



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

Date: Tuesday, 28 January 2020
Time: 3pm
Location: Council Chambers, Serpentine

AGENDA

Ordinary Council Meeting

28 January 2020

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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: Allan Bawden, Acting Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council confirm:

1. The minutes of the Council Briefing of 10 December 2019
2. The minutes of the Ordinary Council Meeting of 10 December 2019
3. The minutes of the Council Forum of 14 January 2020

REPORT

Seeking approval of the unconfirmed minutes of the previous meetings.

6 REVIEW OF ACTION SHEET

6.1 REVIEW OF ACTIONS

File Number: 02/01/002

Author: Lynne Habner, Manager Executive and Commercial Services

Authoriser: Allan Bawden, Acting Chief Executive Officer

Attachments: 1. Action sheet

RECOMMENDATION

That Council receive and note the action sheet.

REPORT

Refer attachment.

Outstanding	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Friday, 10 January 2020 3:30:46 PM

Outstanding action from previous meetings

Meeting	Officer/Director	Section	Subject
Council 10/12/2019	Gladman, Wendy Gladman, Wendy	Decision Reports	ADDITION TO FACILITIES ELIGIBLE TO RECEIVE A HALLS AND RECREATION RESERVE ALLOCATION
RESOLUTION 2019/299			
Moved: Cr Neil Beattie			
Seconded: Cr Colleen Condliffe			
That Council			
<ol style="list-style-type: none"> 1. Add Kingower Church to the list of eligible facilities to receive an allocation through Council's Hall and Recreation Reserve Allocation program (commencing with a 2019/20 allocation) 2. allocate a criteria rating of 2C: Hall (Main facility in a low populated area OR secondary facility) 3. provide this allocation to the community Committee of Management for the facility 4. provide this allocation only while: <ol style="list-style-type: none"> a) there is a functioning Incorporated Committee of Management in place b) the facility remains available for wider community use. 			
CARRIED			
<i>8/01/2020 11:22:10 PM - Wendy Gladman</i> Due to staff availability and office closure, this Action has not progressed at this time.			

Outstanding	Division: Committee: Officer:	Council	Date From: Date To:
Action Sheets Report			Printed: Friday, 10 January 2020 3:30:46 PM

Actions completed since last meeting

Meeting	Officer/Director	Section	Subject
Council 10/12/2019	Harvey, Glenn Phillips, Steven	Decision Reports	Planning application 5496- Use and development of the land for a renewable energy facility (100MW solar farm), utility installation and native vegetation removal
RESOLUTION 2019/297			
Moved: Cr Colleen Condliffe Seconded: Cr Neil Beattie			
That Council move to issue a notice of decision to grant a planning permit for application 5469 for the use and development of the land for a renewable energy facility (100 MW solar farm), utility installation and the removal of native vegetation subject to the conditions defined in the attached decision report.			
CARRIED			
10/01/2020 12:47:27 PM - Glenn Harvey Action completed by: Coombes, Christine Notice of decision issued as of 12/12/2019.			

Meeting	Officer/Director	Section	Subject
Council 10/12/2019	Gladman, Wendy Gladman, Wendy	Decision Reports	Delivery of funded community care services policy
RESOLUTION 2019/298			
Moved: Cr Colleen Condliffe Seconded: Cr Gavan Holt			
That Council adopt the Delivery of Funded Community Care Services Policy.			
CARRIED			
8/01/2020 11:19:37 PM - Wendy Gladman Action completed by: Gladman, Wendy Policy has been finalised and has been placed on Council's website			

Outstanding	Division: Committee: Officer:	Council	Date From: Date To: Printed: Friday, 10 January 2020 3:30:46 PM
Action Sheets Report			
Meeting	Officer/Director	Section	Subject
Council 10/12/2019	Gladman, Wendy Gladman, Wendy	Decision Reports	2019/20 EVENT SPONSORSHIP SCHEME APPLICATION NOT MEETING ELIBILITY CRITERIA
RESOLUTION 2019/300			
Moved: Cr Neil Beattie			
Seconded: Cr Colleen Condliffe			
That Council does not provide sponsorship to the Boort Tourism Development for the Boort Christmas Festival.			
CARRIED			
<i>8/01/2020 11:21:38 PM - Wendy Gladman</i>			
Action completed by: Gladman, Wendy			
No further action required.			

