	Relevant	Partially Relevant	Not Relevant	Completed	Total
Review of Waste Management Planning	5	-	-	6	11
Service Planning Review	3	-	-	-	3
Review of Human Resources Management and Payroll, incl. Data Analytics	4	2	1	5	12
Review of Councillor Expenses	1	-	-	4	5
Review of Purchases and Issues from Council Depot Stores (incl. purchases made on credit cards)	2	-	3	-	5
Review of Accounts Payable	3	-	-	-	3
Review of the Management of Privacy Responsibilities	8	-	-	2	10
Follow-Up areas from May 2017 Follow-Up Areas	12	-	-	9	21
Review of Occupational Health & Safety	13	-	-	-	13



Previous Internal Audit Reports	Outstanding Internal Audit Recommendations				
	Relevant	Partially Relevant	Not Relevant	Completed	Total
Review of Records Management	-	9	-	3	12
Review of the Whole-of-Life Costing Review	4	-	-	-	4
<b>Total</b>	<b>55</b>	<b>11</b>	<b>4</b>	<b>29</b>	<b>99</b>

In general, our review of outstanding internal audit recommendation as at April 2020 noted that:

- 55 (or 56%) outstanding internal audit recommendations were still relevant;
- 11 (or 11%) outstanding internal audit recommendations were partially relevant;
- 4 (or 4%) outstanding internal audit recommendations were not relevant; and
- 29 (or 29%) outstanding internal audit recommendations were completed.

A more detailed assessment on the status of outstanding internal audit recommendations is provided in **Table A – Relevant Internal Audit Recommendations, Table B – Partially Relevant Internal Audit Recommendations, Table C – Not Relevant Internal Audit Recommendations and Table D – Completed Internal Audit Recommendations.**



## OBJECTIVES AND PROCEDURES

### Objectives

The following were the objectives of this review:

- To inform the Committee on those recommendations that had been classified as “Completed” via a verification process, and that these actions can be subsequently taken off the Council’s Progress Status Report;
- Review of the internal audit recommendations overdue for completion and corresponding actions contained in management responses to ensure they are pragmatic;
- Verify / validate risk ratings of the issues for actions not completed;
- Ensure timelines to implement actions contained in management responses were realistic; and
- Make recommendations on the quality, relevance and treatment of the issues stipulating priorities and revised timeframes, identified in the past internal audit reports.

*The scope of the review included all Findings /Observations that were currently sitting on the Council’s Progress Status Report (April 2020).*

### Procedures

The verification process occurred through observation, discussions with the Council officers and limited review of documentary evidence on a sample basis, where relevant. The status of each recommendation overdue for completion and corresponding actions contained in management responses from the previous reports were assessed and categorised as ‘Relevant’, ‘Partially Relevant’ or ‘Not Relevant’ as described below:

- **Relevant** – Identified issue and corresponding risk rating was valid. Recommendation/s were pragmatic and corresponding action/s agreed by Management, including timeline to implement them, in the previous audit report adequately address the issue and no exceptions were found during the review;
- **Partially Relevant** – Identified issue was valid. Either Risk rating needed to be revised and/or recommendation/s were partially pragmatic and corresponding action/s agreed by Management in the previous audit report partially addressed the issue; and



- **Not Relevant** – Identified issue was not valid. Recommendation/s were not pragmatic and corresponding action/s agreed by Management in the previous audit report did not address the issue or the external or organisational context had changed (impacting on the relevance of the findings/action) or the issue identified by the audit had been addressed in another way or the issue is duplicated in other recommendations.

For those recommendations that had been classified as “*Completed*” and that we had verified as complete, we also identified in the report.



TABLE A – RELEVANT INTERNAL AUDIT RECOMMENDATIONS

Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
Review of Waste Management Planning (October 2018)									
<b>Finding FN01</b> The waste management strategy is outdated, and management is in the process of reviewing and updating the document.	<b>M</b>	<b>Recommendation FN01-01</b> Review, update and finalise the Waste Management Strategy in a timely manner. The strategy should be approved by key stakeholder.  Key areas that should be incorporated within the waste management strategy may include (but not limited to): <ul style="list-style-type: none"><li>Purpose;</li><li>Objectives;</li></ul>	<b>FN01-01</b> Review, update and finalise the Waste Management Strategy.  <b>FN01-02</b> To communicate and make available the updated Waste Management Strategy to all relevant staff.  <b>FN01-03</b> Review and report against the Waste Management Strategy on a periodic basis.	<b>FN01-01</b> 30 June 2019  <b>FN01-02</b> 31 July 2019  <b>FN01-03</b> 31 October 2019	Relevant	<b>M</b>	No changes to initial recommendations.  Review, update and finalise the Waste Management Strategy in a timely manner. The strategy should be approved by key stakeholder.  Key areas that should be incorporated within the waste management strategy may include (but not limited to): <ul style="list-style-type: none"><li>Purpose;</li></ul>	In December 2019, LSC engaged a consultant from Rawtec (Waste, Recycling & Resource Management Specialists). We noted: <ul style="list-style-type: none"><li>Rawtec plan to draft the Strategy in current format (with a 10-year Outlook) and send draft to Loddon Shire Council for review and discussion</li></ul>	31 <sup>st</sup> December 2020.





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<ul style="list-style-type: none"> <li>Overview of municipality;</li> <li>Alignment to the Council Plan;</li> <li>Strategic context, legislative/regulatory linkage (i.e. <i>Loddon Mallee Waste and Resource Recovery Implementation Plan</i>; <i>Environment Protection Act 1979</i>; <i>Sustainability Victoria</i>; etc.)</li> <li>Current waste management operations;</li> <li>Financial considerations and</li> </ul>	<b>Responsibility:</b> Manager Works, Daniel Lloyd.				<ul style="list-style-type: none"> <li>Objectives;</li> <li>Overview of municipality;</li> <li>Alignment to the Council Plan;</li> <li>Strategic context, legislative/regulatory linkage (i.e. <i>Loddon Mallee Waste and Resource Recovery Implementation Plan</i>; <i>Environment Protection Act 1979</i>; <i>Sustainability Victoria</i>; etc.)</li> <li>Current waste management operations;</li> </ul>	<ul style="list-style-type: none"> <li>by early to mid-May 2020.</li> <li>LSC to review and provide comments by end of May 2020. Rawtec to update draft and prepare for Council presentation and discussion (around 9 June 2020 via a webinar).</li> <li>Rawtec to run webinar presentation/workshop with</li> </ul>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>environmental considerations ;</p> <ul style="list-style-type: none"> <li>• Educational activities;</li> <li>• Priorities; and</li> <li>• Action plans and KPIs.</li> </ul> <p><b><u>FN01-02</u></b></p> <p>Communicate and make available the updated Waste Management Strategy to all relevant staff; and</p> <p><b><u>FN01-03</u></b></p> <p>Review and report against the Waste Management Strategy on a periodic basis.</p>					<ul style="list-style-type: none"> <li>• Financial considerations and environmental considerations ;</li> <li>• Educational activities;</li> <li>• Priorities; and</li> <li>• Action plans and KPIs.</li> </ul> <p>Communicate and make available the updated Waste Management Strategy to all relevant staff; and</p> <p>Review and report against the Waste Management Strategy on a periodic basis.</p>	<p>Councillors on 9 June.</p> <ul style="list-style-type: none"> <li>• Rawtec to update the Strategy and incorporate suggestions.</li> <li>• Rawtec to submit updated Strategy to LSC for punctuation review by end June 2020.</li> <li>• LSC to publicise document for 28 days (or there abouts) for public feedback.</li> <li>• Feedback to close late July 2020</li> </ul>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
								/early August 2020. Rawtec to finalise the document for Council sign off in August 2020.  <b>Responsibility:</b> Manager Works, Daniel Lloyd.	
<b>Finding FN02</b>  No formal internal management reporting over waste management operations, issues, related matters and their outcomes.	<b>M</b>	<b>Recommendation FN02-01</b>  Prepare management reports on a periodic basis that reflects on the activity of waste management operations.  Key areas that should be incorporated within the report may	Prepare management reports on a periodic basis that reflect on the activity of waste management operations and respond to any measures identified in the Waste Management Strategy.  Provide reports to key stakeholders	31 October 2019	Relevant	<b>M</b>	No changes to initial recommendations.  Prepare management reports on a periodic basis that reflects on the activity of waste management operations.  Key areas that should be incorporated within	As per the current practice, management reports are prepared on a periodic basis that reflect on the activity of waste management operations. Reports are produced for Sustainability Victoria through an online portal.	31 <sup>st</sup> December 2020.



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		include (but not limited to): <ul style="list-style-type: none"> <li>• Goal setting and KPIs;</li> <li>• Planning and decision making;</li> <li>• Staff and training related matters;</li> <li>• Policy and procedure updates;</li> <li>• Contractor works;</li> <li>• Any shortfalls in performance and root cause;</li> <li>• Remedial actions to address</li> </ul>	on a periodic basis as identified in the Waste Management Strategy.  <u><b>Responsibility:</b></u> Daniel Lloyd, Manager Works				the report may include (but not limited to): <ul style="list-style-type: none"> <li>• Goal setting and KPIs;</li> <li>• Planning and decision making;</li> <li>• Staff and training related matters;</li> <li>• Policy and procedure updates;</li> <li>• Contractor works;</li> <li>• Any shortfalls in performance and root cause;</li> <li>• Remedial actions to address</li> </ul>	Periodic reports are also produced for the Loddon Mallee Waste and Resource Recovery Group, as well as the Local Government Framework.  Once the Waste Management Strategy has been finalised, reports will be provided to key stakeholders on a periodic basis as identified in the Waste Management Strategy.  <u><b>Responsibility:</b></u> Manager Works, Daniel Lloyd.	



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		issues as they arise; and <ul style="list-style-type: none"> <li>Assess the issues identified to determine the trend (if any).</li> </ul> <b>FN02-02</b> Provide management reports to key stakeholders on a periodic basis (i.e. Director of Operations; EMT and/or Council sub-committee).					issues as they arise; and <ul style="list-style-type: none"> <li>Assess the issues identified to determine the trend (if any).</li> </ul> Provide management reports to key stakeholders on a periodic basis (i.e. Director of Operations; EMT and/or Council sub-committee).		
<b>Service Planning Review (January 2019)</b>									
<b>Finding FN03</b> The Council's Service Delivery Review framework is still at an early stage	<b>H</b>	<b>Recommendation FN03-01</b> Continue working with the external Consultant to develop and	Management Agrees. Council also notes the recent release of "Delivering Local Government	31 December 2019	Relevant	<b>H</b>	No changes to initial recommendations. Continue working with the external Consultant to	Management still plan to work with the external Consultant to develop a Service Planning Framework and	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
of implementation		<p>implement a robust Service Delivery Review and/or Planning framework.</p> <p>Council should take into consideration alignment with the best practices proposed by MAV for service review &amp; planning, which consists of the following:</p> <ul style="list-style-type: none"> <li>Long-term prioritisation of Service Review Plans;</li> <li>Service catalogue (which is well-defined);</li> <li>Comprehensive Service Plans for all</li> </ul>	<p>Services" by the Victorian Auditor-General's Office in September 2018 and recognises the need to also consider the recommendations in that report.</p> <p>Work with external Consultant to develop a Service Planning Framework.</p> <p>Obtain approvals for framework from relevant stakeholders.</p> <p><b>Responsibility:</b></p> <p>Director Corporate Services, Sharon Morrison</p>				<p>develop and implement a robust Service Delivery Review and/or Planning framework.</p> <p>Council should take into consideration alignment with the best practices proposed by MAV for service review &amp; planning, which consists of the following:</p> <ul style="list-style-type: none"> <li>Long-term prioritisation of Service Review Plans;</li> <li>Service catalogue (which is well-defined);</li> <li>Comprehensive Service</li> </ul>	<p>obtain approval for framework from relevant stakeholders.</p> <p><b>Responsibility:</b></p> <p>Director Corporate Services, Sharon Morrison.</p>	



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		services (with long-term focus); <ul style="list-style-type: none"> <li>• Service Improvement Action Plans;</li> <li>• Measuring Council's Level of Service through KPIs;</li> <li>• Prioritisation and aligning Service Reviews and Planning to Strategic Workforce Planning &amp; Development, Long Term Financial Budget, Asset Planning, Risk Management etc (including</li> </ul>					Plans for all services (with long-term focus); <ul style="list-style-type: none"> <li>• Service Improvement Action Plans;</li> <li>• Measuring Council's Level of Service through KPIs;</li> <li>• Prioritisation and aligning Service Reviews and Planning to Strategic Workforce Planning &amp; Development, Long Term Financial Budget, Asset Planning, Risk Management</li> </ul>		



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		Organisation Development Strategy); and <ul style="list-style-type: none"> <li>Evaluation of the Framework and Service Planning &amp; Review Program.</li> </ul> <b><u>FN03-02</u></b> Obtain adequate approvals and endorsements from relevant stakeholders before implementation of the framework.					etc (including Organisation Development Strategy); and <ul style="list-style-type: none"> <li>Evaluation of the Framework and Service Planning &amp; Review Program.</li> </ul> Obtain adequate approvals and endorsements from relevant stakeholders before implementation of the framework.		
<b><u>Finding FN04</u></b> The Council had not established a plan for the implementation of the Service	<b>H</b>	<b><u>Recommendation FN04-01</u></b> Consider the <i>proposed implementation/ roadmap approach</i>	Council officers are working closely with an external consultant in line with a detailed project plan to undertake service	31 December 2019	Relevant	<b>H</b>	No changes to initial recommendation. Consider the <i>proposed implementation/</i>	Management intends to develop a plan for the implementation of Service Planning as part	31 <sup>st</sup> December 2020.





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
Review Framework.		<p><i>attached in Appendix C (in original report) in conjunction with the external consultant in developing a plan for implementation of Service Review/Planning Framework.</i></p> <p>In developing the plan, LSC should assign the development of key requirements and associated responsibilities as identified within the proposed approach to responsible staff members to ensure accountability and ownership in delivering the Framework within</p>	<p>planning which will inform a revised Service Planning Framework.</p> <p>Develop a plan for the implementation of Service Planning as part of the annual planning and budgeting cycle.</p> <p><b><u>Responsibility:</u></b> Director Corporate Services, Sharon Morrison.</p>				<p><i>roadmap approach attached in Appendix C (in original report) in conjunction with the external consultant in developing a plan for implementation of Service Review/Planning Framework.</i></p> <p>In developing the plan, LSC should assign the development of key requirements and associated responsibilities as identified within the proposed approach to responsible staff members to ensure accountability and ownership in delivering the</p>	<p>of the annual planning and budgeting cycle.</p> <p><b><u>Responsibility:</u></b> Director Corporate Services, Sharon Morrison.</p>	



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>the set timeframe. Service Review related training should also be provided to key staff within the Council undertaking related activities.</p> <p>Subsequently, LSC should monitor progress against these milestones to ensure that the framework is established within a set timeframe. Undertake periodic assessment and report on the plan as required.</p>					<p>Framework within the set timeframe. Service Review related training should also be provided to key staff within the Council undertaking related activities.</p> <p>Subsequently, LSC should monitor progress against these milestones to ensure that the framework is established within a set timeframe. Undertake periodic assessment and report on the plan as required.</p>		



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
Review of Human Resources Management and Payroll (incl. Data Interrogation) (July 2019)									
<b>Finding FN05</b> Deficiencies noted with respect to volunteer management processes.	H	<b>Recommendation FN05-01</b> Ensure that key volunteer documents and checks (i.e. police checks, reference checks, working with children check and orientation) are duly completed prior to a volunteer commencing service at LSC. Evidence/documents to support checks performed should be retained accordingly; <b>FN05-02</b> Develop and implement a formal exit procedure for volunteers, so that	<b>FN05-01</b> Develop a procedure to ensure that key volunteer documents and checks (i.e. police checks, reference checks, working with children check and orientation) are duly completed prior to a volunteer commencing service at LSC. Evidence/documents to support checks performed should be retained accordingly. <b>FN05-02</b> Develop and implement a formal exit procedure for	31 December 2019	Relevant	M	No changes to initial recommendation. Ensure that key volunteer documents and checks (i.e. police checks, reference checks, working with children check and orientation) are duly completed prior to a volunteer commencing service at LSC. Evidence/documents to support checks performed should be retained accordingly; Develop and implement a formal exit procedure for volunteers, so that the actions	Management has advised that a Volunteer Co-ordinator staff member was sourced and commenced in November /December 2019. Furthermore, LSC had just purchased a new system (used for Volunteers) in April 2020. Only two departments currently utilise volunteers (Tourism and Meals on Wheels). LSC has developed a procedure to ensure key	31 <sup>st</sup> December 2020.



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>the actions required can be implemented and monitored on a timely basis;</p> <p><b><u>FN05-03</u></b></p> <p>Ensure that the Volunteer Co-ordinator role is sought in a timely manner to facilitate in overseeing volunteer management practices centrally at the Council.</p>	<p>volunteers, so that the actions required can be implemented and monitored on a timely basis.</p> <p><b><u>FN05-03</u></b></p> <p>Ensure that the Volunteer Co-ordinator role is sought in a timely manner to facilitate in overseeing volunteer management practices centrally at the Council.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Organisational Development, Carol Canfield.</p>				<p>required can be implemented and monitored on a timely basis;</p> <p>Ensure that the Volunteer Co-ordinator role is sought in a timely manner to facilitate in overseeing volunteer management practices centrally at the Council.</p>	<p>volunteer documents and checks are completed.</p> <p>However, the volunteers Procedure is in draft form. Once the recently purchased system has been put into place and rolled out this will close this finding off completely.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Organisational Development, Carol Canfield.</p>	



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<b>Finding FN06</b> Exit interview results not formally presented to management (i.e. no trend analysis for improvement and learning).	L	Ensure that results of the exit interviews are recorded, analysed for trends and reported on a periodic basis to management as a means of driving internal programs and/or initiatives where required.	Ensure that results of the exit interviews are recorded, analysed for trends and reported on a periodic basis to management as a means of driving internal programs and/or initiatives where required.	31 December 2019	Relevant	L	No changes to initial recommendation. Ensure that results of the exit interviews are recorded, analysed for trends and reported on a periodic basis to management as a means of driving internal programs and/or initiatives where required.	Management intends to record and analyse the results of the exit interviews and report them on a periodic basis to management. This has been prepared and is waiting manager approval. <b>Responsibility:</b> Manager Organisational Development, Carol Canfield.	31 <sup>st</sup> December 2020.



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
Review of Councillor Expenses (November 2019)									
<b>Finding FN07</b> The Councillor Support and Reimbursement of Expense Policy did not capture the correct authorised car mileage allowance rate.	L	<b>Recommendation FN07-01</b> Review and update the Councillors Support and Reimbursement of Expenses Policy to change the basis from "home care staff" to "Private Travel – Cars Only"; and Subsequently, communicate to all Councillors regarding the change.	The correct rate is paid however the name of the rate changed with the new Enterprise Agreement. Policy to be updated to reflect the change in the name for the rate, from "homecare staff rate" to "private travel – cars only rate". <b>Responsibility:</b> Executive and Commercial Services Officer, Christine Coombes	30 November 2020	Relevant	L	No changes to initial recommendation. Review and update the Councillors Support and Reimbursement of Expenses Policy to change the basis from "home care staff" to "Private Travel – Cars Only"; and Subsequently, communicate to all Councillors regarding the change.	The Councillor Support and Reimbursement of Expense Policy to be reviewed and updated later this year, in line with its requirements. <b>Responsibility:</b> Executive and Commercial Services Officer, Christine Coombes.	30 <sup>th</sup> November 2020.



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
Follow-Up Review (July 2018) – In relation the Review of Purchases and Issues from Council Depot Stores (incl. purchases made on credit cards) (August 2016)									
<b>Finding FN08</b> Evaluation panel members were not required to complete and sign-off conflict of interest and confidentiality declarations prior to opening quotes and/or tendering documents submitted.	M	<b>Recommendation FN08-01</b> Formalise the requirement for Disclosure of Conflict of Interest and Confidentiality Forms to be completed and signed off by panel members before opening and reviewing submissions. The requirement should only pertain to major/significant purchases made by Council (i.e. that have gone through detailed RFQ and/or RFT assessments).	Management Agrees. A review of tender evaluation report templates can be conducted to ascertain if existing provisions for declaration of conflicts is adequate or whether a separate probity form may be required for tender evaluation panels. Declaration of a conflict of interest will only be required at the time of assessing tenders/quotes and preparation of	<b>FN08-01</b> May 2017 AC Meeting  <b>FN08-02</b> August 2017 AC Meeting	Relevant	M	No changes to initial recommendation. Formalise the requirement for Disclosure of Conflict of Interest and Confidentiality Forms to be completed and signed off by panel members before opening and reviewing submissions. The requirement should only pertain to major/significant purchases made by Council (i.e. that have gone through detailed RFQ and/or RFT assessments).	A standard Disclosure of Conflict of Interest and Confidentiality Agreement has been developed and has been made available on Council's intranet. Further, works on Contract Management Manual are underway to split into tender manual and contracts manual which will detail the requirement for the Disclosure of Conflict of Interest and	31 <sup>st</sup> December 2020.





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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>A standard Disclosure of Conflict of Interest and Confidentiality Form can be developed for this process to ensure consistency; and</p> <p><b><u>Recommendation FN8-02</u></b></p> <p>Communicate and make available the above procedures and form to all staff.</p>	<p>detailed evaluation report for approval.</p> <p>Once developed, tender evaluation procedure and associated forms would be communicated to relevant Council staff</p> <p><b><u>FN08-01</u></b></p> <p>Establish standard Conflict of Interest and Confidentiality Form and process.</p> <p><b><u>FN08-02</u></b></p> <p>Communication of procedures and forms to all staff.</p> <p><b><u>Responsibility:</u></b></p> <p>Project Management Coordinator (Oct 2016 – April 2019)</p>				<p>A standard Disclosure of Conflict of Interest and Confidentiality Form can be developed for this process to ensure consistency; and</p> <p>Communicate and make available the above procedures and form to all staff.</p>	<p>Confidentiality Forms to be completed and signed off by panel members before opening and reviewing submissions. Current delay in completing this action is due to the fact that limited resource as Procurement Coordinator returned only part time from maternity leave for the time being.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Financial Services, Deanne Caserta.</p>	





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			Manager Financial Services, Deanne Caserta (May 2019 – May 2020).						
Follow-Up Review (July 2018) – In relation to the Review of Accounts Payable /Purchasing (including data interrogation) (October 2016)									
<b>Finding FN09</b> A supply panel engagement model is currently not used by Council for the acquisition of recurring goods or services.	<b>M</b>	<b>Recommendation FN09-01</b> Consider the need to introduce a supply panel engagement model in the organisation. This should be determined via formal audit and analysis process with respect to procurement transactions;  <b>FN09-02</b> Establish the panel via supplier selection, appointment,	<b>FN09-01</b> Conduct a review of potential services or goods for which Council may utilise panel contractors.  <b>FN09-02</b> Develop appropriate policies, procedures and templates for the management of supply panels.  <b>FN09-03</b>	<b>FN09-01</b> May 2017 AC meeting  <b>FN09-02</b> May 2017 AC meeting  <b>FN09-03</b> May 2017 AC Meeting	Relevant	<b>M</b>	No changes to the initial recommendation. Consider the need to introduce a supply panel engagement model in the organisation. This should be determined via formal audit and analysis process with respect to procurement transactions; Establish the panel via supplier selection, appointment,	The Procurement Officer has been recently recruited and management advised that the task of investigating supply panels for goods and services will be assigned to this Officer.  Loddon Procurement Network has decided to initially develop and test this process with gravel supply. Drafted	31 <sup>st</sup> December 2020.



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>management and performance evaluation processes. Such processes should be formally documented in policies and procedures; and subject to regular review to ensure they remain relevant, are meeting the needs of users, and to address any emerging issues that arise; and</p> <p><b><u>FN09-03</u></b></p> <p>Appoint a panel of suppliers for the delivery of goods or services in order to improve process efficiency.</p>	<p>Appoint panel of suppliers where relevant.</p> <p><b><u>Responsibility:</u></b></p> <p>Project Management Coordinator (Oct 2016 – April 2019)</p> <p>Manager Financial Services, Deanne Caserta (May 2019 – May 2020)</p>				<p>management and performance evaluation processes. Such processes should be formally documented in policies and procedures; and subject to regular review to ensure they remain relevant, are meeting the needs of users, and to address any emerging issues that arise; and</p> <p>Appoint a panel of suppliers for the delivery of goods or services in order to improve process efficiency.</p>	<p>documents are being reviewed prior to going to tender. Looking to have an approved supplier panel in place by end September 2020.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Financial Services, Deanne Caserta.</p>	



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Review of Whole-of-Life Costing (April 2018)									
<b>Finding FN10</b> Council's policies, guidelines and accompanying templates pertaining to WLC concept were outdated, not robust and adequate to facilitate a consistent and transparent approach.  This was further evidenced through our sample-based testing where WLC were not considered /applied during project initiation and planning	M	<b>Recommendation FN10-01</b> Review and update policies and procedures as identified under the "Observation" column in a timely manner;  <b>FN10-02</b> Develop and implement a robust /comprehensive guidelines and/or templates/costing model to guide staff in WLC approach.  The guidelines and accompanying templates/models may include but not limited to the	<b>FN10-01</b> Review and update Asset management policy and Project Management Framework.  <b>FN10-02</b> Develop and implement robust/comprehensive guidelines and/or templates/costing model to guide staff in WLC approach and include on intranet.  <b>FN10-03</b> Include WLC approach in induction materials	<b>FN10-01</b> 31 May 2019  <b>FN10-02</b> 31 May 2019  <b>FN10-03</b> 31 August 2018  <b>FN10-04</b> 30 November 2018	Relevant	M	No changes to initial recommendation.  Review and update policies and procedures as identified under the "Observation" column in a timely manner;  Develop and implement a robust/comprehensive guidelines and/or templates/costing model to guide staff in WLC approach.  The guidelines and accompanying templates/models may include but not limited to the	<b>FN10-01</b> Council has engaged CT Management Group within the last 3 weeks, which will incorporate them reviewing the Asset management policy. The Project Management Framework will then be updated accordingly to reflect changes.  <b>FN10-02</b> Preliminary Project Proposal template has been updated to include future	31 <sup>st</sup> December 2021.



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
stages across various projects.		<p>following processes:</p> <ul style="list-style-type: none"> <li>Determine objectives and scopes;</li> <li>Identify feasibility options;</li> <li>Estimate whole of life costs;</li> <li>Consider alternative funding;</li> <li>Calculate NPV and sensitivity analysis;</li> <li>Document decision; and</li> <li>Review whole of life costing;</li> </ul> <p>Please also refer to the following</p>	<p>and annual training program.</p> <p><b>FN10-04</b></p> <p>Develop process for adding approved WLC information to Assetic and using information to development Long Term Financial Plan.</p> <p><b>Responsibility:</b></p> <p><b>FN10-01</b> Indivar Dhakal, Manager Technical Services (April 2018 – May 2019)</p> <p><b>FN10-02</b> Indivar Dhakal, Manager Technical Services (April 2018 – May 2019)</p> <p><b>FN10-03</b> Carol Canfield, Manager</p>				<p>following processes:</p> <ul style="list-style-type: none"> <li>Determine objectives and scopes;</li> <li>Identify feasibility options;</li> <li>Estimate whole of life costs;</li> <li>Consider alternative funding;</li> <li>Calculate NPV and sensitivity analysis;</li> <li>Document decision; and</li> <li>Review whole of life costing;</li> </ul> <p>Please also refer to the following</p>	<p>costs and benefits (whole of life costing) information. Where information is completed this is added to the Long Term Financial Plan.</p> <p><b>FN10-03</b></p> <p>Nothing has yet been included in induction and training material.</p> <p><b>FN10-04</b></p> <p>Information where provided is included in the development of the Long Term Financial Plan. No process has been formalised yet.</p>	



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		<p>appendices for samples:</p> <p><i>Appendix A - Key steps in the WLC process; and</i></p> <p><i>Appendix B – WLC model – sample;</i></p> <p><b><u>FN10-03</u></b></p> <p>Provide adequate periodic training/communication to relevant staff members of the above guidelines/templates and make them available for staff easy access; and</p> <p><b><u>FN10-04</u></b></p> <p>Ensure formal periodic monitoring and reporting being implemented</p>	<p>Organisation Development (April 2018 – May 2019)</p> <p><b><u>FN10-04</u></b> Deanne Caserta, Manager Financial Services (April 2018 – May 2019)</p> <p>Manager Assets and Infrastructure, David Southcombe (May 2019 – May 2020)</p>				<p>appendices for samples:</p> <p><i>Appendix A - Key steps in the WLC process; and</i></p> <p><i>Appendix B – WLC model – sample;</i></p> <p>Provide adequate periodic training/communication to relevant staff members of the above guidelines/templates and make them available for staff easy access; and</p> <p>Ensure formal periodic monitoring and reporting being implemented across the Council to include</p>	<p><b><u>Responsibility:</u></b></p> <p>Manager Assets and Infrastructure, David Southcombe.</p>	



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		across the Council to include complete and adequate WLC information based on the total cost of the asset/project over its life.					complete and adequate WLC information based on the total cost of the asset/project over its life.		
Follow-Up Review (July 2018) – In relation to the Review of the Management of Privacy Responsibilities (February 2017)									
<b>Finding FN11</b> Absence of documented policy and/or procedures specifically directed at certain data security aspects of Council's operations.  Absence of data security policy which includes security of personal	M	<b>Recommendation FN11-01</b> Ensure that key policies and in draft form are finalised in a timely manner;  <b>FN11-02</b> Incorporate data security related procedures not already covered in existing policies to provide guidance to staff that have access to the	Management Agrees.  Update and finalise policies with the introduction of the Electronic Document Records Management System: <ul style="list-style-type: none"> <li>Password and Authentication Policy (updated 24 Feb 2016);</li> </ul>	November 2017	Relevant	M	No changes to initial recommendation.  Ensure that key policies that are in draft form are finalised in a timely manner.  Incorporate data security related procedures not already covered in existing policies to provide guidance to staff that have access to the	In progress. Cloud Computing, Email, Internet use, Portable electronic device security and Acceptable use policies are all still in draft form but are on track to be completed and endorsed with the appropriate approvals by 30 September 2020.	31 <sup>st</sup> December 2020.





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
information stored in both manual and computerised systems.		<p>Council's information systems. These areas may include (but not limited to):</p> <ul style="list-style-type: none"> <li>Procedures relating to security of personal information stored in manual/hardcopy files;</li> <li>Procedures surrounding backup, recovery and redundancy practices;</li> <li>Procedures surrounding collection, processing, storage, use and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Anti-virus (updated 10 Feb 2016);</li> <li>Cloud Computing (draft);</li> <li>Email (draft);</li> <li>Internet use (draft);</li> <li>Portable electronic device security (draft); and</li> <li>Acceptable use (draft)</li> </ul> <p><b>Responsibility:</b></p> <p>Manager Information (Feb 2017 – April 2019)</p> <p>Manager Information and Business</p>				<p>Council's information systems. These areas may include (but not limited to):</p> <ul style="list-style-type: none"> <li>Procedures relating to security of personal information stored in manual/hardcopy files;</li> <li>Procedures surrounding backup, recovery and redundancy practices;</li> <li>Procedures surrounding collection, processing, storage, use and disclosure</li> </ul>	<p>They will then be made available on Council's intranet and relevant procedures will be developed which align with the finalised policies.</p> <p><b>Responsibility:</b></p> <p>Manager Information and Business Transformation, Peter Williams.</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>of personal information;</p> <ul style="list-style-type: none"> <li>Procedures surrounding disposal of information (i.e. steps to be undertaken when destroying or permanently de-identifying personal information no longer required);</li> </ul> <p><b><u>FN11-03</u></b></p> <p>Obtain the appropriate approvals for the respective policies and accompanying procedures; and</p> <p><b><u>FN11-04</u></b></p>	Transformation, Peter Williams (May 2019 – May 2020)				<p>of personal information;</p> <ul style="list-style-type: none"> <li>Procedures surrounding disposal of information (i.e. steps to be undertaken when destroying or permanently de-identifying personal information no longer required);</li> <li>Obtain the appropriate approvals for the respective policies and accompanying procedures; and</li> <li>Communicate and make</li> </ul>		





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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		Communicate and make available the above documents to staff.					available the above documents to staff.		
<b>Finding FN12</b> There was a lack of effective periodic review of user access to key computer systems and applications within Council to actively monitor and verify the appropriateness of user access granted to staff to perform or support business activities or functions. Further, we noted that currently there were no formal procedures in	<b>M</b>	<b>Recommendation FN12-01</b> Conduct a formal review of the access controls for all the Council's systems following the completion of the organisational restructuring to ensure that incompatible IT access is removed; <b>FN12-02</b> Implement a formal process that is documented in the procedures for conducting user access reviews to systems and	Management Agrees. <b>FN12-01</b> Review IT access controls and make necessary changes. <b>FN12-02</b> Develop a procedure for conducting user access reviews on a periodic basis. <b>FN12-03</b> Develop procedure and checklist for internal transfers to ensure user access to key systems and	<b>FN12-01</b> August 2017 <b>FN12-02</b> November 2017 <b>FN12-03</b> August 2017 <b>FN12-04</b> November 2017	Relevant	<b>M</b>	No changes to initial recommendation. Conduct a formal review of the access controls for all the Council's systems following the completion of the organisational restructuring to ensure that incompatible IT access is removed; Implement a formal process that is documented in the procedures for conducting user access reviews to systems and	A formal review of the access controls for all the Council's systems following the completion of the organisation restructuring has recently been undertaken. The procedure for conducting periodic audit of user access controls is in draft form as management are currently preparing the data for the first review conducted. Once	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
place to ensure that IT user access controls of staff that have changed position titles had been reviewed and de-activated.		<p>applications on a periodic basis;</p> <p><b><u>FN12-03</u></b></p> <p>Implement a checklist for staff that have changed position titles to ensure that their user access to key systems and applications are actioned accordingly; and</p> <p><b><u>FN12-04</u></b></p> <p>Evidence surrounding the user access review process should be kept.</p>	<p>applications are managed appropriately.</p> <p><b><u>FN12-04</u></b></p> <p>Include a provision in procedure for conduct user access reviews on a periodic basis to ensure evidence of user access reviews is kept.</p> <p>Review to be scheduled in Reliance on a periodic basis.</p> <p><b><u>Responsibility:</u></b></p> <p><b><u>FN12-01 – FN12-03</u></b> Manager Information (Feb 2017 – April 2019)</p> <p><b><u>FN12-04</u></b></p> <p>Manager Organisation</p>				<p>applications on a periodic basis;</p> <p>Implement a checklist for staff that have changed position titles to ensure that their user access to key systems and applications are actioned accordingly; and</p> <p>Evidence surrounding the user access review process should be kept.</p>	<p>the data has been prepared, a procedure will be formalised.</p> <p>A checklist for internal transfers will follow from this exercise as management will have role-based access requirements documented.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Information and Business Transformation, Peter Williams.</p>	



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			Development (Feb 2017-April 2019)  Manager Information and Business Transformation, Peter Williams (May 2019 – May 2020)						
Follow-Up Review (July 2018) – In relation to the Follow-Up Review (May 2017) - Review of Local Laws (September 2014)									
<b>Finding FN13</b> Inadequate procedures to guide staff on processes required to implement the Council's Enforcement of Local Laws Policy.	<b>M</b>	<b>Recommendation FN13-01</b> Document and formalise procedure documents on key processes, which govern the administration and enforcement of local laws and animal management to address the shortcomings	A project plan for development of the suggested procedures will be developed and provided to Audit Committee.  This plan will be monitored until all actions are complete.  Project plan for the development of procedures.	November 2014 AC meeting	Relevant	<b>M</b>	No changes to initial recommendation.  Document and formalise procedure documents on key processes, which govern the administration and enforcement of local laws and animal management to address the	Discussion with management indicated that a new system / software (Open Office) is being implemented which has been running for other departments but will run live for Local Laws area in June 2020. Open Office integrates other systems such as	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		highlighted under <i>Observation</i> ; and <b><u>Recommendation FN13-02</u></b>  Review procedures on a regular basis to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.	<b><u>Responsibility:</u></b> Tyson Sutton (Sept 2014 – Jan 2017)  Manager Development and Compliance, Glenn Harvey (Feb 2017 – May 2020)				shortcomings highlighted under <i>Observation</i> ; and  Review procedures on a regular basis to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.	Content Manager and key processes with respect to local laws will be handled via this system.  Once system is implemented in June 2020, key processes governing the administration and enforcement of local laws will be developed and formalised.  <b><u>Responsibility</u></b> Manager Development and Compliance, Glenn Harvey.	
<b><u>Finding FN14</u></b> A risk methodology	<b>M</b>	<b><u>Recommendation FN14-01</u></b>	<b><u>FN14-01</u></b> The risk methodology will	May AC meeting	Relevant	<b>M</b>	No changes to initial recommendation.	Management has advised that a risk-based methodology will	30 <sup>th</sup> November 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
/approach has not been emphasised and formalised in the Council's local laws framework.		<p>Develop a risk methodology/approach to be applied consistently to enforcement activities;</p> <p><b><u>FN14-02</u></b></p> <p>Document processes for assessing and prioritising cases within relevant policies and procedures; and</p> <p><b><u>FN14-03</u></b></p> <p>Obtain adequate approvals before implementing policies and procedures across the organisation.</p>	<p>be incorporated into the enforcement policy.</p> <p><b><u>FN14-02</u></b></p> <p>A procedure for assessing and prioritising cases will be developed.</p> <p><b><u>FN14-03</u></b></p> <p>The policy will be approved by Council, while procedures will be approved by the MEG.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Development and Compliance, Glenn Harvey</p>				<p>Develop a risk methodology/approach to be applied consistently to enforcement activities;</p> <p>Document processes for assessing and prioritising cases within relevant policies and procedures; and</p> <p>Obtain adequate approvals before implementing policies and procedures across the organisation.</p>	<p>be embedded into the Open Office system once it becomes live and recommendation s will be addressed accordingly.</p> <p><b><u>Responsibility</u></b></p> <p>Manager Development and Compliance, Glenn Harvey.</p>	



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<b>Finding FN15</b> An annual audit program has not been established to ensure compliance with permit conditions.	<b>M</b>	<b><u>Recommendation FN15-01</u></b> Establish an annual audit program to ensure compliance with permit conditions (in line with the Council's policy). Note: A risk methodology (consistent with Audit Finding No. 4) should be adopted in the development of such program; and <b><u>FN15-02</u></b> Conduct the annual audit and provide updates to key stakeholders accordingly for proper oversight.	<b><u>FN15-01</u></b> An annual audit program for all local laws related matters will be developed. <b><u>FN15-02</u></b> Following adoption of the program, the annual audits will commence, and compliance will be reported to Council at least annually. <b><u>Responsibility:</u></b> Planning & Local Laws Compliance Officer and Local Laws & Fire Prevention Officer (Sept 2014 – Jan 2017) Manager Development and Compliance, Glenn	31 August 2017	Relevant	<b>M</b>	No changes to initial recommendation. Establish an annual audit program to ensure compliance with permit conditions (in line with the Council's policy). Note: A risk methodology (consistent with Audit Finding No. 4) should be adopted in the development of such program; and Conduct the annual audit and provide updates to key stakeholders accordingly for proper oversight.	Management has advised that the audit compliance program will be derived from parameters set up in the system (e.g. permits due for renewal will be flagged in the system, etc.). Annual program will be implemented once FN12 and FN13 (above) recommendations have been completed. <b><u>Responsibility</u></b> Manager Development and Compliance, Glenn Harvey.	30 <sup>th</sup> November 2020.