7 MAYORAL REPORT

7.1 MAYORAL REPORT

File Number: 02/01/001

Author: Lynne Habner, Manager Executive and Commercial Services

Authoriser: Allan Bawden, Acting Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council receive and note the Mayoral Report

REPORT

The Mayor will present a report at the meeting.

8 COUNCILLORS' REPORT**8.1 COUNCILLORS' REPORTS**

File Number: 02/01/001

Author: Lynne Habner, Manager Executive and Commercial Services

Authoriser: Allan Bawden, Acting Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council receive and note the Councillors' reports

REPORT

Each Councillor will present a report at the meeting.

9 DECISION REPORTS**9.1 NOVEMBER 2019 AUDIT COMMITTEE MEETING OVERVIEW**

File Number:	06/02/003
Author:	Sharon Morrison, Director Corporate Services
Authoriser:	Allan Bawden, Acting Chief Executive Officer
Attachments:	1. Minutes of August 2019 Audit Committee Meeting
	2. Report on Review of Outstanding Audit Actions
	3. Report on Review of Councillor Expenses
	4. Audit Committee Proposed Calendar 2020
	5. Final Management Letter for Year Ended 30 June 2019

RECOMMENDATION

That Council:

1. receives and notes this report on the December 2019 Audit Committee Meeting
2. receives and notes the confirmed signed minutes of the August 2019 Audit Committee meeting (**attached**)
3. endorses the performance improvement recommendations documented in the:
 - (a) "Review of Outstanding Audit Actions" (**attached**)
 - (b) "Review of Councillor Expenses" (**attached**)
4. endorses the Audit Committee Proposed Calendar for 2020 (**attached**)
5. endorses the recommended actions in the Final Management Letter for Year Ended 30 June 2019 (**attached**)

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 2019 Audit Committee Meeting at the Ordinary Meeting held on 24 September 2019.

BACKGROUND

The Audit Committee was created under Section 139 of the Local Government Act 1989, which states that "Council must establish an audit committee".

The committee is made up of four independent community members, and Cr Gavan Holt, as Council's representative. At the Statutory Meeting on 7 November 2019, it was decided that Councillor Beattie be the alternate Council representative in the event that Cr Holt is unable to attend the Audit Committee Meeting. Council's Chief Executive Officer and Director Corporate Services attend the meetings in an advisory capacity.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for:

- the enhancement of the credibility and objectivity of internal and external financial reporting

- effective management of financial and other risks and the protection of Council assets
- compliance with laws and regulations as well as use of best practice guidelines
- the effectiveness of the internal audit function
- the provision of an effective means of communication between the external auditor, internal audit, management and the Council
- facilitating the organisation's ethical development
- maintaining a reliable system of internal controls.

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

ISSUES/DISCUSSION

The Audit Committee meeting was scheduled to occur on 21 November 2019, however due to illness and the Code Red Day, the meeting was rescheduled for 5 December 2019.

The agenda for the December 2019 meeting included the following:

Meeting with internal and external auditors without officers present

This meeting resulted in an action that HLB Mann Judd propose a suggested framework for the Council to better manage and make decisions regarding outstanding audit items. It was also agreed to circulate this proposal to the Audit Committee out of session.

Decision Reports

The minutes of the August 2019 Audit Committee meeting (**attached**) were endorsed.

A review of outstanding audit actions (**attached**) and a review of Councillor expenses (**attached**) were considered and referred to the Council meeting for endorsement.

The draft 2020 Audit Committee calendar was discussed and referred to Council for endorsement. (proposed calendar **attached**).