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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
			Harvey (Feb 2017 – May 2020).						
Follow-Up Review (July 2018) – In relation to the Follow-Up Review (May 2017) - Review of Succession Planning and Workforce Development (October 2015)									
<b>Finding FN16</b> An evidence-based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term	H	<b>Recommendation</b> <b>FN16-01</b> Assess the need to establish a workforce strategy; <b>FN16-02</b> Appoint a responsible officer and required management support; <b>FN16-03</b> Establish a workforce strategy, which should address the shortcomings highlighted under Observation. A guide to workforce	<b>FN16-01</b> A Workforce Strategy will be developed for Council, as recommended. Stage 1 Context and environment. <b>FN16-02</b> Development of the strategy will be undertaken as a project with milestone dates set to reflect the Workforce Planning and Management Model at Appendix C.	<b>FN16-01</b> February 2016 AC Meeting <b>FN16-02</b> May 2016 AC Meeting <b>FN16-03</b> May 2016 AC Meeting <b>FN16-04</b>	Relevant	H	No changes to initial recommendation. Assess the need to establish a workforce strategy; Appoint a responsible officer and required management support; Establish a workforce strategy, which should address the shortcomings highlighted under Observation. A guide to workforce planning and management is	Management advised that the Workforce Strategy has been developed and is currently in the approval process. <b>Responsibility</b> Director Corporate Services, Sharon Morrison.	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>planning and management is included in Appendix B, C and D for information purposes;</p> <p>(Note: It may not be feasible to develop strategies and initiatives for all identified gaps. The top three to six gaps may be prioritised and, for each of these, develop at least one strategy or initiative. The impediments to these strategies and initiatives should be identified, as well as any additional benefits. Each strategy should be aligned with Council's</p>	<p>Stage 2 Current workforce profile.</p> <p><b><u>FN16-03</u></b></p> <p>Stage 3 Future workforce profile.</p> <p><b><u>FN16-04</u></b></p> <p>Stage 4 Gap analysis and closing strategies.</p> <p><b><u>FN16-05</u></b></p> <p>Stage 5 Review and evaluation.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager, Organisation Development (Oct 2015 – April 2019)</p> <p>Director Corporate Services, Sharon Morrison (May 2019 – May 2020)</p>	<p>August 2016 AC Meeting</p> <p><b><u>FN16-05</u></b></p> <p>August 2016 AC Meeting</p>			<p>included in Appendix B, C and D for information purposes;</p> <p>(Note: It may not be feasible to develop strategies and initiatives for all identified gaps. The top three to six gaps may be prioritised and, for each of these, develop at least one strategy or initiative. The impediments to these strategies and initiatives should be identified, as well as any additional benefits. Each strategy should be aligned with Council's objectives and behaviours, and</p>		





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		<p>objectives and behaviours, and assessed on the overall likelihood of their success in addressing the gaps.)</p> <p><b><u>FN16-04</u></b></p> <p>Obtain adequate approval before implementing and executing of such workforce strategy;</p> <p><b><u>FN16-05</u></b></p> <p>Monitor the progress of action plans to determine what activities have been completed and those still to be implemented in terms of achieving desired</p>					<p>assessed on the overall likelihood of their success in addressing the gaps).</p> <p>Obtain adequate approval before implementing and executing of such workforce strategy;</p> <p>Monitor the progress of action plans to determine what activities have been completed and those still to be implemented in terms of achieving desired organisational goals; and</p> <p>Evaluate and adjust the workforce strategy regularly to ensure</p>		



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		organisational goals; and  Evaluate and adjust the workforce strategy regularly to ensure information remains current and is reviewed in light of any developments that may affect staffing issues in the organisation.					information remains current and is reviewed in light of any developments that may affect staffing issues in the organisation.		
Follow-up Review (July 2018) - Review of Occupational Health and Safety (October 2017)									
<b>Finding FN17</b>  Absence of an OH&S plan /strategy that links to Council Plan and OH&S Policy.	<b>M</b>	<b>Recommendation FN17-01</b>  Develop and adopt an OH&S plan/strategy, which defines the means by which the organisation will achieve its objectives, targets	Management Agrees. <b>FN17-01</b> Develop and adopt an OH&S plan/strategy. <b>FN17-02</b> Obtain approval and endorsements	28 February 2019	Relevant	<b>M</b>	No changes to initial recommendation.  Develop and adopt an OH&S plan/strategy, which defines the means by which the organisation will achieve its	Management advised that the OH&S plan/strategy is still in draft form. LSC recently employed a new OH&S Officer who will be delegated all OH&S	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>and external requirements, and that aligns with the Council Plan and AS4801:2001 standards. The plan/strategy should incorporate (but not be limited to) the following areas:</p> <ul style="list-style-type: none"> <li>• Introduction;</li> <li>• Principle 1 – Commitment and Policy (e.g. resources, responsibility, and planning);</li> <li>• Principle 2 – Planning (e.g. activities over OH&amp;S guided by annual workplan/calendar);</li> </ul>	<p>from relevant stakeholders before adoption of OH&amp;S plan/strategy.</p> <p><b><u>FN17-03</u></b></p> <p>Ensure the OH&amp;S strategy/plan is reviewed regularly.</p> <p><b><u>FN17-04</u></b></p> <p>Communicate OH&amp;S strategy/plan to all staff.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Organisational Development, Carol Canfield.</p>				<p>objectives, targets and external requirements, and that aligns with the Council Plan and AS4801:2001 standards. The plan/strategy should incorporate (but not be limited to) the following areas:</p> <ul style="list-style-type: none"> <li>• Introduction;</li> <li>• Principle 1 – Commitment and Policy (e.g. resources, responsibility, and planning);</li> <li>• Principle 2 – Planning (e.g. activities over OH&amp;S guided by annual workplan/calendar);</li> </ul>	<p>responsibilities, including open items listed.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Organisational Development, Carol Canfield.</p>	



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		<ul style="list-style-type: none"> <li>• Principle 3 – Implementation which should encompass:               <ul style="list-style-type: none"> <li>- Accountability;</li> <li>- Capability;</li> <li>- Consultation;</li> <li>- Training;</li> <li>- Communication;</li> <li>- Regulatory compliance;</li> <li>- Reporting;</li> <li>- Organisational committee reporting structure for OH&amp;S;</li> <li>- Documentation and records;</li> </ul> </li> </ul>					<ul style="list-style-type: none"> <li>• Principle 3 – Implementation which should encompass:               <ul style="list-style-type: none"> <li>- Accountability;</li> <li>- Capability;</li> <li>- Consultation;</li> <li>- Training;</li> <li>- Communication;</li> <li>- Regulatory compliance;</li> <li>- Reporting;</li> <li>- Organisational committee reporting structure for OH&amp;S;</li> <li>- Documentation and records;</li> </ul> </li> </ul>		



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<ul style="list-style-type: none"> <li>- Hazard identification;</li> <li>- Contractors and volunteers;</li> <li>- Chemicals/hazardous substances and asbestos exposure;</li> <li>- Working in Isolation, heat, outdoors or in confined spaces;</li> <li>- Contingency &amp; disaster plans;</li> <li>• Principle 4 – Measurement and evaluation (e.g. KPI's);</li> <li>• Review and improvement (e.g. annual review of plan,</li> </ul>					<ul style="list-style-type: none"> <li>- Hazard identification;</li> <li>- Contractors and volunteers;</li> <li>- Chemicals/hazardous substances and asbestos exposure;</li> <li>- Working in Isolation, heat, outdoors or in confined spaces;</li> <li>- Contingency &amp; disaster plans;</li> <li>• Principle 4 – Measurement and evaluation (e.g. KPI's);</li> <li>• Review and improvement (e.g. annual review of plan,</li> </ul>		



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		and annual summary report over OH&S); and <ul style="list-style-type: none"> <li>Definitions.</li> </ul> The plan should be simple with references to individual OH&S policies and procedures that fall under each category above; <b>FN17-02</b> Obtain adequate approvals and endorsements from relevant stakeholders before implementation and					and annual summary report over OH&S); and <ul style="list-style-type: none"> <li>Definitions.</li> </ul> The plan should be simple with references to individual OH&S policies and procedures that fall under each category above; Obtain adequate approvals and endorsements from relevant stakeholders before implementation and communication to staff; and		



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		<p>communication to staff; and</p> <p><b><u>FN17-03</u></b></p> <p>Review the plan/strategy on a regular basis to ensure it remains relevant, is meeting the needs of users and addresses any emerging issues that may arise; and</p> <p><b><u>FN17-04</u></b></p> <p>Communicate and make available the above documents to all staff for easy reference.</p>					<p>Review the plan/strategy on a regular basis to ensure it remains relevant, is meeting the needs of users and addresses any emerging issues that may arise; and</p> <p>Communicate and make available the above documents to all staff for easy reference.</p>		
<p><b><u>Finding FN18</u></b></p> <p>A chemicals and dangerous goods register did not exist within the</p>	<b>H</b>	<p><b><u>Recommendation FN18-01</u></b></p> <p>Develop and adopt chemical management</p>	<p>Management Agrees.</p> <p><b><u>FN18-01</u></b></p> <p>Develop and adopt a chemical</p>	<p><b><u>FN18-01</u></b></p> <p>February 2019</p> <p><b><u>FN18-02</u></b></p>	Relevant	<b>H</b>	<p>No changes to initial recommendation.</p> <p>Develop and adopt chemical</p>	<p>New Elumina Program (System) has a Chemicals Register. The current register</p>	<p>31<sup>st</sup> December 2020.</p>



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Council to comply with the requirement under the OH&S Regulation 4.1.23.		<p>procedures in accordance with the requirement under OH&amp;S Regulation 4.1.23. The procedures should include (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities ;</li> <li>• Current chemical register and MSDS/Safety Information;</li> <li>• Procedures for identification of dangerous and hazardous chemicals;</li> <li>• Procedures for introducing and</li> </ul>	<p>management procedure in accordance with the requirement under OH&amp;S Regulation 4.1.23.</p> <p><b><u>FN18-02</u></b></p> <p>Consider developing a chemical register.</p> <p><b><u>FN18-03</u></b></p> <p>If a chemical register is developed, ensure it is updated at least annually.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Operation (Oct 2017 – May 2019)</p> <p>Manager Organisational Development, Carol Canfield</p>	<p>28 February 2019</p> <p><b><u>FN18-03</u></b></p> <p>28 February 2018</p>			<p>management procedures in accordance with the requirement under OH&amp;S Regulation 4.1.23. The procedures should include (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities ;</li> <li>• Current chemical register and MSDS/Safety Information;</li> <li>• Procedures for identification of dangerous and hazardous chemicals;</li> <li>• Procedures for introducing</li> </ul>	<p>to be input into the program and a procedure developed once implemented. Four staff are to be trained on how to utilise this system as a Chemicals Register.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Organisational Development, Carol Canfield.</p>	





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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		purchasing of dangerous and hazardous chemicals into the workplace; <ul style="list-style-type: none"> <li>• Risk assessment of dangerous and hazardous chemicals;</li> <li>• Procedures for controlling risks, including risk management, labelling of dangerous &amp; hazardous chemicals and enclosed systems, chemical storage, signage, disposal of chemicals, emergency</li> </ul>	(May 2019 – May 2020)				and purchasing of dangerous and hazardous chemicals into the workplace; <ul style="list-style-type: none"> <li>• Risk assessment of dangerous and hazardous chemicals;</li> <li>• Procedures for controlling risks, including risk management, labelling of dangerous &amp; hazardous chemicals and enclosed systems, chemical storage, signage, disposal of chemicals,</li> </ul>		



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		facilities and consultation/training; <ul style="list-style-type: none"> <li>Procedures for inspections; and</li> <li>References to the Act &amp; Regulations where appropriate.</li> </ul> <b>FN18-02</b> Develop a chemical register that contains a list of the product names of the both hazardous, non-hazardous substances and dangerous goods supplied to the Council's different workplaces; and <b>FN18-03</b>					emergency facilities and consultation/training; <ul style="list-style-type: none"> <li>Procedures for inspections; and</li> <li>References to the Act &amp; Regulations where appropriate.</li> </ul> Develop a chemical register that contains a list of the product names of the both hazardous, non-hazardous substances and dangerous goods supplied to the Council's different workplaces; and Ensure the register is updated		



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Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		Ensure the register is updated periodically to ensure it is current, accurate and complete.					periodically to ensure it is current, accurate and complete.		
<b>FN19</b> Absence of an annual OHSMS audit to determine the effectiveness of the system as required by the Standard.	<b>M</b>	<b>Recommendation</b> <b>FN19-01</b> Set up periodic audits on the Health and Safety Management System as required by the Standard; <b>FN19-02</b> Consider forming OH&S working groups (e.g. comprising of HSRs and selected staff members) to conduct periodic OH&S audits in accordance with a	<b>FN19-01</b> Conduct periodic audits on the Health and Safety Management System as required by the Standard. <b>FN19-02</b> Develop a business case for the effective resourcing of OH&S strategy/plan development and implementation. <b>FN19-03</b> Provide reports on the audit of the	<b>FN19-01</b> February 2019 <b>FN19-02</b> November 2017 <b>FN19-03</b> 28 February 2019	Relevant	<b>M</b>	No changes to initial recommendation. Set up periodic audits on the Health and Safety Management System as required by the Standard; Consider forming OH&S working groups (e.g. comprising of HSRs and selected staff members) to conduct periodic OH&S audits in accordance with a	The Elumina Program (System), once it is running live, will be able to assist in overseeing and managing the requirement to ensure periodic audits are undertaken. A dedicated OH&S Officer has been appointed to oversee the OH&S processes across the Council. Reports will be prepared	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>pre-agreed schedule/calendar; Alternatively: Consider employing a full-time OH&amp;S dedicated personnel for overseeing OH&amp;S processes across the Council and conducting OH&amp;S related audits where applicable; and</p> <p><b><u>FN19-03</u></b></p> <p>Reports be subsequently prepared from the results of the audits and provided to key stakeholders such as the Executive Management Team, OH&amp;S</p>	<p>Health and Safety Management System at completion.</p> <p><b><u>Responsibility:</u></b></p> <p><b><u>FN19-01 and FN19-03</u></b></p> <p>Manager Organisational Development (Oct 2017 – May 2020)</p> <p><b><u>FN19-02</u></b> Manager Corporate Services (November 2017 – May 2019)</p> <p>Manager Organisational Development, Carol Canfield (May 2019 – May 2020)</p>				<p>pre-agreed schedule/calendar; Alternatively: Consider employing a full-time OH&amp;S dedicated personnel for overseeing OH&amp;S processes across the Council and conducting OH&amp;S related audits where applicable; and</p> <p>Reports be subsequently prepared from the results of the audits and provided to key stakeholders such as the Executive Management Team, OH&amp;S Committee, and</p>	<p>on completion of the audit of the Health and Safety Management System.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Organisational Development, Carol Canfield.</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		Committee, and the Audit Committee					the Audit Committee		
<b>FN20</b> An OH&S actions register was not maintained to keep records of all OH&S related matters for monitoring and tracking purposes. Noted instances that actions were not followed up and closed in a timely manner.	<b>M</b>	<b>Recommendation FN20-01</b> Develop and adopt an OH&S actions register to record all OH&S improvement opportunities. The register should contain (but not limited to) the following: <ul style="list-style-type: none"> <li>• Descriptions of matters;</li> <li>• Related reports (e.g. Worksafe audit, Site inspection, Evacuation drill training)</li> </ul>	Management Agrees. <b>FN20-01</b> Develop an OHS actions register to record all OH&S improvement opportunities to be followed up. <b>FN20-02</b> Investigate software to automate and monitor timely sign off of OH&S incident reports. <b>FN20-03</b> Establish an internal inspections/audits register in CAMMS	<b>FN20-01</b> November 2017 <b>FN20-02</b> 28 February 2019 <b>FN20-03</b> November 2017	Relevant	<b>M</b>	No changes to initial recommendation. Develop and adopt an OH&S actions register to record all OH&S improvement opportunities. The register should contain (but not limited to) the following: <ul style="list-style-type: none"> <li>• Descriptions of matters;</li> <li>• Related reports (e.g. Worksafe audit, Site inspection, Evacuation drill training)</li> </ul>	OH&S Corrective Action Register will be transferred from Reliansys to Elumina with the implementation of the Elumina Program. The Inspections /Audits Register has been completed. <b>Responsibility:</b> Manager Organisational Development, Carol Canfield.	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<ul style="list-style-type: none"> <li>Locations/are as affected;</li> <li>Actions to be undertaken;</li> <li>Due date for actions;</li> <li>Responsible personnel;</li> <li>Implementation status (e.g. quarterly);</li> <li>Revised timeline (if any).</li> </ul> <p><b>FN20-02</b></p> <p>Re-enforce the requirement for respective manager/supervisor to comment and sign off the incident report in a timely manner;</p>	<p>to monitor and report on internal inspections/audit actions.</p> <p><b>Responsibility:</b></p> <p>Manager Organisational Development, Carol Canfield</p>				<ul style="list-style-type: none"> <li>Locations/are as affected;</li> <li>Actions to be undertaken;</li> <li>Due date for actions;</li> <li>Responsible personnel;</li> <li>Implementation status (e.g. quarterly);</li> <li>Revised timeline (if any).</li> </ul> <p>Re-enforce the requirement for respective manager/supervisor to comment and sign off the incident report in a timely manner;</p> <p>Ensure that follow-up action items</p>		



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<u><b>FN20-03</b></u> Ensure that follow-up action items identified during internal inspections/audits are to be actioned and closed off in a timely manner.					identified during internal inspections/audits are to be actioned and closed off in a timely manner.		





TABLE B – PARTIALLY RELEVANT INTERNAL AUDIT RECOMMENDATIONS

Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
Review of Human Resources Management and Payroll (incl. Data Interrogation) (July 2019)									
<b>Finding FN01</b> Certain HR related policies and procedures were not finalised and/or outdated and due for review.	L	<b>Recommendation FN01-01</b> Review, update and finalise HR related policies and procedures outlined under the "Observation" column in a timely manner; and <b>FN01-02</b> Ensure that the documents are subsequently communicated and made available to staff for easy access.	Review, update and finalise the following HR related policies and procedures as outlined under the "Observation" column in a timely manner: <ul style="list-style-type: none"> <li>Working in Isolation Policy;</li> <li>Work Experience Policy;</li> <li>Drug and Alcohol Policy and Procedure;</li> <li>Staff Exit Policy;</li> </ul>	31 October 2019	Partially Relevant	L	Review, update and finalise the following HR related policies and procedures as outlined under the "Observation" column in a timely manner: <ul style="list-style-type: none"> <li>Working in Isolation Policy;</li> <li>Work Experience Policy;</li> <li>Drug and Alcohol Policy and Procedure;</li> <li>Staff, volunteers and</li> </ul>	Work Experience Policy is still being reviewed. HR related policies and procedures that have since been reviewed, updated and finalised: <ul style="list-style-type: none"> <li>Working in Isolation Policy (finalised 10/2019);</li> <li>Drug and Alcohol Procedure (finalised 06/2019);</li> <li>Recruitment and Selection Procedure</li> </ul>	31 <sup>st</sup> December 2020.