Compliance Reports

A number of compliance reports were considered and noted including:

- the Fraud Report for the July to September quarter – the Director Corporate Services provided an update
- a review of major lawsuits facing council since February 2019 – the Director Corporate Services provided an update
- items raised by Council that may impact the Audit Committee – none raised

Information Reports

The Audit Committee also received the following information reports:

- Update on service planning
- Report on superannuation and taxation process
- Reports by insurers and integrity agencies
- Monthly Finance Report
- Presentation by a staff member – Director Corporate Services
- Update on review of Local Government Act

The date of next audit committee meeting is 20 February 2020.

The next review will be Cash Handling.

COST/BENEFITS

There are costs associated with the Audit 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 Committee members and Council officers.

CONSULTATION AND ENGAGEMENT

Nil



Date: Thursday, 22 August 2019
Time: 9:15am
Location: Kooyoora Room, Wedderburn Council Office,
Wedderburn

MINUTES

Audit Committee Meeting

22 August 2019

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

**MINUTES OF LODDON SHIRE COUNCIL
AUDIT COMMITTEE MEETING
HELD AT THE KOOYOORA ROOM, WEDDERBURN COUNCIL OFFICE, WEDDERBURN
ON THURSDAY, 22 AUGUST 2019 AT 9:15AM**

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

IN ATTENDANCE: Deanne Caserta (Manager Financial Services), Michelle Hargreaves (Administration Officer Corporate Services), Sharon Morrison (Director Corporate Services), Phil Pinyon (Chief Executive Officer)

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

Mark Holloway (external Auditor)

4 DECLARATIONS OF CONFLICT OF INTEREST

Nil

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

5. PREVIOUS MINUTES**5.1 MINUTES FOR MAY 2019**

File Number: 06/02/003

Author: Michelle Hargreaves, Administration Officer

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. Minutes of the May 2019 Audit Committee meeting

RECOMMENDATION

1. That the Audit Committee accepts the minutes of the meeting held 23 May 2019.
2. That the Audit Committee authorise the chair to sign the minutes of the meeting held on 23 May 2019.
3. That the Audit Committee forward the signed minutes of the meeting held 23 May 2019 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

None

BACKGROUND

Clause 5.3 (h) of the Audit Committee Charter version 7 states that minutes will be taken by an appointed Secretary and signed by the Chair.

Clause 5.4 states that the Audit Committee shall after every meeting forward the minutes of that meeting to the next ordinary meeting of the Council.

ISSUES/DISCUSSION

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

The chair signs the confirmed meetings of the previous meeting each meeting.

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 parties.

CONSULTATION AND ENGAGEMENT

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

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

COMMITTEE RESOLUTION 2019/67

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Poxon

1. That the Audit Committee accepts the minutes of the meeting held 23 May 2019.
2. That the Audit Committee authorise the chair to sign the minutes of the meeting held on 23 May 2019.
3. That the Audit Committee forward the signed minutes of the meeting held 23 May 2019 to the next ordinary meeting of Council.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

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: Nil

RECOMMENDATION

That the Audit 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 committee meeting.

BACKGROUND

From time to time, the audit 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 committee in council and management.

CONSULTATION AND ENGAGEMENT

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

COMMITTEE RESOLUTION 2019/68

Moved: Mr Rod Baker

Seconded: Mr Jarrah O'Shea

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

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

7 DECISION REPORTS**7.1 REPORT ON INTERNAL AUDIT - HUMAN RESOURCES AND PAYROLL**

File Number: 06/02/003

Author: Sharon Morrison, Director Corporate Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. Review of Human Resource Management and Payroll

RECOMMENDATION

That the Audit Committee:

1. Note the recommendations in the Audit Report "Review of Human Resource Management and Payroll"
2. Refer the Audit Report "Review of Human Resource Management and Payroll" 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

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

BACKGROUND

Clause 5.5 of the Audit Committee Charter version 7 states that the duties and responsibilities of the Audit Committee in pursuing its Charter include to:

- (i) 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 of 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.
- (iv) 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 2015-2019. This document is updated annually to reflect the priorities for the coming year.

The internal audit report for consideration by the Audit Committee this quarter is the report titled "Review of Human Resource Management and Payroll".

This report contains noted eight findings. There are eight management actions in response to the findings:

AUDIT COMMITTEE MEETING MINUTES22 AUGUST 2019

1. Review, update and finalise the following HR related policies and procedures as outlined under the "Observation" column in a timely manner:
 - Working in Isolation Policy;
 - Work Experience Policy;
 - Drug and Alcohol Policy and Procedure;
 - Staff Exit Policy;
 - Staff, volunteers and contractors Code of Conduct;
 - Staff Exit Procedure;
 - Higher Duties Procedure;
 - Recruitment and Selection Procedure; and
 - Induction of a new employee and internal appointment procedure.
2. Communicate and make available to staff for easy access the above HR related policies and procedures.
3. 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.
4. Develop and implement a formal exit procedure for volunteers, so that the actions required can be implemented and monitored on a timely basis.
5. Ensure that the Volunteer Coordinator role is sought in a timely manner to facilitate in overseeing volunteer management practices centrally at the Council.
6. 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 and put on the file instead of an unsigned copy.
7. 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.).
8. 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.

At the date of writing this report five of the nine policies/procedures listed in management action one have been completed. A volunteer co-ordinator commenced 6 August and will implement the actions relating to volunteers.

COST/BENEFITS

The cost of the audit is in accordance with the contract awarded to HLB Manri Judd following the 2011 tender.

AUDIT COMMITTEE MEETING MINUTES**22 AUGUST 2019****RISK ANALYSIS**

There is a risk that Council will not be able to resource the implementation of management actions within the suggested timeframes. This risk is reduced by seeking input from relevant staff members about the proposed timeframes and negotiating changes to timeframes with the internal auditor prior to the finalisation of the report for the Audit 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.

COMMITTEE RESOLUTION 2019/69

Moved: Mr Rod Poxon

Seconded: Cr Gavan Holt

That the Audit Committee:

1. Note the recommendations in the Audit Report "Review of Human Resource Management and Payroll"
2. Refer the Audit Report "Review of Human Resource Management and Payroll" to the next available Council meeting.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

7.2 STRATEGIC INTERNAL AUDIT PLAN

File Number: 06/02/003

Author: Michelle Hargreaves, Administration Officer

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. Strategic Internal Audit Plan 2019-2022

RECOMMENDATION

That the Audit Committee:

1. Approves the Strategic Internal Audit Plan 2019-2022, subject to any agreed amendments being made
2. Refer the Internal Audit Plan 2019-2022 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 Committee approved the transition plan for the drafting of the Internal Audit Plan 2019-2022 at the May Audit Committee meeting.

BACKGROUND

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

ISSUES/DISCUSSION

HLB Mann Judd has prepared the attached Strategic Internal Audit Plan 2019-2022. The Audit Committee is invited to provide feedback on this draft.

COST/BENEFITS

The cost of developing the Internal Audit Plan is part of the contract Council has entered into with HLB Mann Judd. The benefits of developing an Internal Audit Plan include gaining an understanding of council's high level priorities, strategic perspectives, risk appetite and policy and portfolio objectives.

RISK ANALYSIS

Implementing the 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 this plan, while the members of Loddon Leaders have been consulted by Director Corporate Service prior to the feedback being given to HLB Mann Judd.

AUDIT COMMITTEE MEETING MINUTES**22 AUGUST 2019****COMMITTEE RESOLUTION 2019/70**

Moved: Mr Alan Darbyshire

Seconded: Mr Jarrah O'Shea

That the Audit Committee:

1. Agrees to the inclusion of the Mayor's request for a Councilors expense audit prior to the expiration of the current Council term
2. Approves the Strategic Internal Audit Plan 2019-2022, subject to any agreed amendments being made
3. Refer the Internal Audit Plan 2019-2022 to the next available Council meeting.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

7.3 RESULTS OF FINANCIAL AND PERFORMANCE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**File Number:** 06/02/003**Author:** Deanne Caserta, Manager Financial Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Draft Loddon Financial Statements 2018/19
2. Draft Loddon Performance Statements 2018/19**RECOMMENDATION**

That the Audit Committee:

1. Notes the results of the Financial and Performance Statements for the year ended 30 June 2019 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 7 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) attended Council premises during 7 to 9 August 2019.