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
			<ul style="list-style-type: none"> <li>Staff, volunteers and contractors Code of Conduct;</li> <li>Staff Exit Procedure;</li> <li>Higher Duties Procedure;</li> <li>Recruitment and Selection Procedure; and</li> <li>Induction of a new employee and internal movements procedure.</li> </ul> <p>Communicate and make available to staff for easy access HR related policies and procedures in a timely manner.</p>				<p>contractors Code of Conduct;</p> <ul style="list-style-type: none"> <li>Staff Exit Procedure;</li> <li>Recruitment and Selection Procedure; and</li> <li>Induction of a new employee and internal movements procedure.</li> </ul> <p>Communicate and make available to staff for easy access HR related policies and procedures in a timely manner.</p> <p>Revised recommendation to no longer include Staff Exit Policy</p>	<p>(finalised 06/2019);</p> <ul style="list-style-type: none"> <li>Induction of a new employee internal appointment procedure (06/2019);</li> <li>Workcover Procedure (07/2019); and</li> <li>Return to Work Policy (06/2019).</li> </ul> <p>Staff Exit Policy has been rescinded – this was a direction from Management as it is covered in the Staff, Volunteers and Contractors Code of Conduct. Higher Duties Procedure has now been incorporated into the Payroll Manual</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
			<b>Responsibility:</b> Carol Canfield, Manager Organisational Development.				and Higher Duties Procedure.	and Duties Procedure is to be rescinded. <b>Responsibility:</b> Carol Canfield, Manager Organisational Development.	
<b>Follow-up Review (July 2018) - Review of Records Management (December 2017)</b>									
<b>Finding FN02</b> Various Records Management policies and procedures were outdated and/or still in draft form.  Further, certain key processes surrounding records management practices were	<b>M</b>	<b>Recommendation FN02-01</b> Ensure that upon implementation of the new electronic records management system, that all records management related policies and procedures identified under the "Observation" column are formalised,	Management Agrees  <b>FN02-01</b> Revise overdue records management policies and procedures (refer to Audit Findings).  Finalise draft records management policies and	<b>FN02-01</b> 31 December 2018  <b>FN02-02</b> 31 March 2019	Partially Relevant	<b>M</b>	No changes to initial recommendation.  Ensure that upon implementation of the new electronic records management system, that all records management related policies and procedures identified under the "Observation" column are	We noted from discussions with management that some policies and procedures have been adequately updated, some are still to be drafted and some have been rescinded. With the implementation of the new EDMRS (Content Manager) the following policies and	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
not formally documented.		<p>reviewed and/or updated in a timely manner to ensure they remain relevant and reflect current practices; and</p> <p><b><u>FN02-02</u></b></p> <p>Ensure updated policies and procedures above are communicated/trained to all relevant staff members and made available for staff easy access.</p>	<p>procedures (refer to Audit Findings).</p> <p>Develop and finalise missing records management policies and procedures (refer to Audit Findings).</p> <p><b><u>FN02-02</u></b></p> <p>Involve staff in the review and development of policies and procedures are advise staff when policies and procedures have been approved.</p> <p><b><u>Responsibility</u></b></p> <p>Manager Information and Business Transformation, Peter Williams.</p>				<p>formalised, reviewed and/or updated in a timely manner to ensure they remain relevant and reflect current practices.</p> <p>Also ensure updated policies and procedures above are communicated/trained to all relevant staff members and made available for staff easy access</p>	<p>procedures are to be reviewed.</p> <p>a. Records Management policy (finalised 09/08/18);</p> <p>b. Electronic Document Naming procedure (drafted and currently being reviewed by internal policy group);</p> <p>c. Social Media Post Submission and Approval procedure (finalised 08/04/19);</p> <p>d. Privacy policy and procedure (finalised</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
								22/05/18 and 24/04/20); e. LCM Overdues (yet to be drafted); (Infovision Overdues Reporting Procedure has been revoked and replaced with LCM Overdues). f. Protected Disclosure procedure (finalised 12/06/2019); g. Quick reference Guides (in Content Manager); (Record Scanning Procedure, Registering an	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
								<p>Email into Infovision procedure and Mail Management/Correspondence procedure have all been revoked and replaced with quick reference guides procedures)</p> <p>h. Freedom of Information policy (drafted and currently being reviewed by internal policy group) and procedure (finalised 20/05/20);</p> <p>i. Records Disposal procedure (not yet drafted);</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
								<p>(Records Disposal procedure will not be drafted until LSC have gained an understanding of the new Records System disposal process).</p> <p>j. Digitisation Plan (in draft);</p> <p>k. Loddon Content Manager (LCM) quick reference guides and online training videos (completed);</p> <p>(Records management requirements for volunteers (i.e. training, roles and responsibilities of creation, capture,</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
								<p>retention, etc.) has been revoked and replaced with quick reference guides provided within LCM and online training videos replace this requirement).</p> <p>I. Monthly maintenance reporting of user access (completed);</p> <p>(Periodic user access reviews of the Infovision system has been revoked and replaced with Monthly maintenance reporting from FYB on LCM).</p> <p>m. Periodic generation</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
								<p>and review of audit reports from Infovision on key criteria such as high/medium/low users or deleted files from the registry (completed); and</p> <p>n. Periodic risk assessment of the databases/records stored/hosted in the Cloud (i.e. Attaché, Advent Manager, CAMMS) (Completed).</p>	





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
								<b>Responsibility</b> Manager Information and Business Transformation, Peter Williams.	
<b>Finding FN03</b> Absence of key performance indicators, internal compliance/monitoring program and periodic reporting to executive management on records management activities.	<b>H</b>	<b>Recommendation FN03-01</b> Develop and implement a formal records management compliance program/schedule covering the entire organisation (e.g. all departments and across different LSC sites, etc.) and that assists in overseeing records management-related audits and activities (e.g. on a quarterly, 6	Management Agrees. <b>FN03-01</b> As part of the Records Management Strategy, develop a records management compliance program. Management currently receives weekly and monthly reports on overdue actions against records. Other KPIs will be considered through	31 July 2018	Partially Relevant	<b>H</b>	Develop and implement a formal records management compliance program/schedule covering the entire organisation (e.g. all departments and across different LSC sites, etc.) and that assists in overseeing records management-related audits and activities (e.g. on a quarterly, 6 monthly or annual basis).	Management has advised that the Compliance Program is in development stage. Now that the LCM has been implemented the next step is to develop records management monitoring and a compliance program. We noted from discussions with management that Recommendations FN03-02 and FN03-03 will not	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>monthly or annual basis);</p> <p><b><u>FN03-02</u></b></p> <p>Develop formal records management related KPIs and reports to facilitate the performance monitoring processes. Key areas may include, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>- Economy measurement (i.e. cost per record retrieval, cost per file created, etc.);</li> <li>- Efficiency measurement (i.e. number of complaints, enquiries</li> </ul>	<p>the development of the Records Management Strategy.</p> <p><b><u>FN03-02</u></b></p> <p>As part of the Records Management Strategy, develop KPIs and reports to facilitate monitoring.</p> <p><b><u>FN03-03</u></b></p> <p>Ensure Records Management Strategy Compliance Program has monitoring and reporting framework.</p> <p><b><u>Responsibility</u></b></p> <p>Manager Information and</p>					<p>be progressed as management no longer see any value for a shire of this size to implement organisation-wide records management related KPIs and do not find value in reporting on them to senior management.</p> <p>They will, however, continue to monitor the performance of records management activities for staff with key records management related responsibilities.</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>completed in x hours, speed of retrieval from storage, existence/relevance of records management policy, procedures, etc.);</p> <p>- Effectiveness measurement (i.e. number of emails registration per period, proportion of new users, training attended/completed, number of audit/compliance check completed, etc.);</p>	Business Transformation					<p><u>Responsibility</u></p> <p>Manager Information and Business Transformation, Peter Williams</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<ul style="list-style-type: none"> <li>- Progress against implementation and action items from the records management strategy (from Recommendation 1);</li> <li>- Actions to address any related outstanding items;</li> <li>- Records management related training undertaken including attendees listing, as well as the next scheduled training dates;</li> </ul>							



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<ul style="list-style-type: none"> <li>Outcomes and actions from the compliance program; and</li> </ul> <p><b>FN03-03</b></p> <p>Ensure that the above are monitored and reported on a periodic basis (i.e. quarterly, 6 monthly or annually) to the Executive Team and other stakeholders where necessary (e.g. Audit Committee).</p>							
<p><b>FN04</b></p> <p>Records management practices are inconsistent across</p>	<b>M</b>	<p><b>Recommendation</b></p> <p><b>FN04-01</b></p> <p>Streamline organisation-wide records management</p>	<p>Management Agrees.</p> <p><b>FN04-01</b></p> <p>Develop a standard procedure for</p>	31 December 2018	Partially Relevant	<b>M</b>	Streamline organisation-wide records management requirements on structured filing	LSC have developed a standard procedure for capturing public records.	31 <sup>st</sup> December 2020.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
departments and locations.		<p>requirements on structured filing and document registration across the Council's different departments;</p> <p><b><u>FN04-02</u></b></p> <p>Reinforce the requirements on the use of creating and maintaining files as appropriate amongst all staff members to minimise/avoid duplication, confusion and loss of data;</p> <p><b><u>FN04-03</u></b></p> <p>Re-enforce to all staff that documents should be named as per the naming convention set out</p>	<p>capturing public records.</p> <p><b><u>FN04-02</u></b></p> <p>Through implementation of the Records Management Strategy Compliance Program, assist staff to understand and meet records management requirements relating to maintaining files.</p> <p><b><u>FN04-03</u></b></p> <p>Through implementation of the Records Management Strategy Compliance Program, assist staff to understand and meet records</p>				<p>and document registration across the Council's different departments;</p> <p>Reinforce the requirements on the use of creating and maintaining files as appropriate amongst all staff members to minimise/avoid duplication, confusion and loss of data;</p> <p>Re-enforce to all staff that documents should be named as per the naming convention set out in the Document Naming procedure; and</p>	<p>The Records Management Strategy Compliance Program is yet to be finalised and adopted.</p> <p>Management advised that they can only consider KPI's related to records management staff only and not for entire Council staff.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Information and Business Transformation, Peter Williams.</p>	



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation				
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Revised Finding Risk Rating	Revised Recommendation	Revised Management Responses	Revised Timeline
		<p>in the Document Naming procedure; and</p> <p><b><u>FN04-04</u></b></p> <p>Ensure Council's department/staff are complying with the records management requirements through the implementation of relevant key performance indicators (KPIs) and formal records management monitoring program (Refer to Audit Finding No.4 above).</p>	<p>management requirements relating to document naming.</p> <p><b><u>FN04-04</u></b></p> <p>As part of the Records Management Strategy identify KPIs for staff which are capable of being monitored and can be incorporated in individual performance plans.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Information and Business Transformation, Peter Williams</p>				Ensure LSC staff with key records management related responsibilities have KPI's related to records management.		





TABLE C – NOT RELEVANT INTERNAL AUDIT RECOMMENDATIONS

Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
Review of Human Resources Management and Payroll (incl. Data Interrogation) (July 2019)						
<b>Finding FN01</b> Payroll master file audit /changes reports are not generated at LSC as a key detective control.	M	<b>Recommendation FN01-01</b> Seek to determine with the payroll system supplier whether payroll Masterfile audit/changes reports can be generated.  In the event they can be generate, LSC should implement and formalise within documented procedures the requirement for master file audit/changes reports to be generated and periodically reviewed by an independent authorised personnel. Evidence to substantiate the above process should be retained (i.e. date and	Seek to determine with the payroll system supplier whether payroll Masterfile audit/changes reports can be generated.  In the event they can be generate, LSC should implement and formalise within documented procedures the requirement for master file audit/changes reports to be generated and periodically reviewed by an independent authorised personnel. Evidence to substantiate the above process should be retained (i.e. date and sign-off by key	30 September 2019	Not Relevant	Management have confirmed that the finance system does not have the functionality to generate automated reports for master file changes. Therefore, LSC is continuing with historical/manual monitoring process where for any changes to payroll, Masterfile data Officer prints out before and after the change report and signs /retains on file.  LSC is currently working with other four Councils to explore the need for a new Payroll System that could possibly generate these reports. However, this could be 2 years or so down the line. Therefore, close off finding.





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
		sign-off by key personnel and retained on file).	personnel and retained on file). <b>Responsibility:</b> Carol Canfield, Manager Organisational Development.			
<b>Follow-Up Review (July 2018) – In relation to the Review of Purchases and Issues from Council Depot stores (including purchases made on credit cards) (August 2016)</b>						
<b>Finding FN02</b> A supply panel engagement model is currently not being used by Council for the acquisition of recurring goods or services.	<b>M</b>	<b>Recommendation FN02-01</b> Consider the need to introduce a supply panel engagement model in the organisation. This should be determined via formal audit and analysis process with respect to procurement transactions; <b>FN02-02</b> Establish the panel via supplier selection, appointment,	<b>FN02-01</b> A review of potential services or goods for which Council may utilise panel contractors; <b>FN02-02</b> Develop contract templates and processes for supplier panels; and <b>FN02-03</b>	<b>FN02-01</b> May 2017 AC meeting <b>FN02-02</b> May 2018 AC meeting <b>FN02-03</b> November 2017 AC meeting	Not Relevant (Duplication of Recommendation)	Based on discussions with management and reviewing the recommendations outlined in the internal audit report, we believe that the recommendation provided is a duplication of the recommendation outlined in FN09 within Appendix A. Hence the recommendation FN02 can be combined and monitored under FN09.  <b>Please refer to 'Table A – Detailed Review of Relevant Internal Audit Recommendations' for more details regarding recommendation FN09.</b>



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
		<p>management and performance evaluation processes. Such processes should be formally documented in policies and procedures; and subject to regular review to ensure they remain relevant, are meeting the needs of users, and to address any emerging issues that arise; and</p> <p><b><u>FN02-03</u></b></p> <p>Appoint a panel of suppliers for the delivery of goods or services.</p>	<p>Appoint panel of suppliers where relevant.</p> <p><b><u>Responsibility:</u></b></p> <p>Manager Financial Services</p>			



TABLE D – COMPLETED INTERNAL AUDIT RECOMMENDATIONS

Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
Review of Waste Management Planning (October 2018)						
<b>Finding FN01</b> Absence of formally documented procedures for certain waste management related processes.	L	<b>Recommendation FN01-01</b> Develop formally documented procedures that provide detailed task instructions and guidelines in respect to waste management processes identified under the "Observation" column.  <b>FN01-02</b> Communicate and make available the procedure to all relevant staff, including adding the organisation procedure register.	Management Agrees.  <b>FN01-01</b> Develop formally documented procedures that provide detailed task instructions and guidelines in respect to waste management processes identified under the "Observation" column.  <b>FN01-02</b> Communicate and make available the procedure to all relevant staff, including adding the organisation procedure register.  <b>Responsibility:</b> Daniel Lloyd – Management Works	<b>FN01-01</b> 30 June 2019  <b>FN01-02</b> 30 September 2019	Completed	Landfill & transfer Station Operator Procedure has been finalised and endorsed during February 2019. Relevant staff have been made aware of this through onsite meetings.  Management have advised that the organisation procedure register is not being utilised, but the procedure has been made available to relevant staff.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
<b>Finding FN02</b> Waste management related risks have not been considered, identified and incorporated on the risk register.	M	<b>Recommendation FN02-01</b> Consider, identify and assess potential risks in relation to waste management and incorporate them onto the risk register to ensure they are managed appropriately. The risk register should clearly document (but not limited to): Risk number; Risk description; Responsibility (name of officer); Risk causes; Consequences; Existing controls; Likelihood; Agreed priority; Inherent risk rating; Residual risk rating; and Treatment/action plan. <b>FN02-02</b>	Management Agrees. <b>FN02-01</b> Incorporate the EPA Risk Assessment into the Corporate Risk Register. <b>FN02-02</b> Communicate and make available the updated risk register to all relevant staff. <b>Responsibility:</b> Daniel Lloyd – Manager Works	<b>FN02-01</b> 30 November 2018 <b>FN02-02</b> 31 December 2018	Completed	Management have included potential risks in relation to waste management into the risk register and have communicated the same to staff.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
		Communicate and make available the updated risk registers thereafter to all relevant staff.				
<b>Finding FN03</b> Absence of formal and periodic monitoring and reporting in relation to the waste management contractor's performance.	M	<b>Recommendation FN03-01</b> Conduct audits on a periodic basis over the contractor's performance to ensure services were delivered as per the contract. Evidence with respect to the audits undertaken should be retained accordingly; and <b>FN03-02</b> Consider updating the current <i>Contract Waste &amp; Recycling Collection Services</i> and include new clauses where: The contractor should provide reports to LSC management on a periodic basis detailing the overall delivery of waste related services (i.e. via established	<b>FN03-01</b> Conduct audits on a periodic basis over the contractor's performance to ensure services were deliver as per the contract. <b>FN03-02</b> Implement Council Resolution 9.7 from August 2018 Council meeting in relation to joint procurement of waste and recycling services memorandum of understanding incorporating suggested new clauses. <b>Responsibility:</b> Daniel Lloyd, Manager Works	<b>FN03-01</b> 30 November 2018 <b>FN03-01</b> 30 April 2021	Completed	Management conduct audits on a periodic basis over the contractor's performance to ensure services are delivered as per the contract. Suggested new clauses have been incorporated into the Contract Waste & Recycling Collection Services and will come into effect when Council award the new waste services contract in April 2021.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
		KPIs that can be agreed by both parties); and The contractor and LSC management should meet on a periodic basis to discuss about the contractor's performance and other matters. Evidence with respect to the regular meetings should be retained accordingly. The cont				
Review of Human Resources Management and Payroll (incl. Data Interrogation) (July 2019)						
<b>Finding FN04</b> Internal control weaknesses noted in the HR Exiting process.	<b>L</b>	<b>Recommendation FN04-01</b> Reinforce the requirement for all relevant staff to complete, date and sign-off on key exiting employee documents as required (i.e. Exit Employee Checklist form and letter of acceptance). The documents should be subsequently retained on file. The letter signed by the CEO should be photocopied and placed on the employee file	Management Agrees. Reinforce the requirement for all relevant staff to complete, date and sign-off on key exiting employee documents as required (i.e. Exit Employee Checklist form and letter of acceptance). The documents should be subsequently retained on file. The letter of acceptance signed by the CEO will be photocopied	31 December 2019	Completed	Management has advised that a re-enforcement of HR Exiting process has been undertaken—forms are now sent back to relevant staff if not completed and signed off.  We performed sample testing of the completion of Exit Employee Checklist form and CEO letter of acceptance and no exceptions were noted.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
		rather than an unsigned copy.	and put on the file instead of an unsigned copy.  <u>Responsibility:</u> Carol Canfield, Manager Organisational Development.			
<b>Finding FN05</b> Noted instances where HR and payroll related documents either could not be located on file to substantiate whether key processes and/or checks were performed adequately or documents were not signed-off in accordance with Council's internal protocols.	<b>M</b>	<b>Recommendation FN05-01</b> Reinforce the requirement to applicable staff for key HR and payroll related checks and documents to be completed, signed-off and retained accordingly as required by internal protocols (i.e. new employee forms, leave forms, performance appraisals, etc.).	Reinforce the requirement to applicable staff for key HR and payroll related checks and documents to be completed, signed-off and retained accordingly as required by internal protocols (i.e. new employee forms, leave forms, performance appraisals, etc.).  <u>Responsibility:</u> Carol Canfield, Manager Organisational Development.	31 December 2019	Completed	Management have reinforced the requirement to applicable staff for key HR and payroll related checks and documents to be completed, signed-off and retained accordingly as required by internal protocols (i.e. new employee forms, leave forms, performance appraisals, etc.).  We performed sample testing to ensure payroll related checks and documents were completed, signed-off and retained accordingly (for instance new employee forms, leave forms and performance appraisals). No exceptions were noted.





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
<b>Finding FN06</b> Absence of formally documented policy and/or procedures governing the WorkCover process at LSC.	M	<b>Recommendation FN06-01</b> Develop formal WorkCover related policy and/or procedures; and  <b>Recommendation FN06-02</b> Subsequently ensure that the above policies and/or procedures are communicated to staff and made available for staff easy access.	<b>FN06-01</b> Develop formal WorkCover related policy and/or procedures  <b>FN06-02</b> Subsequently ensure that the above policies and/or procedures are communicated to staff and made available for staff easy access  <b>Responsibility:</b> Carol Canfield, Manager Organisational Development.	<b>FN06-01</b> 31 December 2019  <b>FN06-02</b> 31 January 2020	Completed	Formal WorkCover related policy and procedure have been developed and finalised. They have then been communicated to staff and made available for staff easy access.
<b>Finding FN07</b> Formal and periodic user access reviews with respect to the Attache system was not evidenced to substantiate the	M	<b>Recommendation FN07-01</b> Ensure that evidence to substantiate the formal and periodic review process of user access over the Attache system is retained (i.e. date and sign-off by key personnel and retained on file).	Ensure that evidence to substantiate the formal and periodic review process of user access over the Attache system is retained (i.e. date and sign-off of form by key personnel and retained on file).  <b>Responsibility:</b>	30 September 2019	Completed	Management have advised that the formal and periodic review process of user access over the Attache system is managed through RelianSys and being completed every three months. Due and sign off dates are recorded and retained on file. The Financial Accountant is





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
process being performed.			Carol Canfield, Manager Organisational Development.			responsible for signing off on this process.
Review of Councillor's Expenses (November 2019)						
<b>Finding FN08</b> Noted an instance where a Councillor claim for reimbursement was not submitted in timely manner as per the Councillors Support and Reimbursement of Expenses Policy	L	<b>Recommendation FN08-01</b> Reinforce to Councillors the requirements around submission of claims for reimbursement to all Councillors, Mayor and Deputy Mayor in accordance with Council's policy; and <b>FN08-02</b> Consider establishing a formal notification/reminder process to Councillors (e.g. within the first 3 days after month end) to ensure Councillor's claims are submitted in a timely manner.	Recommendation of the timely manner to be reinforced at a forum training session with Councillors. Scheduled email reminder to be sent monthly to Councillors to remind them of the timeliness of submissions of claims. <b>Responsibility:</b> Christine Coombes, Executive and Commercial Services Officer.	30 April 2020	Completed	Email was sent from CEO to Councillors on 26 March 2020 to reinforce the requirements around submission of claims for reimbursement. This was followed up with an update on the submission of claim forms at the Council Forum held on 14 April 2020. As of 23 April 2020, monthly email reminders are now sent to Councillors to remind them of the timeliness of submission of claims.
<b>Finding FN09</b> The description provided by the	L	<b>Recommendation FN09</b> Consider updating the Councillor Expense Claim	Update expense claim form to reflect the additional information of "business reasons/justification", "type	30 April 2020	Completed	The Councillor Expense Claim Form was amended to have two forms as following:



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
Councillor in the Councillor expense claim form was not clear and well-articulated.		<p>Form to include instructions on the level of details to fill into the "Purpose" and "Details of Out of Pocket Expense" columns. Key information to be clearly articulated includes (but not limited to):</p> <p>Business reasons/justification (delivery of speech at a seminar/community event, attending Councillor trainings, attending meetings with Local Government Minister, etc.);</p> <p>Type of expense (business meal, car mileage, parking, toll fees, etc.); and</p> <p>Location/Destination;</p> <p>Subsequently, Council to provide briefing to Councillors regarding the changes/updates to ensure consistency and transparency.</p>	<p>of expense", "location". Details to be clarified at a forum training session in early 2020.</p> <p><b><u>Responsibility:</u></b></p> <p>Christine Coombes, Executive and Commercial Services Officer.</p>			<p>Expenses claim form; and Travel claim form.</p> <p>This will enable the Councillors to include more detailed information.</p>



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
<b>Finding FN10</b> The need to undertake periodic training /update to Councillors to ensure consistency and transparency in regard to what specific items can be/ cannot be claimed, and the criteria for claiming the councillor expense.	M	<b>Recommendation FN10</b> Provide periodic training/ update to Councillors to reinforce policy requirements for reimbursement and ensure that Councillors understand criteria to claim expenses.	Training will be provided to Councillors in April 2020 to clarify details of reasonable claims. <b>Responsibility:</b> Christine Coombes, Executive and Commercial Services Officer.	30 April 2020	Completed	Councillors were provided with training at the Council Forum held on 14 April 2020. They were provided with examples of what is required when claiming expenses in hard copy and verbal form.
<b>Follow-Up Review (July 2018) – In relation to the Review of the Management of Privacy Responsibilities (February 2017)</b>						
<b>Finding FN11</b> The need to ensure there are controls place over the security of in information handled by third parties. We noted some of IT third party	M	<b>Recommendation FN11-01</b> Conduct a review of all existing IT vendor contracts and determine if they cover off on confidentiality and security related matters appropriately; and <b>FN11-02</b> Ensure that confidentiality agreements are signed-off by	Develop a confidentiality agreement for existing IT vendors. Provide confidentiality agreement to all existing IT vendors requesting signing. Ensure a confidentiality agreement is provided to any new vendors for signing.	August 2017	Completed	The supplier non-disclosure agreement template for IT vendors has been prepared and finalised. Confidentiality agreement is now required to be signed by any new IT Vendors who provide services to LSC. The decision was made by management that it would seem to be of limited value to send this agreement to any existing or



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
contracts dated back to more than 10 years ago and IT had not reviewed the terms of the contracts to determine if they were still valid and if there were confidentiality agreements signed with the vendors.		respective IT vendors, where required.	<u>Responsibility:</u> Manager Information and Business Transformation, Peter Williams.			previous IT Vendors, but if they were to recommence an agreement with the supplier, then they will ensure the agreement is completed as part of the procurement process. LSC is yet to engage with any new IT vendors since implementation of the document.
Follow-up Review (July 2018) - Review of Records Management (December 2017)						
<u>Finding FN12</u> Absence of formal and periodic organisation-wide records management related training.	M	<u>Recommendation FN12-01</u> Formalise and implement a regular training and awareness program for all LSC staff on both the requirements of PROV directives and internal records management requirements (e.g. via e-learning modules, structured workshops, external training, posters, updates through newsletters, emails, etc.).	Management Agrees. Ensure up-to-date records management training is delivered to relevant new and existing staff. <u>Responsibility:</u> Manager Information and Business Transformation, Peter Williams	31 December 2018	Completed	Quick Reference Guides have been finalised and made available for staff on LCM. Online Learning Modules and Loddon eLearning for IT is provided and recorded for relevant users.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
<b>Finding FN13</b> A Retention and Disposal Program for electronic records was not implemented.	M	<b>Recommendation FN13-01</b> Ensure that upon implementation of the new electronic records management system, that LSC formally documents and implements a Retention and Disposal Program for electronic records in accordance with <i>VERS</i> , <i>PROS 10-13</i> , <i>PROS 07-01 VAR 4</i> and <i>PROS 09-05</i> ; and  <b>FN13-02</b> Communicate and upload the Retention and Disposal Program onto the intranet for easy reference for staff.	Management Agrees.  <b>FN13-01</b> Develop a Retention and Disposal Program for electronic records.  <b>FN13-02</b> Advise staff of Retention and Disposal Program and add to intranet.  <b>Responsibility:</b> Manager Information and Business Transformation, Peter Williams.	31 December 2018	Completed	Following discussions with management, we understand that a Business Classification Scheme and Classification and Disposal Schedule within LCM has been finalised and implemented. Staff can readily access these documents within LCM.
Follow-Up Review (July 2018) – In relation to the Follow-Up Review (May 2017) - Review of Contract Management (December 2014)						
<b>Finding FN14</b> The Council's contracts register does not summarise all contracts entered into by the	M	<b>Recommendation FN14-01</b> Centralise the assignment of a contract number before a folder is created under the "Contract Management" directory on the shared drive;	<b>FN14-01</b> Council will explore the opportunity to purchase a formal proprietary contract management software package for the organisation to compliment	<b>FN14-01</b> November 2015 AC meeting  <b>FN14-02</b>	Completed	Management has advised that the contract management software, Nimblex, is now being utilised. Nimblex training was undertaken in October 2019 for Contracts. A video of one of the training sessions provided by



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
organisation and contains information related to immature tendering or low value purchases.		<p><b><u>FN14-02</u></b></p> <p>Request staff across the organisation to provide the following information to the responsible officer if they are currently managing an active contract entered into by Council:</p> <p>Description of the contract and what it is for;</p> <p>Name of the contractor;</p> <p>Date the contract was entered into and the date the contract expires;</p> <p>The value of the contract;</p> <p>Who is responsible for managing the contract;</p> <p>Location of the actual original copy of the full contract; and</p> <p>Update the contracts register accordingly and regularly.</p>	<p>the contract management framework which will be developed over the next year. Software package.</p> <p><b><u>FN14-02</u></b></p> <p>In the meantime, the process for allocating contract numbers will be reviewed, and staff will be instructed to require the information included in this recommendation to be placed in a soft file in the relevant contract's directory. Improved process.</p> <p><b><u>Responsibility:</u></b></p> <p><b><u>FN14-01</u></b> Director, Operations (Dec 2014 – Feb 2017)</p> <p><b><u>FN14-02</u></b> Director, Corporate Services (Dec 2014 – Feb 2017)</p>	Immediate implementation		<p>Nimblex is available for any new staff members. The contract register is being maintained in Nimblex and the Procurement Coordinator and Corporate Services Administration Assistant follow up any items coming due or where information is incomplete.</p> <p>Compliance Suppliers training was also provided to all purchasing staff in February 2020 with attendance formally recorded. Therefore, we believe this finding has been completed.</p>





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
			Director Corporate Services (Feb 2017 – April 2019)  Manager Financial Services, Deanne Caserta (May 2019 – May 2020)			
Follow-Up Review (April 2018) – In relation to the Follow-Up Review (May 2017) - Review of Building Management Services (March 2016)						
<b>Finding FN15</b>  A comprehensive, centralised and accurate register of public buildings was not maintained.	H	<b>Recommendation FN15-01</b>  Undertake a review of all 3 separate registers of public buildings to ensure all public buildings for which the Council has direct or indirect responsibility for have been identified and captured;  <b>FN15-02</b>  Consolidate these 3 registers into one comprehensive, centralised and accurate register of public buildings and distribute accordingly across the Council to relevant departments; and  <b>FN15-03</b>	<b>FN15-01</b>  Council has been developing a centralised database of buildings in the past two years, and it is now ready for use throughout the organisation.  <b>FN15-02</b>  It will be the "single point of truth" for land and building assets until Council purchases an asset management system to better manage land and building assets.	August 2016 AC Meeting	Completed	The Council has a centralised Building Asset Register that includes the valuations, condition reports and ratings. The Building Asset Management Plan ("BAMP") document was finalised on 22 October 2019 and acts as the single point of truth for land and building assets for LSC. Furthermore, its next review date is 21 October 2021.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
		Implement a system of periodic review and update of the public building register by a delegated staff member to ensure ongoing completeness.	<b><u>FN15-03</u></b> The database will be "rolled out" to the broader staff with land and building asset responsibilities. <b><u>Responsibility:</u></b> Manager Information (March 2016 – Feb 2017) Manager Technical Services (Feb 2017 – May 2019) Manager Assets and Infrastructure, David Southcombe (May 2019 – May 2020)			
<b><u>Finding FN16</u></b> The Building Asset Management Plan review cycle did not allow for appropriate legislative updates to be incorporated in a timely manner.	<b>M</b>	<b><u>FN16-01</u></b> Implement a bi-annual review process which focuses on updating any legislative and/or regulatory changes in the Building Asset Management Plan, in addition to the 4-year review cycle of the Building Asset	Do not agree with a wholesale review and amendment on a two-year cycle. However, can agree to an interim two-yearly review of any legislative changes that can be recognised as an appendix to the plan.	February 2017 AC Meeting	Completed	The Building Asset Management Plan document was finalised on 22 October 2019 and acts as the single point of truth for land and building assets for LSC. Furthermore, its next review date is 21 October 2021, which fulfills the requirement of a bi-annual review process.





Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
		Management Plan as a whole.	<p>Note: any significant changes to legislation which affects Council's building policies or plans would be reported separately to Council.</p> <p>Council is in the process of updating the Building Asset Management Plan and will make allowance for this.</p> <p><b>Responsibility:</b></p> <p>Manager Technical Services (March 2016 – May 2019)</p> <p>Manager Assets and Infrastructure, David Southcombe (May 2019 – May 2020)</p>			
<p><b>Finding FN17</b></p> <p>Inadequate investment to meet identified future liability and a lack of follow up actions relating to previous</p>	<b>M</b>	<p><b>Recommendation FN17-01</b></p> <p>Perform a comprehensive assessment as part of its budget preparations to formulate an accurate required investment figure based on:</p>	<p><b>FN17-01</b></p> <p>Agreed. Council is investing an annual \$400k which is in line with the current Building Asset Management Plan. .</p>	February 2017 AC Meeting	Completed	<p>The annual rolling program for buildings was developed and mentioned in the Building Asset Management Plan, which was endorsed on 22 October 2019. Management also advised that a summary of all plans and strategies are included in the</p>



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
gap analysis undertaken.		<p>New and existing buildings to be maintained, upgraded, refurbished or have components replaced; and</p> <p>Existing assets identified for inclusion in special maintenance or capital works programs or scheduled for disposal.</p> <p><b><u>FN17-02</u></b></p> <p>Develop a priority listing of works that can be undertaken with available funds, and plans to manage any buildings in need of works that cannot be undertaken due to insufficient funds; and</p> <p><b><u>FN17-03</u></b></p> <p>Perform an annual review to identify if previous investment has been adequate and to update work priorities.</p>	<p><b><u>FN17-02</u></b></p> <p>It is recognised that more accurate investment modelling is required based upon pending condition audits to determine if this investment is adequate.</p> <p>Preparation of detailed gap analysis.</p> <p><b><u>FN17-03</u></b></p> <p>Following completion of detailed building audit a rolling program of capital renewal and upgrade will also be established. This will form the basis of prioritising any future investment and the required allocations in the budget.</p> <p>Development of annual rolling program for buildings.</p>			Long-Term Financial Plan. Therefore, LSC is now adequately identifying future liability and follow-up actions relating to previous gap analysis undertaken.



Existing Internal Audit Recommendation					Revised Internal Audit Recommendation	
Finding Description	Finding Risk Rating	Recommendation	Management Responses	Initial Timeline	Status	Comments
			<u>Responsibility:</u> Manager Technical Services (March 2016 – May 2019).  Manager Financial Services, Deanne Caserta.			



## Appendix A – Basis and Use of Report

We are engaged by Loddon Shire Council (the client) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit and Risk Committee. This report has been prepared in accordance with the objectives and procedures agreed in the audit scope document and subject to the following limitations:

- Our procedures were designed to provide limited assurance which recognises that absolute assurance is rarely attainable, due to such factors as the use of judgement in gathering and evaluating evidence and forming conclusions, and the use of selective testing, and because much of the evidence available for review is persuasive rather than conclusive in nature.
- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout a specified period and any tests performed were on a sample basis.
- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.
- The matters raised in this report are only those which come to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.
- Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.
- This report is not to be used by any other party for any purpose nor should any other party seek to rely on the opinions, advice or any information contained within this report. In this regard, we recommend that parties seek their own independent advice. HLB Mann Judd disclaims all liability to any party other than the client for which it was prepared in respect of or in consequence of anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in this report. Any party, other than the client for which it was prepared, who chooses to rely in any way on the contents of this report, does it so at their own risk.
- The information in this report and in any related oral presentation made by HLB Mann Judd is confidential between HLB Mann Judd and the client for which it was prepared and should not be disclosed, used or duplicated in whole or in part for any purpose except with the prior written consent of HLB Mann Judd. An electronic copy or print of this document is an uncontrolled copy.

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TOGETHER WE MAKE IT HAPPEN

**10.3 REVIEW OF COVID-19 FINANCIAL HARDSHIP POLICY**

**File Number:** 18/01/001

**Author:** Deanne Caserta, Manager Financial Services

**Authoriser:** Sharon Morrison, Director Corporate Services

**Attachments:** 1. COVID-19 Financial Hardship Policy v2

**RECOMMENDATION**

That Council rescinds the COVID-19 Financial Hardship Policy v2 when it expires on 31 December 2020.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

The second version of the COVID-19 Financial Hardship Policy (the Policy) was approved in August 2020 and had a review timeline of four months. This is set to expire on 31 December 2020.

**BACKGROUND**

The purpose of the Policy is to set principles for Loddon Shire Council to assist ratepayers who are experiencing financial hardship as a result of COVID-19 in making payments of rates and waste charges raised by Council.

The effect of the COVID-19 Financial Hardship Policy is to extend Council's existing Financial Hardship Policy by:

- extending the application of the policy to all ratepayers, not just residential ratepayers in relation to their primary place of residence
- encouraging payment plans
- placing a hold on interest on debt accumulated during the COVID-19 pandemic from 16 March 2020 until 31 December 2020
- refraining from legal action for the collection of current rates and charges (Section 181 sales to continue).

**ISSUES/DISCUSSION**

In August 2020, Council extended its application of the Policy until 31 December 2020 due to the ongoing impact of COVID-19. With the state slowly coming out of lock-down and activities returning closer to a COVID-normal basis, it is believed that this policy is no longer required and any further applications for hardship can revert to conditions within the Financial Hardship Policy.

**COST/BENEFITS**

Council has received minimal contact from most ratepayers in regard to applications for COVID-19 financial assistance.

In response, Council staff have increased the written and telephone correspondence to outstanding ratepayers. Staff have been encouraging a payment plan to be put into place where possible, to gradually reduce the outstanding amounts which has resulted in an increase in payment plan arrangements.

As at 30 June 2019, Council had a total rates and charges outstanding amount of \$214,420 or 2.0% of total rates and charges raised for the year.

As at 30 June 2020, Council had total rates and charges outstanding amount of \$275,552 or 2.5% of total rates and charges raised for the year, only a small increase on the previous year.

**RISK ANALYSIS**

There is a risk that service delivery will be impacted due to lost income. As at the 1 January 2021, interest can be raised again for any past rates and charges that are yet to be paid. Council will also be able to recommence debt collection processes to ensure that collection of any overdue amounts.

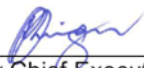
As the policy does not provide relief for non-current rates and charges (that is, rates and charges due in previous years), there is a risk that debt collection procedures for these amounts will be seen as lacking in compassion. These debts have been outstanding as far back as 2006 and were due well before COVID-19 commenced.

**CONSULTATION AND ENGAGEMENT**

Council has had ongoing discussions around this document since the inception in May 2020.



## COVID-19 FINANCIAL HARDSHIP POLICY

DOCUMENT TYPE:	Council Policy
DOCUMENT STATUS:	Approved
DOCUMENT OWNER POSITION:	Manager Financial Services
INTERNAL COMMITTEE ENDORSEMENT: APPROVED BY:	Not applicable Council
DATE ADOPTED:	25/08/2020
VERSION NUMBER:	2
REVIEW DATE:	31/12/2020
DATE RESCINDED:	
RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	Council Plan 2019-2021 Rating Strategy Financial Hardship Policy Rates Policy Revenue and Debt Collection Policy
RELATED LEGISLATION:	Local Government Act 1989 Victorian Charter of Human Rights and Responsibilities Act 2006
EVIDENCE OF APPROVAL:	 Signed by Chief Executive Officer
FILE LOCATION:	K:\EXECUTIVE\Strategies policies and procedures\Policies - adopted PDF and Word\POL COVID-19 Financial Hardship Policy v2.docx

**Policy documents are amended from time to time, therefore you should not rely on a printed copy being the current version. Please consult the policies on the Loddon Shire website (Council Policies) or Intranet (Organisational Policies) to ensure that the version you are using is up to date.**

**This document is available in alternative formats (e.g. larger font) if requested.**





## COVID-19 FINANCIAL HARDSHIP POLICY

### 1 PURPOSE

The purpose of this COVID-19 Financial Hardship Policy is to provide Council with a framework for providing financial relief to individuals and business that need assistance from the impacts of the Coronavirus Pandemic. The policy aims to provide ratepayers with a clear and transparent understanding of options and assistance available if they are currently experiencing financial hardship due to the pandemic.

### 2 SCOPE

This policy applies to ratepayers who have an outstanding rate or charge with Council.

The policy provides direction to Council's officers when collecting and providing for rates and rate related debts owed to Council and to ensure Council takes into consideration the financial hardship caused by COVID-19. Council will provide assistance to those in financial hardship in accordance with the Local Government Act 1989, while ensuring it does not jeopardise the funding of its operations.

The policy will be guided by the principles of transparency, efficiency, capacity to pay and equity by treating all debtors consistently and in a fair manner.

### 3 POLICY

The Coronavirus disease (COVID-19) is a new virus that can cause an infection in people, including a severe respiratory illness. COVID-19 spreads through close contact with an infected person, mostly via face to face contact. COVID-19 was declared a global pandemic on the 30 January 2020 and a State of Emergency was declared in Victoria on the 16 March 2020.

Rates income is a secure and reliable source of revenue that Council uses to deliver services to the community. In times of crises it is important to remember that Council still requires cashflow to deliver critical services to the community, however, it is also recognised that the COVID-19 pandemic will cause significant financial hardship for members of the community and Council has a responsibility to provide assistance.

#### 3.1 Financial hardship

Financial hardship is a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary. This policy addresses temporary financial hardship due to the impacts of COVID-19. Council's existing Financial Hardship Policy only allows for financial hardship experienced by a residential ratepayer in relation to their primary residence. This policy will apply to all rateable properties in Loddon.

#### 3.2 Payment plan and interest hold

The total deferral of all financial responsibilities due to an event can cause a secondary bout of financial stress when the event has concluded, and bills are owed. Council's aim is to provide assistance to ratepayers through the COVID-19 event without creating additional financial stress when the pandemic has been resolved.

Council will encourage ratepayers to set up a payment plan with Council tailored specifically to the ratepayers needs to reduce the amount of debt owing after the pandemic. Council will hold interest on debt accumulated during the COVID-19 pandemic. The interest hold will begin from the



## COVID-19 FINANCIAL HARDSHIP POLICY

declaration of the State of Emergency, 16 March 2020, until the 31 December 2020 to allow time for the debt to be paid without interest. If any debt is still outstanding at 1 January 2021, Council's Revenue and Debt Collection Policy will apply. Rates notices will continue to be issued while a payment arrangement is in place.

### 3.3 Rates deferral and interest hold

If the ratepayer is unable to enter in to a payment plan immediately, Council will defer the debt accumulated during the COVID-19 pandemic and will hold interest on this debt from the declaration of the State of Emergency, 16 March 2020, until the 31 December 2020 to allow time for the debt to be paid without interest. If any debt is still outstanding at 1 January 2021, Council's Revenue and Debt Collection Policy will apply. Rates notices will continue to be issued while deferment is in place.

### 3.4 Debt recovery

Council will make a reasonable attempt to contact a customer about their overdue account. This may include a reminder letter, account statement, email, text message or phone call. During the COVID-19 pandemic, Council will hold off on legal action for the collection of current rates and charges. This does not include legal action to recover the payment of fines or legal action in relation to properties which have been approved for debt recovery under Section 181 of the Local Government Act 1989 by Council. The debtor will be liable for all legal costs incurred by Council in the debt collection process.