AUDIT COMMITTEE MEETING MINUTES**22 AUGUST 2019****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.

COMMITTEE RESOLUTION 2019/71

Moved: Mr Jarrah O'Shea

Seconded: Mr Alan Darbyshire

That the Audit Committee:

1. Notes the results of the Financial and Performance Statements for the year ended 30 June 2019 and
2. Recommends to Council the adoption of the Annual Report including the Financial Statements and Performance Statements subject to a clear management letter.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

7.4 VAGO INDEPENDENT ASSURANCE REPORT TO PARLIAMENT: FRAUD AND CORRUPTION CONTROL - LOCAL GOVERNMENT JUNE 2019**File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. VAGO Independent assurance report to Parliament: Fraud and Corruption Control - Local Government June 2019**RECOMMENDATION**

That the Audit Committee:

1. Approves the suggested actions in response to the Fraud and Corruption Control – Local Government June 2019 Report
2. Refer the suggested actions to the next available Council meeting for endorsement of the 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

The Audit Committee noted the extract of the VAGO Annual Plan 2018-19 in August 2018, which did not include reference to the proposed audit of fraud and corruption controls in local government.

BACKGROUND

In June 2019, the Acting Auditor-General provided a report to parliament on Fraud and Corruption Control – Local Government (the report).

By letter dated 30 July 2019, the Minister for Local Government requested that councils review their policies, procedures and operations and ensure that the findings of the Auditor-General in the report are applied. Further, the Minister asked each council to report back by 1 September 2019 on the progress of their review and any steps taken.

ISSUES/DISCUSSION

On 5 July 2019, following receipt of the report, an email was sent to relevant staff in Council seeking feedback on the findings/observations in the report and whether there were any opportunities for improvement at Council, based on the findings/observations at the councils involved in the report. A range of feedback was received and proposed actions are set out below.

On 9 July 2019, Councillors were briefed on the report and recommendations particularly relevant to councillors were highlighted. Proposed actions in response to these recommendations are set out below.

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

Recommendations	Proposed actions
1. Require councillors to certify that their expense claims are incurred in the context of relevant legislative provisions. Councils must require councillors to provide stronger evidence to support their claims, in particular for mileage reimbursements, including records pertaining to the claim and details of the business reason and who benefited from the expense (see Section 2.2)	Review Councillors Support and Reimbursement of Expenses Policy to ensure issues identified in the report are addressed.
2. Review and update fuel card policy and guidance to clearly outline fraud and corruption controls, and require staff to confirm that they understand the terms of use and consequences for misuse (see Section 3.5)	Develop a fuel card policy, procedure and guidance to ensure issues identified in the report are addressed.
3. Review credit card policies and improve controls to ensure only allocated cardholders use their cards and there is appropriate segregation of duties over expenditure approvals (see Section 3.3)	Review Credit Card Policy to ensure issues identified in the report are addressed, including: <ul style="list-style-type: none"> - the need for sufficient commentary against credit card transactions - issuing cards to staff for specific expenditure (eg. training providers) to address the issue of non-cardholders using cards.
4. Ensure the council's chief financial officer or equivalent approves chief executive officer expenditure and report all expenditure by, or on behalf of, the chief executive officer to the Audit and Risk Committee and/or the council for periodic review (see Section 3.3)	The Mayor currently approves the CEO's credit card transactions. Consider amending the Audit Committee agenda format to include periodic review of the CEO's expenditure.
5. Document and develop formalised reporting over credit and fuel card use and incorporate, where appropriate, data analytics to identify anomalies (see Sections 3.3 and 3.5)	Develop a management reporting framework which includes, amongst other things, reporting of credit and fuel card use and appropriate data analytics.