## 4 DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Term	Definition
Council	Loddon Shire Council, being a body corporate constituted as a municipal Council under the Local Government Act 1989.
Debt	Debt is the amount (of money) owed by a debtor as a result of a transaction with Council.
Debtor	Debtor refers to the individual, organisation or other party that owes a debt as a result of a transaction with Council.
Ratepayer	The occupier of any rateable property who is liable to pay rates. This maybe the property owner or a tenant who under the lease agreement is liable to pay rates.

## 5 HUMAN RIGHTS STATEMENT

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act. Loddon Shire Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.

## 6 REVIEW

This policy may be reviewed when one of the following triggers occur:

- the State of Emergency is lifted
- the date determined in the review date
- Council's cashflow position is threatened.

**10.4 FINANCE REPORT FOR THE PERIOD ENDING 30 NOVEMBER 2020**

**File Number:** 08/06/001

**Author:** Deanne Caserta, Manager Financial Services

**Authoriser:** Sharon Morrison, Director Corporate Services

**Attachments:** 1. Finance Report for the period ending 30 November 2020

**RECOMMENDATION**

That Council:

1. receives and notes the 'Finance Report for the period ending 30 November 2020'
2. approves budget revisions included in the report for internal reporting purposes only
3. approves the supplementary valuations of rateable and non-rateable properties in respect of the 2020/21 financial year, as returned by the Shire Valuer, LG Valuations Pty Ltd, and endorses them being incorporated into the Register of Rateable and Non Rateable Properties and Rate Book for 2020/21.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council is provided with Finance Reports on a monthly basis with the exception of when changes to the Council meeting timetable result in the Council meeting occurring before the completion of the end of month finance procedures.

**BACKGROUND**

The Finance Report for the period ended 30 November 2020 standard monthly information about budget variations, cash, investments, interest, debtors and creditors, and provides a comparison of year-to-date actual results to year-to-date budget (by dollars and percentage) and total revised budget (by percentage).

The information is in the format provided in the adopted 2020/21 Budget, and includes operating results, capital expenditure and funding sources.

The report this month does not provide explanation on budget timing variances as this timing work is not fully complete.

This Finance Report also includes reporting on supplementary valuations. Each year Council makes a number of additions, subtractions and alterations to the valuations contained in the annual rate book. These changes arise from various sources including:

- splitting of parcels into new rateable assessments
- development of vacant or unproductive land (urban and rural)
- consolidation of separate rateable assessments into one assessment
- re-assessment of property valuations arising from objections to the initial valuation
- additions and cancellations of licences (grazing and water frontages)
- change of use
- covenant on Title

- area amendment
- change of Australian Valuation Property Classification Code (AVPCC)
- supplementary valuation corrections.

## ISSUES/DISCUSSION

**Budgeted Surplus** - Council's budgeted cash surplus has decreased by \$270K to \$0.88M.

**Income Statement (revenue)** - Council's year to date (YTD) operating revenue is at 56% of total budget. Revenue brought to account for November was \$1.92M (October was \$2.26M).

**Income Statement (expenditure)** - Council's operating expenditure is at 33% of total budget. Payments for this month totalled just over \$2.28M (\$2.61M in October).

**Capital Works** - The approved budget for capital works is \$24.49M and is 10% complete in financial terms for the current financial year (October was 6%).

**Service Areas** – Appendix 3 now provides Council with a clearer picture of the net result for each service area. As further work is done on service planning and reviews throughout the year, the cost of each service will be refined.

**Balance Sheet** - Council has a cash total of \$28.8M with \$5.6M in general accounts. Total debtors at the end of November are \$11.54M (\$12.13 in October). Sundry debtors total \$1.51M with invoices outstanding for 90 or more days relating to community wellbeing debtors and local community groups totalling approximately \$30K.

## COST/BENEFITS

The benefit to Council and the community is that accurate and regular financial reporting is being disclosed, along with an accurate representation of property valuations being reflected in Council's rating system and the distribution of rate notices for the year 2020/21.

Provision of financial reports on at least a quarterly basis is a requirement of the Local Government Act.

## RISK ANALYSIS

The provision of regular and accurate finance reports to Council minimises the risk of Council not delivering projects within the approved budget. Council's risk exposure is also increased if the rating system does not reflect the valuation changes associated with supplementary valuations as Council will not be aware of the changes, which can alter the rate revenue in the current year and in future rating years.

## CONSULTATION AND ENGAGEMENT

There has been considerable consultation internally with respective managers in understanding their budget responsibilities and keeping within budgetary constraints.

Consultation with ratepayers and authorities that act on behalf of ratepayers occurs when a change to a property is required or occurs by virtue of a sale.

External engagement with the community was undertaken during the submission period of the budget, and regular reporting provides a mechanism of monitoring the financial outcomes of Council against that expectation.

# LODDON SHIRE COUNCIL

## FINANCE REPORT FOR PERIOD ENDING 30 NOVEMBER 2020



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## INTRODUCTION

At the start of the financial year, Council implemented a new chart of accounts structure and as a result improvements will be gradually made to the monthly finance report to provide information in different formats to assist Councillors and the public to understand Council's current financial position.

During November 2020, Council finalised the return for the Victorian Local Government Grants Commission (previously known as the Victoria Grants Commission). Work has also commenced on the Long Term Financial Plan and the Revenue and Rating Plan with an initial discussion held with Councillors at the November Meeting.

Staff within the Procurement Department have also finalised the implementation of electronic purchase orders and are continuing the work on a goods receiving module at the moment to make the complete purchasing process paperless. A trial has also commenced on the electronic workflow of invoices using our document management system.

## 1 CASH SURPLUS POSITION

### 1.1 Budget revisions

One major and several minor budget variations have been processed for November 2020.

As a result the cash surplus has decreased from \$1,154,180 to \$884,109.

Details of all major adjustments are included in the table below:

<b>Opening Surplus (Position as at 31 October 2020)</b>	<b>\$ 1,154,180</b>
<b>ADJUSTMENTS</b>	
Roads to recovery income adjusted from 2019/20	-\$ 250,351.00
Software implementation	-\$ 19,720.00
<b>Closing surplus (Position as at 30 November 2020)</b>	<b>\$ 884,109</b>

## 2 STANDARD INCOME STATEMENT

Budget revisions are up to date and timing of the budget has been underway with work to continue in this space. Variance reporting has been included in this monthly report where variations occur within the statements of 10% of \$30,000.

### 2.1 Operating revenue

Total revenue brought to account for the month of November was \$1.92M. The total income received is 56% of the total revised budget income for 2020/21.

#### 2.1.1 Statutory fees

There is an increase in activity in both the planning and building permit departments and as a result, higher than expected fee income has been raised. This accounts for almost \$77K of the overall variation.

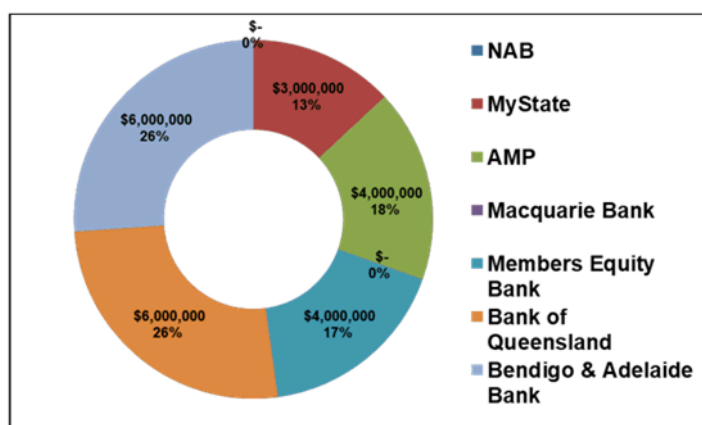
## 2.1.2 Interest income

Council's Investment Policy requires investment of funds with authorised deposit taking institutions rated AAA+ to BBB- with a maximum of 40% of funds at any one institution and a maximum of \$2M in any one transaction.

The total investment interest received and accrued to date is \$138K. Rates interest amounts to \$NIL due to Council waiving interest on rates until 31 December 2020. Year to date represents 37% of the total Revised Budget amount of \$375K.

All investments are term deposits and are currently with banks which meet Council's rating standards as below:

Current investments:						
NAB	A1+AA-					\$ - 0.0%
MyState	A2/BBB+					\$ 3,000,000 13.0%
AMP	A2/BBB+					\$ 4,000,000 17.4%
Macquarie Bank	A1/A					\$ - 0.0%
Members Equity Bank	A2/BBB					\$ 4,000,000 17.4%
Bank of Queensland	A2/BBB					\$ 6,000,000 26.1%
Bendigo & Adelaide Bank	A2/BBB+					\$ 6,000,000 26.1%
<b>Council Funds on Term Deposit</b>					<b>\$23,000,000</b>	<b>100%</b>



The below table shows all investments for the financial year to date:

LODDON SHIRE COUNCIL INVESTMENT SCHEDULE												
Bank	Establishment date	Status	Maturity date	Term (days)	Interest rate	Investment amount	Total interest receivable on TD	Interest accrued 2019/20	YTD accrued interest	Total interest accrued	YTD interest received	Total YTD interest earned
Bendigo & Adelaide Bank	31/12/2018	Closed	N/A	N/A	1.00%	\$ 1,000,000		\$ -	\$ -	\$ -	\$ 230	\$ 230
Members Equity Bank	28/05/2020	Closed	28/07/2020	61	0.95%	\$ 2,000,000	\$ 3,175	\$ 1,718	\$ -	\$ -	\$ 1,457	\$ 1,457
Members Equity Bank	28/05/2020	Closed	26/08/2020	90	1.10%	\$ 2,000,000	\$ 5,425	\$ 1,989	\$ -	\$ -	\$ 3,436	\$ 3,436
MyState	16/03/2020	Closed	16/09/2020	184	1.75%	\$ 2,000,000	\$ 17,644	\$ 10,164	\$ -	\$ -	\$ 7,479	\$ 7,479
MyState	15/04/2020	Closed	15/10/2020	183	1.75%	\$ 2,000,000	\$ 17,548	\$ 7,288	\$ -	\$ -	\$ 10,260	\$ 10,260
MyState	17/03/2020	Closed	19/10/2020	216	1.75%	\$ 2,000,000	\$ 20,712	\$ 10,068	\$ -	\$ -	\$ 10,644	\$ 10,644
Bank of Queensland	5/05/2020	Closed	5/11/2020	184	1.45%	\$ 2,000,000	\$ 14,619	\$ 4,449	\$ -	\$ -	\$ 10,170	\$ 10,170
AMP	25/05/2020	Closed	25/11/2020	184	1.65%	\$ 2,000,000	\$ 16,636	\$ 3,255	\$ -	\$ -	\$ 13,381	\$ 13,381
Bank of Queensland	28/05/2020	Open	28/01/2021	245	1.15%	\$ 2,000,000	\$ 15,438	\$ 2,079	\$ 9,641	\$ 11,721	\$ -	\$ 9,641
Members Equity Bank	18/05/2020	Open	18/02/2021	276	1.20%	\$ 2,000,000	\$ 18,148	\$ 2,827	\$ 10,060	\$ 12,888	\$ -	\$ 10,060
Bendigo & Adelaide Bank	26/08/2020	Open	26/02/2021	184	0.65%	\$ 2,000,000	\$ 6,553	\$ -	\$ 3,419	\$ 3,419	\$ -	\$ 3,419
Members Equity Bank	25/05/2020	Open	25/03/2021	304	1.20%	\$ 2,000,000	\$ 19,989	\$ 2,367	\$ 10,060	\$ 12,427	\$ -	\$ 10,060
Bank of Queensland	12/06/2020	Open	12/04/2021	304	1.05%	\$ 2,000,000	\$ 17,490	\$ 1,036	\$ 8,803	\$ 9,838	\$ -	\$ 8,803
AMP	5/05/2020	Open	5/05/2021	365	1.55%	\$ 2,000,000	\$ 31,000	\$ 4,756	\$ 12,995	\$ 17,751	\$ -	\$ 12,995
AMP	6/05/2020	Open	6/05/2021	365	1.55%	\$ 2,000,000	\$ 31,000	\$ 4,671	\$ 12,995	\$ 17,666	\$ -	\$ 12,995
Bank of Queensland	28/07/2020	Open	28/06/2021	335	0.85%	\$ 2,000,000	\$ 15,603	\$ -	\$ 5,822	\$ 5,822	\$ -	\$ 5,822
Bendigo & Adelaide Bank	6/10/2020	Open	2/08/2021	300	0.60%	\$ 1,000,000	\$ 4,932	\$ -	\$ 904	\$ 904	\$ -	\$ 904
Bendigo & Adelaide Bank	6/10/2020	Open	1/09/2021	330	0.60%	\$ 1,000,000	\$ 5,425	\$ -	\$ 904	\$ 904	\$ -	\$ 904
Bendigo & Adelaide Bank	19/10/2020	Open	14/09/2021	330	0.06%	\$ 2,000,000	\$ 10,849	\$ -	\$ 138	\$ 138	\$ -	\$ 138
MyState	6/10/2020	Open	6/10/2021	365	0.70%	\$ 1,000,000	\$ 7,000	\$ -	\$ 1,055	\$ 1,055	\$ -	\$ 1,055
MyState	15/10/2020	Open	15/10/2021	365	0.70%	\$ 2,000,000	\$ 14,000	\$ -	\$ 1,764	\$ 1,764	\$ -	\$ 1,764
Total Interest on Investments								\$ 56,668	\$ 78,560	\$ 96,297	\$ 57,057	\$ 135,617
Interest on General Accounts											\$ 1,821	\$ 1,821
Total Interest												\$ 137,538
Interest transferred to/from externally funded projects											\$ -	\$ -
<b>Net interest on investments</b>												<b>\$137,538.33</b>



Due to the short term nature of the term deposits, those deposits which have not reached maturity are included as cash in the Balance Sheet.

#### 2.1.3 Non recurrent grants (operating)

The main variation in this area relates to the Working for Victoria program where additional staff approvals have been granted, the invoices raised and expenditure underway. This will need a budget variation to suit the updated grant approval amounts.

#### 2.1.4 Recurrent grants (capital)

Grant income is raised as a milestone within a project is completed. Some projects are behind expected timing and others are ahead. The main variation in this area relates to Roads to Recovery of \$995K with a claim invoice yet to be raised for quarter one of the year.

### 2.2 **Operating expenditure**

Total operating expenditure for November was \$2.28M. The total expenditure for the month is 33% of the total revised budget expenditure for 2020/21.

#### 2.2.1 Creditors

Creditors are currently at 55% of YTD Budget. The main variations where project expenditure has been delayed are:

- Bridgewater female change rooms of \$182K with the project yet to commence
- mental health drought package of \$46K with the project progressing slower than expected
- outdoor eating funding of \$249K with the project still in the planning phase
- various community planning projects that have not yet commenced.

#### 2.2.2 Fuel

During lockdown for COVID-19 many staff were, and still are, working from home which has reduced the fuel costs to date along with quite low per litre fuel costs.

#### 2.2.3 Contractors

The main variations within the contractors expenditure relates to the timing of invoices that are received for both cleaning and waste contracts. This is expected to continue throughout the year where the invoices are not received in a timely manner for processing.

#### 2.2.4 Utilities

Budgeted expenditure for utilities is based on either a quarterly or monthly timing schedule and there are occasions where invoices are received at later times than expected therefore creating a variation between what Council expected to incur to date and what has incurred. Facility lock downs during COVID-19 has also resulted in a lower water and electricity consumption rates for some buildings within Council operations.

#### 2.2.5 Grants expenditure

Council has approved all community grants for the financial year but there is a delay in some committees returning approval forms which are required to be submitted before payment is released. These are being followed up on a regular basis.

2.2.6 Payments

During the month the following payments were made:

Creditor payments - cheque	\$3,237.57
Creditor payments - electronic funds transfer	\$1,556,030.64
Payroll (2 pays)	\$607,570.65
<b>TOTAL</b>	<b>\$2,166,838.86</b>

2.3 **Operating surplus**

The operating surplus to date is \$5.91M, or 305% of YTD Actual.

2.4 **Capital expenditure**

Total capital works expenditure for November was \$924K. The total revised budget amount for 2020/21 is \$24.49M, therefore capital works are 10% complete with 42% of the year elapsed.

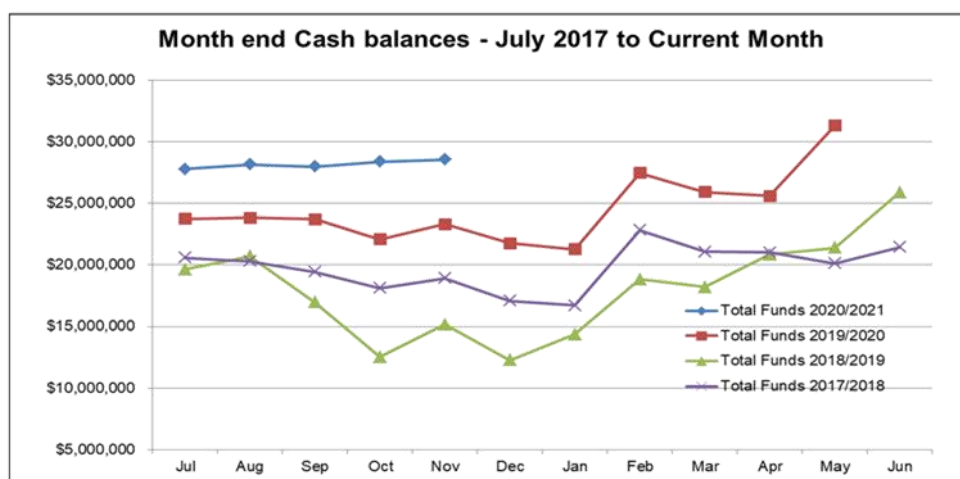
The main variations within capital expenditure relate to:

- the purchase of plant and fleet, which is currently \$562K behind YTD budget. Orders have been placed for most of the fleet and plant items and Council is just waiting on delivery
- building and property maintenance with the building asset management plan allocations now finalised and some works are underway, but others are still in the design phase
- major caravan park improvement works along with the purchase of caravan parks have a variation of \$816K with works commencing for the improvement program but a delay in finalisation of the sale with legislated gazetting requirements still to be completed
- various community planning projects of \$142K due to limited staff available in this department along with COVID-19 restrictions which have closed many community facilities temporarily.

**3 STANDARD BALANCE SHEET**3.1 **Cash**

At the end of the month, Council's overall cash total was \$28.8M which includes a balance of \$5.6M in general accounts.

Month end balances for Council's cash, from July 2017 until the current month, are reflected in the following graph:



### 3.2 Receivables

#### 3.2.1 Debtors

Monthly balances of the various categories of debtors for the financial year are:

Debtor category	November 2019	August 2020	September 2020	October 2020	November 2020
Rates	8,744,005	10,717,454	9,928,636	9,580,959	9,032,289
Fire Services Property Levy	1,001,027	1,226,826	1,130,148	1,089,739	1,025,446
<b>Total Rates &amp; Fire Services Property Levy</b>	<b>9,745,032</b>	<b>11,944,281</b>	<b>11,058,784</b>	<b>10,670,698</b>	<b>10,057,736</b>
Sundry debtors	890,139	1,058,771	1,430,350	1,480,562	1,509,554
Community loans/advances	2,400	1,200	1,200	1,200	1,200
Long term loans/advances	-	-	-	-	-
Employee superannuation	2,822	(6,254)	(8,183)	5,373	2,686
Magistrates court fines	100,319	100,319	100,319	100,319	100,319
LESS provision for doubtful debts	(118,887)	(127,248)	(127,248)	(127,248)	(127,248)
<b>Total</b>	<b>10,621,824</b>	<b>12,971,069</b>	<b>12,455,223</b>	<b>12,130,904</b>	<b>11,544,248</b>

#### 3.2.2 Rates debtors

Outstanding rates and Fire Services Property Levy at the end of selected months were:

	Nov 2019 (2/11/2019)	August 2020 (4/9/2020)	September 2020 (2/10/2020)	October 2020 (2/11/2020)	November 2020 (2/11/2020)
2006/07 to 2016/17	\$ 55,592	\$ 39,884	\$ 39,418	\$ 38,834	\$ 34,809
2006/07 to 2016/17 FSPL	\$ 8,971	\$ 6,369	\$ 6,312	\$ 6,250	\$ 5,548
2017/18	\$ 42,312	\$ 27,598	\$ 26,532	\$ 25,862	\$ 24,566
2017/18 Fire Services Property Levy	\$ 8,392	\$ 5,829	\$ 5,706	\$ 5,630	\$ 5,432
2018/19	\$ 102,403	\$ 50,510	\$ 45,609	\$ 44,878	\$ 42,180
2018/19 Fire Services Property Levy	\$ 16,977	\$ 9,829	\$ 9,209	\$ 9,109	\$ 8,866
2019/20	\$ 8,551,245	\$ 198,316	\$ 176,984	\$ 165,014	\$ 154,748
2019/20 Fire Services Property Levy	\$ 959,141	\$ 31,587	\$ 28,924	\$ 27,014	\$ 26,021
2020/21	\$ -	\$ 10,401,148	\$ 9,654,699	\$ 9,320,995	\$ 8,790,556
2020/21 Fire Services Property Levy	\$ -	\$ 1,173,211	\$ 1,065,390	\$ 1,027,113	\$ 965,009
<b>Sub-total: arrears</b>	<b>\$ 9,745,032</b>	<b>\$ 11,944,281</b>	<b>\$ 11,058,784</b>	<b>\$ 10,670,698</b>	<b>\$ 10,057,736</b>
Current year (outstanding but not due)	\$ 8,551,245	\$ 10,401,148	\$ 9,654,699	\$ 9,320,995	\$ 8,790,556
Fire Services Property Levy	\$ 959,140	\$ 1,173,211	\$ 1,065,390	\$ 1,027,113	\$ 965,009
<b>Total outstanding</b>	<b>\$ 9,510,385</b>	<b>\$ 11,574,359</b>	<b>\$ 10,720,090</b>	<b>\$ 10,348,108</b>	<b>\$ 9,755,566</b>
<i>Summary</i>					
Rates in arrears	\$ 200,307	\$ 316,308	\$ 288,544	\$ 274,588	\$ 256,303
FSPL in arrears	\$ 34,340	\$ 53,615	\$ 50,151	\$ 48,003	\$ 45,867
<b>Total arrears</b>	<b>\$ 234,647</b>	<b>\$ 369,922</b>	<b>\$ 338,694</b>	<b>\$ 322,590</b>	<b>\$ 302,170</b>

3.2.3 Sundry debtors

Outstanding sundry debtors at the end of the month consist of:

Current	\$69,153	38%
30 days	\$75,314	42%
60 days	\$5,948	3%
90 + days	\$29,790	17%
<b>Sub total routine debtors</b>	<b>\$180,204</b>	<b>100%</b>
Paid Parental Leave	\$0	
Government departments	\$1,259,403	
GST	\$69,948	
<b>Total</b>	<b>\$1,509,554</b>	
90 + days consists of:		
Community Wellbeing debtors	\$1,776	
Local community groups	\$913	
Others	\$27,100	
<b>Total</b>	<b>\$29,790</b>	

Total outstanding sundry debtors as at 30 November 2020 are \$1.51M.

The mainstream sundry debtors (\$180K) have been broken into the amount of time they have been outstanding. At the time of this report \$30K or 17% of that total has been outstanding for more than 90 days. All debtors are contacted as a matter of routine.

3.2.4 Supplementary valuations

All rateable and non-rateable supplementary valuations are included in this report.

Valuation type	1 July 2020 Revaluation	Opening Balance	Supplementary changes	Closing balance
Site Value	\$1,556,194,900	\$1,648,997,500	\$ -	\$1,648,997,500
Capital Improved Value	\$2,354,772,700	\$2,495,897,300	\$ -	\$2,495,897,300
NAV	\$ 120,800,115	\$ 127,920,875	\$ -	\$ 127,920,875

There have been no supplementary valuations during November 2020.

The total rateable CIV at the end of November 2020 is just under \$2.50B.

3.3 **Water rights**

Council-owned water rights were valued at \$2.98M at 30 June 2020.

The rights are revalued to market at the end of each financial year.

There have been no purchases to date this financial year, and no future purchases are budgeted for 2020/21.

## APPENDIX 1: STANDARD INCOME STATEMENT

Element	2020/21 Original Budget	2020/21 Revised Budget	2020/21 YTD Revised Budget	2020/21 YTD Actuals	2020/21 YTD Percentage Variance
<b>Income</b>					
69 - Statutory Fees	277,532	277,532	116,918	193,671	166%
70 - Fees & Charges	1,464,986	1,455,039	641,911	606,018	94%
71 - Contribution	100,000	410,000	4,165	(1,300)	-31%
73 - Interest	375,200	375,200	145,835	137,539	94%
77 - Reimbursements	277,411	277,411	119,755	98,110	82%
80 - Rates	11,461,007	11,461,007	11,250,730	11,337,029	101%
81 - Non Recurrent Grants (Operating)	152,766	1,960,018	725,902	1,963,401	270%
82 - Recurrent Grants (Operating)	6,299,505	6,298,049	3,075,948	3,095,827	101%
83 - Recurrent Grants (Capital)	2,387,726	2,898,352	762,088	38,116	5%
84 - Non Recurrent Grants (Capital)	0	7,995,604	1,193,864	1,384,245	116%
90 - VicRoads	510,474	510,474	212,695	215,236	101%
<b>Total Income</b>	<b>23,306,607</b>	<b>33,918,686</b>	<b>18,249,811</b>	<b>19,067,892</b>	<b>104%</b>
<b>Expenses</b>					
01 - Labour	11,492,803	12,015,547	4,736,666	4,756,606	100%
04 - Creditors	8,903,914	13,819,937	5,813,112	3,220,281	55%
05 - Stores	70,286	70,286	29,285	0	0%
06 - Fuel	1,051,376	1,051,376	438,067	333,637	76%
07 - Contractors	1,797,721	1,825,060	706,872	425,186	60%
08 - Depreciation	9,666,789	9,666,789	4,027,815	4,027,829	100%
09 - Utilities	527,885	526,665	208,585	134,419	64%
25 - Grants Expenditure	361,400	376,354	354,039	254,838	72%
45 - Bad Debts Expense	0	0	0	6,714	0%
63 - Reversal of Impairment Losses	0	0	0	(32)	0%
<b>Total Expenses</b>	<b>33,872,174</b>	<b>39,352,014</b>	<b>16,314,441</b>	<b>13,159,478</b>	<b>81%</b>
<b>Net Result Surplus / (Deficit)</b>	<b>(10,565,567)</b>	<b>(5,433,328)</b>	<b>1,935,370</b>	<b>5,908,414</b>	<b>305%</b>

\*Income and expense items required by Australian Accounting Standards (AAS)

## APPENDIX 2: STANDARD CAPITAL WORKS STATEMENT

Element	2020/21 Original Budget	2020/21 Revised Budget	2020/21 YTD Revised Budget	2020/21 YTD Actuals	2020/21 YTD Actuals
<b>Funding Decisions</b>					
88 - Reserves Transfer From	6,466,816	17,890,190	0	0	0%
89 - Reserves Transfer To	(2,341,772)	(2,467,116)	0	0	0%
74 - Asset Sales (Capital)	471,181	867,071	635,644	382,163	60%
<b>Total Funding Decisions</b>	<b>4,596,225</b>	<b>16,290,145</b>	<b>635,644</b>	<b>382,163</b>	<b>60%</b>
<b>Capital Expenditure</b>					
12 - Economic Development	0	0	0	5,000	0%
21 - Caravan Parks	7,500	2,010,437	837,680	21,724	3%
31 - Aged Care Services	0	0	0	3,000	0%
40 - Community Support	0	31,335	13,055	41,664	319%
41 - Community Planning - Boort	0	1,105	460	0	0%
42 - Community Planning - Inglewood	50,000	120,500	50,210	0	0%
43 - Community Planning - Tamagulla	50,000	61,683	25,700	0	0%
44 - Community Planning - Terricks	50,000	20,848	8,685	2,273	26%
45 - Community Planning - Wedderburn	50,000	25,000	10,415	0	0%
47 - Grants & Community Planning	750,000	4,348,189	48,730	0	0%
49 - Swimming Pools	0	15,101	4,530	0	0%
65 - Information Technology	185,000	185,000	77,085	78,766	102%
71 - Council Engineering and Technical Services	0	50,000	0	0	0%
72 - Project & Contract Management	2,555,132	11,629,294	3,129,255	1,583,610	51%
73 - Roads to Recovery	2,387,726	3,180,550	1,023,865	484,649	47%
75 - Local Laws and Animal Management	0	102,121	42,550	0	0%
82 - Building & Property Maintenance	535,000	706,983	294,575	56,209	19%
84 - Fleet	522,000	1,618,140	674,225	112,562	17%
90 - Parks & Townships	100,000	90,310	37,630	294	1%
98 - Waterways Management	0	288,781	120,325	0	0%
<b>Total Capital Expenditure</b>	<b>7,242,358</b>	<b>24,485,377</b>	<b>6,398,975</b>	<b>2,389,751</b>	<b>37%</b>
<b>Non Cash Adjustments</b>					
08 - Depreciation	9,666,789	9,666,789	4,027,815	4,027,829	100%
45 - Bad Debts Expense	0	0	0	6,714	0%
63 - Reversal of Impairment Losses	0	0	0	(32)	0%
<b>Total Non Cash Adjustments</b>	<b>9,666,789</b>	<b>9,666,789</b>	<b>4,027,815</b>	<b>4,034,511</b>	<b>100%</b>
Accumulated surplus bought forward	3,640,629	4,845,880	0	0	100%
<b>Net Cash Surplus / (Deficit)</b>	<b>95,718</b>	<b>884,109</b>	<b>199,854</b>	<b>7,935,338</b>	<b>3971%</b>



## APPENDIX 3: NET RESULT BY SERVICE AREA

Service Area	2020/21 Full Year Budget	2020/21 Total Revised Budget	2020/21 YTD Revised Budget November	2020/21 YTD Actuals November	2020/21 YTD Percentage Variance November
11 - Administration and Management	2,881,065	3,349,959	1,169,145	324,106	73.00%
12 - Economic Development	93,510	(65,857)	(302,997)	(333,798)	956.77%
13 - Council Executive	1,106,573	1,157,020	487,246	209,729	54.51%
14 - Library Services	216,502	216,502	108,252	103,281	-14.49%
21 - Caravan Parks	(60,165)	1,328,449	661,196	(78,139)	211.56%
22 - Loddon Discovery Tours	83	101	202	118	-292.57%
23 - Tourism	346,479	366,219	139,116	131,443	8.95%
31 - Aged Care Services	622,547	1,653,197	264,668	163,578	36.94%
32 - Elderly Persons Units	(15,795)	(16,152)	(9,541)	(4,935)	-25.06%
33 - Rural Access	25,000	145,653	60,690	622	94.03%
34 - Seniors	43,048	43,097	26,981	(1,868)	110.42%
40 - Community Support	950,577	1,214,055	588,763	533,451	-34.69%
41 - Community Planning - Boort	0	84,684	35,285	0	0.00%
42 - Community Planning - Inglewood	50,000	186,478	77,700	73	99.65%
43 - Community Planning - Tamagulla	50,000	283,402	118,085	11,270	45.91%
44 - Community Planning - Terricks	50,000	122,932	51,220	2,273	89.09%
45 - Community Planning - Wedderburn	50,000	258,543	107,725	2,052	90.15%
46 - Emergency Management	16,447	16,353	10,505	21,693	-216.68%
47 - Grants & Community Planning	821,891	1,823,499	358,504	55,524	83.79%
48 - Municipal Health & Wellbeing	8,500	139,522	58,135	7,566	-113.42%
49 - Swimming Pools	538,314	561,758	175,389	45,995	79.49%
50 - Maternal and Child Health	193,733	307,402	125,049	13,450	83.34%
51 - Early Years	148,236	426,207	127,705	20,781	66.36%
52 - Boort Pre School	0	(0)	(8,166)	(2,166)	43221.00%
53 - Dingee Pre School	(0)	0	(12,308)	(6,651)	44241.20%
54 - Inglewood Pre School	0	(0)	(18,324)	7,422	-74318.10%
55 - Pyramid Hill Pre School	0	(0)	(7,583)	(782)	15536.80%
56 - Wedderburn Pre School	0	(0)	(7,184)	(4,083)	40731.90%
59 - Youth	6,560	14,572	6,070	(12,250)	548.72%
60 - Corporate Governance	166,163	293,580	142,715	32,947	44.99%
61 - Financial Services	(10,176,944)	(22,618,809)	(1,207,355)	(1,281,018)	-69.79%
62 - Rates & Property	(9,641,826)	(9,682,071)	(9,588,370)	(9,608,572)	139.17%
63 - Customer Service	293,129	293,726	141,850	92,985	23.87%
64 - Information Management	230,218	240,234	108,559	102,867	-7.23%
65 - Information Technology	889,092	942,880	400,300	297,969	19.57%
66 - Human Resources & Development	728,156	815,592	367,396	112,682	62.86%
67 - Risk Management	443,711	446,921	284,389	290,929	-57.36%

## APPENDIX 3: NET RESULT BY SERVICE AREA (Continued)

Service Area	2020/21 Full Year Budget	2020/21 Total Revised Budget	2020/21 YTD Revised Budget November	2020/21 YTD Actuals November	2020/21 YTD Percentage Variance November
71 - Council Engineering & Technical Services	231,555	349,090	122,865	61,588	36.16%
72 - Project & Contract Management	2,535,338	5,734,909	2,078,325	241,903	77.10%
73 - Roads to Recovery	0	944,007	464,729	484,649	-100.00%
74 - Building Regulation	72,870	72,985	28,423	11,730	61.38%
75 - Local Laws and Animal Management	372,730	520,373	102,710	(137,117)	188.29%
76 - Public Health	99,957	100,040	19,102	(9,414)	122.60%
77 - Strategic & Statutory Planning	145,483	146,557	61,417	(6,656)	110.98%
80 - Aircraft Landing Area	9,393	8,476	3,910	655	83.25%
82 - Building & Property Maintenance	1,370,585	1,669,355	730,031	350,447	38.63%
84 - Plant and Fleet	(2,023,737)	(1,111,074)	(273,763)	(1,367,472)	62.17%
86 - Gravel Pits	(86,567)	(86,567)	(36,266)	1,189	-103.30%
88 - Management & Administration	512,411	512,643	204,206	210,878	-3.39%
90 - Parks & Townships	1,171,430	1,243,992	512,735	358,631	26.53%
92 - Roads	4,201,610	4,280,042	1,591,173	1,889,730	-7.94%
94 - DoT Routine Maintenance Contract	(75,783)	(75,783)	(36,377)	(88,834)	181.34%
96 - Waste Management	244,353	281,569	(948,981)	(1,211,539)	1290.00%
98 - Waterways Management	47,849	197,630	134,895	23,751	-19.17%
<b>Grand Total</b>	<b>(95,718)</b>	<b>(862,109)</b>	<b>(199,854)</b>	<b>(7,935,339)</b>	<b>13384.01%</b>



## APPENDIX 4: STANDARD BALANCE SHEET

	November 2020 As per trial balance	June 2020 As per financial statements	November 2019 As per trial balance
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$28,770,087	\$30,326,446	\$23,495,958
Trade and other receivables	\$11,542,980	\$807,408	\$10,619,427
Financial assets	\$159,788	\$462,212	\$9,314
Inventories	\$26,800	\$26,782	\$39,343
Non-current assets classified as held for sale	\$540,076	\$540,076	\$556,091
<b>TOTAL CURRENT ASSETS</b>	<b>\$41,039,731</b>	<b>\$32,162,924</b>	<b>\$34,720,133</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	\$1,268	\$1,268	\$2,397
Financial assets	\$275,436	\$275,336	\$787,578
Intangible assets	\$2,979,650	\$2,979,650	\$2,702,545
Property, infrastructure, plant and equipment	\$358,763,236	\$362,791,061	\$352,140,557
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$362,019,590</b>	<b>\$366,047,315</b>	<b>\$355,633,077</b>
<b>TOTAL ASSETS</b>	<b>\$403,059,321</b>	<b>\$398,210,239</b>	<b>\$390,353,210</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	\$910,142	\$1,339,196	\$179,206
Trust funds and deposits	\$1,379,685	\$356,380	\$1,363,134
Provisions	\$2,976,436	\$2,622,435	\$2,429,469
Interest bearing loans and borrowings	\$0	\$0	\$0
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$5,266,263</b>	<b>\$4,318,011</b>	<b>\$3,971,809</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	\$1,716,013	\$1,716,013	\$1,797,418
Interest bearing loans & borrowings	\$0	\$0	\$0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$1,716,013</b>	<b>\$1,716,013</b>	<b>\$1,797,418</b>
<b>TOTAL LIABILITIES</b>	<b>\$6,982,276</b>	<b>\$6,034,024</b>	<b>\$5,769,227</b>
<b>NET ASSETS</b>	<b>\$396,077,045</b>	<b>\$392,176,215</b>	<b>\$384,583,984</b>
<b>EQUITY</b>			
Accumulated Surplus	\$94,819,162	\$90,918,332	\$97,430,876
Asset Revaluation Reserve	\$278,439,144	\$278,439,144	\$265,442,673
Other Reserves	\$22,818,739	\$22,818,739	\$21,710,435
<b>TOTAL EQUITY</b>	<b>\$396,077,045</b>	<b>\$392,176,215</b>	<b>\$384,583,984</b>

## APPENDIX 5A: COMMUNITY PLANNING FINANCIALS BOORT

Boort Community Plans					ACTUALS			BUDGET		
YEAR	LEDGER R	LEDGER	JOB CODE	PROJECT	2020/21 FINANCIAL YEAR			2020/21 FINANCIAL YEAR		
					INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST
				Income						
				Unspent Allocation from Previous Years	\$84,684	\$0	\$84,684	\$84,684	\$0	\$84,684
				This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
				Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
				Movement in Wards	\$0	\$0	\$0	\$0	\$0	\$0
				Strategic Fund	\$0	\$0	\$0	\$0	\$0	\$0
				Transfer from Reserve	\$0	\$0	\$0	\$0	\$0	\$0
				<b>Total Amount Available</b>	<b>\$134,684</b>	<b>\$0</b>	<b>\$134,684</b>	<b>\$134,684</b>	<b>\$0</b>	<b>\$134,684</b>
2017/18	26850	2241951355XX	CP1170012241951355	Lake Boort Outdoor Furniture	\$0	\$0	\$0	\$0	\$1,105	\$1,105
<b>CURRENT</b>				<b>Boort Community Plans Unallocated</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$133,579</b>	<b>\$133,579</b>
				<b>Total Expenditure for the Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$134,684</b>	<b>\$134,684</b>
				<b>Total Amount Not Spent at the End of the Year, and Available for Next Year</b>			<b>\$134,684</b>			<b>\$0</b>

## APPENDIX 5B: COMMUNITY PLANNING FINANCIALS INGLEWOOD

Inglewood Community Plans					ACTUALS			BUDGET		
YEAR	LEDGER	LEDGER	JOB CODE	PROJECT	2020/21 FINANCIAL YEAR			2020/21 FINANCIAL YEAR		
					INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST
				Income						
				Unspent Allocation from Previous Years	\$136,478	\$0	\$136,478	\$136,478	\$0	\$136,478
				This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
				Strategic Fund	\$0	\$0	\$0	\$0	\$0	\$0
				Movement in Wards	\$0	\$0	\$0	\$0	\$0	\$0
				Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
				<b>Total Amount Available</b>	<b>\$186,478</b>	<b>\$0</b>	<b>\$186,478</b>	<b>\$186,478</b>	<b>\$0</b>	<b>\$186,478</b>
				<b>LESS Expenditure for the Year</b>						
2011/12	24804	2242954315XX	CP2110012242954315	Brodgewater Streetscape	\$0	\$73	\$73	\$0	\$39,500	\$39,500
2019/20	26856	2242954315XX	CP2200012242954315	Inglewood Eucy Museum Annex Alloc 2	\$0	\$0	\$0	\$0	\$81,000	\$81,000
<b>CURRENT</b>				<b>Inglewood Community Plans Unallocated</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,978</b>	<b>\$65,978</b>
				<b>Total Expenditure for the Year</b>	<b>\$0</b>	<b>\$73</b>	<b>\$73</b>	<b>\$0</b>	<b>\$186,478</b>	<b>\$186,478</b>
				<b>Total Amount Not Spent at the End of the Year, and Available for Next Year</b>			<b>\$186,405</b>			<b>\$0</b>

## APPENDIX 5C: COMMUNITY PLANNING FINANCIALS TERRICK

Terrick Community Plans					ACTUALS			BUDGET		
YEAR	LEDGER	LEDGER	JOB CODE	PROJECT	2020/21 FINANCIAL YEAR			2020/21 FINANCIAL YEAR		
					INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST
				Income						
				Unspent Allocation from Previous Years	\$72,932	\$0	\$72,932	\$72,932	\$0	\$72,932
				This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
				Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
				Strategic Fund	\$0	\$0	\$0	\$0	\$0	\$0
				<b>Total Amount Available</b>	<b>\$122,932</b>	<b>\$0</b>	<b>\$122,932</b>	<b>\$122,932</b>	<b>\$0</b>	<b>\$122,932</b>
				<b>LESS Expenditure for the Year</b>						
2010/11	16279	2244218665XX	CP4100012244218665	Pyramid Hill Rural Water Community Areas	\$0	\$0	\$0	\$0	\$7,091	\$7,091
2017/18	26849	2244219600XX	CP4170012244958680	Pyramid Hill Memorial Hall Power Upgrade	\$0	\$2,273	\$2,273	\$0	\$2,273	\$2,273
2018/19	18352	2244218665XX	CP4180022244218665	Dingee EPU Feasibility Study	\$0	\$0	\$0	\$0	\$12,000	\$12,000
2018/19	27907	2244219600XX	CP4160012244958680	P/H Lions Park Redevelopment	\$0	\$0	\$0	\$0	\$18,575	\$18,575
2019/20	18712	2244218665XX	CP4200012244218665	Musmo Sporting Rooms Flood Upgrade	\$0	\$0	\$0	\$0	\$10,000	\$10,000
2019/20	18713	2244218665XX	CP4200022244218665	Dingee Memorial Hall Toilet	\$0	\$0	\$0	\$0	\$20,000	\$20,000
<b>CURRENT</b>				<b>Terrick Community Plans Unallocated</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$52,993</b>	<b>\$52,993</b>
				<b>Total Expenditure for the Year</b>	<b>\$0</b>	<b>\$2,273</b>	<b>\$2,273</b>	<b>\$0</b>	<b>\$122,932</b>	<b>\$122,932</b>
				<b>Total Amount Not Spent at the End of the Year, and Available for Next Year</b>			<b>\$120,659</b>			<b>\$0</b>

## APPENDIX 5D: COMMUNITY PLANNING FINANCIALS WEDDERBURN

Wedderburn Community Plans					ACTUALS			BUDGET		
YEAR	LEDGER	LEDGER	JOB CODE	PROJECT	2020/21 FINANCIAL YEAR			2020/21 FINANCIAL YEAR		
					INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST
				Income						
				Unspent Allocation from Previous Years	\$208,543	\$0	\$208,543	\$208,543	\$0	\$208,543
				This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
				Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
				Movement in Wards	\$0	\$0	\$0	\$0	\$0	\$0
				Strategic Fund	\$0	\$0	\$0	\$0	\$0	\$0
				Total Amount Available	\$258,543	\$0	\$258,543	\$258,543	\$0	\$258,543
				Expenditure						
2016/17	16912	2245219490XX	CP5160012245219490	Wedderburn Town Entry	\$0	\$2,257	\$2,257	\$0	\$33,310	\$33,310
2016/17	16913	2245219490XX	CP5160022245219490	Wedderburn Caravan Park	\$0	\$0	\$0	\$0	\$50,000	\$50,000
2018/19	27909	2245959500XX	CP5160012245959500	Wedderburn Caravan Park Redevelopment	\$0	\$0	\$0	\$0	\$25,000	\$25,000
CURRENT				Wedderburn Community Plans Unallocated	\$0	\$0	\$0	\$0	\$199,233	\$199,233
				Total Expenditure for the Year	\$0	\$2,257	\$2,257	\$0	\$258,543	\$258,543
				Total Amount Not Spent at the End of the Year, and Available for Next Year			\$256,286			\$0

## APPENDIX 5E: COMMUNITY PLANNING FINANCIALS TARNAGULLA

Tarnagulla Community Plans					ACTUALS			BUDGET		
YEAR	LEDGER	LEDGER	JOB CODE	PROJECT	2020/21 FINANCIAL YEAR			2020/21 FINANCIAL YEAR		
					INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST
				Income						
				Unspent Allocation from Previous Years	\$154,402	\$0	\$154,402	\$154,402	\$0	\$154,402
				This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
				Strategic Fund	\$79,000	\$0	\$79,000	\$79,000	\$0	\$79,000
				Movement in Wards	\$0	\$0	\$0	\$0	\$0	\$0
				Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
				Total Amount Available	\$283,402	\$0	\$283,402	\$283,402	\$0	\$283,402
				LESS Expenditure for the Year						
2017/18	16658	2243218605XX	CP4170042243218605	Laanecoorie Boat Ramp	\$0	\$0	\$0	\$0	\$0	\$0
2017/18	12924	2243218605XX	CP3170052243218605	Newbridge Solar Bollards	\$0	\$0	\$0	\$0	\$1,234	\$1,234
2018/19	17307	2243218605XX	CP3170062243218605	Rheola Hall verandah Flood Light	\$0	\$0	\$0	\$0	\$1,533	\$1,533
2018/19	17309	2243218605XX	CP3160022243218605	Newbridge Race Reserve BBQ Shelter	\$0	\$0	\$0	\$0	\$3,915	\$3,915
2018/19	17314	2243218605XX	CP3160032243218605	Newbridge Playground Shelter	\$0	\$10,000	\$10,000	\$0	\$10,000	\$10,000
2019/20	18704	2243218605XX	CP3190012243218605	TaCPSF Laanecoorie Hall Paint	\$0	\$0	\$0	\$0	\$20,000	\$20,000
2019/20	18706	2243218605XX	CP3190022243218605	TaCPSF Tarnagulla Community Centre Asphalt	\$0	\$0	\$0	\$0	\$50,000	\$50,000
2019/20	28659	2243959620XX	CP3200062243959620	Tarnagulla Hall Solar System	\$0	\$0	\$0	\$0	\$21,174	\$21,174
2019/20	18708	2243218605XX	CP3200032243218605	Rheola Hall Heating and Cooling	\$0	\$0	\$0	\$0	\$13,200	\$13,200
2019/20	18709	2243218605XX	CP3200042243218605	Rheola Park Pipeline Connection	\$0	\$0	\$0	\$0	\$10,259	\$10,259
2019/20	28659	2243959620XX	CP3200082243959620	Newbridge Progress Park BBQ and Shelter	\$0	\$0	\$0	\$0	\$10,509	\$10,509
2019/20	18710	2243218605XX	CP3200052243218605	Laanecoorie Notice Board	\$0	\$0	\$0	\$0	\$2,000	\$2,000
2019/20	18711	2243218605XX	CP3200072243218605	Newbridge Notice Board	\$0	\$0	\$0	\$0	\$2,000	\$2,000
2020/21		2243218605XX	CP3210012243218605	TaCPSF Shelbourne Railway	\$0	\$0	\$0	\$0	\$1,500	\$1,500
2020/21		2243959620XX	CP3200092243959620	TaCPSF Soldiers Memorial Park Toilets	\$0	\$0	\$0	\$0	\$30,000	\$30,000
2020/21		2243218605XX	CP3200102243218605	TaCPSF Rheola Hall Restoration	\$0	\$0	\$0	\$0	\$27,500	\$27,500
2020/21		2243218605XX	CP3200112243218605	TaCPSF Laanecoorie Hall Paint Alloc 2	\$0	\$0	\$0	\$0	\$20,000	\$20,000
CURRENT		2243218605XX		Tarnagulla Community Plans Unallocated	\$0	\$0	\$0	\$0	\$58,578	\$58,578
				Total Expenditure for the Year	\$0	\$10,000	\$10,000	\$0	\$283,402	\$283,402
				Total Amount Not Spent at the End of the Year, and Available for Next Year			\$273,402			\$0

## APPENDIX 6: MAJOR PROJECTS AND CAPITAL EXPENDITURE

Account	2020/21 Full Year Budget	2020/21 Total Revised Budget	2020/21 YTD Revised Budget November	2020/21 YTD Actuals November	2020/21 YTD Revised Variance November	2020/21 YTD Percentage Revised Variance November
<b>11 - Commercial Services</b>	<b>7,500</b>	<b>2,010,437</b>	<b>837,680</b>	<b>26,724</b>	<b>810,956</b>	<b>96.81%</b>
1890 - Caravan Park-Capital	7,500	7,500	3,125	4,100	(975)	-31.20%
1910 - Caravan Park Improvement Prog	0	1,209,615	504,005	17,624	486,381	96.50%
1921 - Caravan Park Purchase	0	778,322	324,300	0	324,300	100.00%
1922 - Caravan Park Entrance	0	15,000	6,250	0	6,250	100.00%
2475 - Council Land & Building Sales	0	0	0	5,000	(5,000)	-100.00%
<b>21 - Aged Care</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>(3,000)</b>	<b>-100.00%</b>
6885 - Property Maintenance Operating	0	0	0	3,000	(3,000)	-100.00%
<b>22 - Community Support</b>	<b>950,000</b>	<b>4,623,761</b>	<b>161,785</b>	<b>43,937</b>	<b>117,848</b>	<b>72.84%</b>
1355 - Boort Community Plans-Capital	0	1,105	460	0	460	100.00%
1477 - Boort Park Grants	0	4,489	1,870	0	1,870	100.00%
2340 - Community Plans Strategic Fund	250,000	250,000	0	0	0	0.00%
3000 - Donaldson Park Grants	0	3,311,232	0	0	0	0.00%
4315 - Inglewood Comm Plans-Capital	50,000	120,500	50,210	0	50,210	100.00%
4520 - Inglewood Sports Centre Grants	0	112,468	46,860	0	46,860	100.00%
4745 - Lake Boort Projects	500,000	550,000	0	0	0	0.00%
6500 - Pool Capital Works	0	15,101	4,530	0	4,530	100.00%
7252 - Pyramid Hill Com Centre Grants	0	120,000	0	0	0	0.00%
7335 - Recreation Facility Upgrades	0	0	0	41,664	(41,664)	-100.00%
8620 - Tarnagulla Community Plans	50,000	61,683	25,700	0	25,700	100.00%
8680 - Terrick Community Plan-Capital	50,000	20,848	8,685	2,273	6,412	73.83%
8830 - Trails Signage	0	31,335	13,055	0	13,055	100.00%
9500 - Wedderburn Comm Plans-Capital	50,000	25,000	10,415	0	10,415	100.00%
<b>33 - Information Management</b>	<b>185,000</b>	<b>185,000</b>	<b>77,085</b>	<b>78,766</b>	<b>(1,681)</b>	<b>-2.18%</b>
4607 - ICT Rural Council Project	0	0	0	77,380	(77,380)	-100.00%
6180 - PC Replacement	185,000	185,000	77,085	1,385	75,700	98.20%
<b>41 - Assets &amp; Infrastructure</b>	<b>4,942,858</b>	<b>14,859,844</b>	<b>4,153,120</b>	<b>2,068,258</b>	<b>2,084,862</b>	<b>50.20%</b>
1590 - Bridges & Culverts Cap Works	143,965	2,988,976	1,245,405	242,658	1,002,747	80.52%
3025 - Drainage Capital Works	350,000	1,959,956	816,645	687,713	128,932	15.79%
3585 - Flood Mitigation PH	0	1,148,000	0	0	0	0.00%
3586 - Flood Mitigation Brt	0	340,465	141,860	0	141,860	100.00%
3655 - Footpaths Capital Works	278,928	1,238,868	75,000	299,402	(224,402)	-299.20%
4650 - Kerb & Channel Capital Works	0	166,576	69,405	0	69,405	100.00%
5670 - Minor Plant & Equip-Capital	15,000	15,000	6,250	29	6,221	99.54%
6435 - Plant Replacement	880,900	0	0	220,011	(220,011)	-100.00%
7250 - Pyramid Hill Streetscape	0	1,610,000	0	7,509	(7,509)	-100.00%
7345 - Recreation Reserve Mowers	35,000	70,000	0	0	0	0.00%
7585 - Road Amenity Capital Works	129,892	264,704	110,295	4,703	105,592	95.74%
7600 - Road Construction Capital Work	1,132,224	2,739,427	1,141,420	117,972	1,023,448	89.66%
7620 - Road Reseals	0	723,259	0	0	0	0.00%
7630 - Road Resheets Capital Works	1,358,453	921,346	313,100	443,559	(130,459)	-41.67%
7645 - Road Resheets Preparation Work	62,280	62,280	0	0	0	0.00%
7660 - Road Safety Capital Works	162,365	459,407	191,420	0	191,420	100.00%
7675 - Road Shoulder Sheet Cap Works	378,851	86,580	36,070	19,621	16,449	45.60%
8200 - Signage Maintenance & Improve	15,000	15,000	6,250	25,081	(18,831)	-301.30%
8260 - Skinners Flat Water Supply	0	50,000	0	0	0	0.00%

Account	2020/21 Full Year Budget	2020/21 Total Revised Budget	2020/21 YTD Revised Budget November	2020/21 YTD Actuals November	2020/21 YTD Revised Variance November	2020/21 YTD Percentage Revised Variance November
<b>42 - Development &amp; Compliance</b>	<b>0</b>	<b>102,121</b>	<b>42,550</b>	<b>0</b>	<b>42,550</b>	<b>100.00%</b>
6735 - Pound Livestock	0	102,121	42,550	0	42,550	100.00%
<b>44 - Works</b>	<b>1,157,000</b>	<b>2,704,214</b>	<b>1,126,755</b>	<b>169,066</b>	<b>957,689</b>	<b>85.00%</b>
1575 - BRIC Office Operations	0	13,608	5,670	0	5,670	100.00%
1725 - Building Asset Project-Capital	530,000	688,375	286,820	56,209	230,611	80.40%
1835 - Bridgewater Foreshore S2	0	288,781	120,325	0	120,325	100.00%
2520 - Council Property Fencing	5,000	5,000	2,085	0	2,085	100.00%
3550 - Fleet Replacement	522,000	522,000	217,500	89,109	128,391	59.03%
6270 - Plan & Strategy Implementation	100,000	90,310	37,630	294	37,336	99.22%
6435 - Plant Replacement	0	1,096,140	456,725	23,453	433,272	94.87%
<b>Grand Total</b>	<b>7,242,358</b>	<b>24,485,377</b>	<b>6,398,975</b>	<b>2,389,751</b>	<b>4,009,224</b>	<b>62.65%</b>

**11 INFORMATION REPORTS****11.1 HARD HILL TOURIST RESERVE - INSTRUMENT OF APPOINTMENT**

**File Number:** fol/20/7157  
**Author:** Sharon Morrison, Director Corporate Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** 1. Hard Hill Tourist Reserve - Instrument of Appointment  
2. Map

**RECOMMENDATION**

That Council:

1. note Council's appointment as the committee of management for reserves described in the report
2. note that under section 65 of the Local Government Act, the Hard Hill Reserve Committee of Management has been delegated responsibility for the management of the reserves
3. authorise the payment of \$1626 to the Hard Hill Recreation Reserve Committee of Management, which sum is currently held in trust by Council at the request of DELWP

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this paper, or involved in the subject matter of the paper.

**PREVIOUS COUNCIL DISCUSSION**

This matter was discussed at the Council forum in June 2019.

**BACKGROUND**

In June 2019, Council commenced discussions with the Department of Environment, Land, Water and Planning (DELWP) and the Hard Hill Board of Management Inc for the transfer of Hard Hill Tourist Reserve "the reserve" to Council as the committee of management

These discussions resulted in the Hard Hill Board of Management Inc agreeing to relinquish their role as Board of Management, and DELWP agreeing to revoke the appointment of the Hard Hill Board of Management Inc and appoint Loddon Shire Council as the committee of management.

At the time, a Council section 86 committee of management was effectively managing the reserve through a complicated informal memorandum of understanding. This committee was also sub delegated to manage an adjoining parcel of land known as Government Battery.

The appointment of Council as the committee of management ensures that Government Battery and Hard Hill Tourist Reserve are managed as a precinct with a clear sub-delegation from Council under section 65 of the Local Government Act to the Hard Hill Reserve committee of management.

**ISSUES/DISCUSSION**

As part of the transition from the Hard Hill Board of Management Inc to Council as the committee of management, DELWP provided money to Council which had been collected by the Hard Hill Board of Management Inc for the purpose of maintaining the reserve.

This money has been held in trust by Council pending the appointment of Council as the Crown Land committee of management and the sub-delegation of the management of the reserves to the Hard Hill Reserve Committee of Management.

**COST/BENEFITS**

There was no cost to Council other than officer time involved in co-ordinating this arrangement. The benefit is a clear and transparent arrangement for the management of the Government Battery and Hard Hill Reserve.

**RISK ANALYSIS**

There is a risk that committee will not have sufficient volunteers to manage the reserves or sufficient income to maintain the asset. This risk will be monitored with the annual submission of reports about the activities of and the financials for the reserves.

**CONSULTATION AND ENGAGEMENT**

Key stakeholders in this matter have been the members of the former Crown Land Board of Management, DELWP representatives, Council representatives and Hard Hill Reserve Committee of Management and Wedderburn Tourism (informal manager of the reserve on behalf of Hard Hill Board of Management) representatives.





Department of Environment,  
Land, Water and Planning

## INSTRUMENT OF APPOINTMENT

### COMMITTEE OF MANAGEMENT

#### HARD HILL TOURIST RESERVE - WEDDERBURN

Under section 14(2) and (3) of the *Crown Land (Reserves) Act 1978* and pursuant to the delegation of 3 December 2019, on behalf of the Minister for Energy, Environment and Climate Change, I hereby:

1. revoke the appointment of the Hard Hill Board of Management Incorporated, constituted by Order in Council of 9 December 2003 and published in the Government Gazette on 11 December 2003, page 3175, as the committee of management of:
  - Crown allotment 4K, section 12, Parish of Wedderburne, temporarily reserved for Public purposes (Tourism at Hard Hill Purposes) by Order in Council of 28 November 1978 (and published in the Government Gazette on 6 December 1978, page 3788); and
  - Crown allotment 4Q, section 12, Parish of Wedderburne, temporarily reserved for Public Purposes (Tourism) by Order in Council of 19 December 2000 (and published in the Government Gazette on 21 December 2000, page 3057)
2. appoint the Loddon Shire Council as the committee of management of the above described reserves.

File Ref: 0606738

**Marg Allan**

Regional Director  
Loddon Mallee

(As delegate of the Minister for Energy, Environment and Climate Change)

**Date:** 4/11/2020



Environment,  
Land, Water  
and Planning



**PROPERTY**

RICHMOND PLAINS ROAD WEDDERBURN  
RICHMOND PLAINS-WEDDERBURN ROAD  
WEDDERBURN

<http://tst-communityhub.loddon.vic.gov.au/public/processExternalAction.aspx?element=assessmentid&source=pozi&id=67707>

**LAND PARCEL**

4K~12\PP3782  
4Q~12\PP3782

**WARD AND COUNCILLORS**

WEDDERBURN

Pozi - Loddon

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**12 COMPLIANCE REPORTS**

Nil

**13 GENERAL BUSINESS**

**14 CONFIDENTIAL ITEMS****RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 66(1) and 66(2)(a) of the Local Government Act 2020:

**14.1 REVIEW OF CONFIDENTIAL ACTIONS**

This matter is considered to be confidential under Section 3(1)(h) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with confidential meeting information, being the records of meetings closed to the public under section 66(2)(a).

Pursuant to section 66(5)(b) of the Local Government Act 2020, if released the information to be received, discussed or considered in relation to this agenda item, may disclose confidential meeting information, being the records of meetings closed to the public under section 66(2)(a)

**14.2 Contract 464 – Waste and Recycling Collection Services**

This matter is considered to be confidential under Section 3(1)(a) and (g(ii)) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released and private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

Pursuant to section 65(5)(b) of the Local Government Act 2020, if released the information to be received, discussed or considered in relation to this agenda item, may prejudice the commercial position of Council and/or disadvantage a private business.

**14.3 Contract 488 Footpath Construction 2020-21**

This matter is considered to be confidential under Section 3(1)(a) and (g(ii)) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released and private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

Pursuant to section 65 (5)(b) of the Local Government Act 2020, if released the information to be received, discussed or considered in relation to this agenda item, may prejudice the commercial position of Council and/or disadvantage a private business, as various negotiations remain pending.

Closing of Meeting to the Public

**RECOMMENDATION**

That the meeting be closed to the public.

**NEXT MEETING**

The next Ordinary Meeting of Council will be held on 27 January 2021 commencing at at 3pm.

There being no further business the meeting was closed at [enter time](#).

Confirmed this.....day of..... 2020