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

<p>6. Improve fuel card controls by:</p> <ul style="list-style-type: none"> - assigning each fuel card to a specific vehicle or equipment - maintaining accurate motor vehicle and fuel card listings - updating cardholder names with fuel suppliers when the council reassigns a vehicle and fuel card to another employee - collecting fuel transaction data as accurately as possible, including odometer readings - having regular, routine processes to monitor fuel card use - conducting data analytics over fuel card transactions - conducting periodic internal audits on fuel cards (see Sections 3.3 and 3.5). 	See recommendation 2
<p>7. Review and, as necessary, revise council policies on the purchase and reimbursement of meals and alcohol considering community perceptions, and require, for transaction approval, clear evidence of the community benefit from this expenditure and appropriate supporting documentation (see Sections 2.2, 3.3, 3.4 and 4.3)</p>	Review relevant policies and procedures (including procurement; credit card; training, seminars and conferences) to ensure issues identified in the report are considered. Consider the development of a catering policy.
<p>8. Ensure that annual reports accurately capture expenses relating to senior management remuneration packages including vehicle contribution amounts (see Section 4.3)</p>	No action required - Annual reports follow templates provided by Local Government Victoria which include reporting of remuneration which is inclusive of vehicle contribution amounts.
<p>9. Ensure all council staff and councillors receive fraud and corruption awareness training at least every two years (see Section 4.4)</p>	Review training seminars and conferences policy to stipulate frequency of fraud and corruption awareness training.
<p>10. Develop or maintain fraud and corruption incident registers to accurately record suspected incidents of fraud and corruption, their handling, and all relevant supporting documentation (see Section 4.4).</p>	<p>Continue to maintain a fraud and corruption incident register.</p> <p>Ensure staff are aware of the fraud and corruption incident register by sending an awareness email each year.</p>
<p>11. Publish councillor expenses for the 2017-18 year on their websites immediately and ensure their 2018-19 annual reports comply with <i>Local Government (Planning and Reporting) Regulations 2014</i> (see Section 2.3).</p>	No action required - Councillor expenses are included in the annual report.
<p>12. Cease all sales and the provision of vehicles to council staff as part of exit packages (see Section 4.3).</p>	<p>Council does not have such a practice and is rigorous in its approach to the disposal of vehicles to ensure probity.</p> <p>Develop an Asset Disposal Policy to ensure issues identified in the report are addressed.</p>

AUDIT COMMITTEE MEETING MINUTES**22 AUGUST 2019****COST/BENEFITS**

The costs associated with the recommended actions are operational and will involve staff time. The costs associated with implementing the changes to the policies will also involve staff time.

RISK ANALYSIS

There is a risk that Council will not be able to implement the recommended actions due to competing priorities. One way to address this is to assign a risk rating to the actions. Using the risk assessment criteria in Council's recently endorsed Risk Management Policy, the likelihood of fraud occurring is possible (consequence may occur but there is a distinct possibility that it won't occur) and the consequences of a fraud incident is moderate (with a management impact over several weeks). This results in a risk rating of medium which indicates that Council should take reasonable steps to mitigate the risk. Until elimination, substitution, or engineering controls can be implemented, institute administrative or personal protective equipment controls. These "lower level" controls must not be considered permanent solutions. A suggested timeframe for action is based upon Council's internal audit plan which suggests 6 to 12 months to respond to issues with medium risk ratings.

CONSULTATION AND ENGAGEMENT

Various staff have been consulted in the preparation of this report.

COMMITTEE RESOLUTION 2019/72

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit Committee:

1. Approves the suggested actions in response to the Fraud and Corruption Control – Local Government June 2019 Report
2. Refer the suggested actions to the next available Council meeting for endorsement of the actions.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

8 COMPLIANCE REPORTS**8.1 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 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 2019 Audit Committee meeting.

BACKGROUND

Clause 5.5 (xvi) of the Audit Committee Charter version 7 states that one of the duties and responsibilities of the Audit 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 Committee is enabling the Audit Committee to monitor Council's risk exposure.

RISK ANALYSIS

Failing to provide this report may result in the Audit 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.

COMMITTEE RESOLUTION 2019/73

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit Committee note there were no Major Lawsuits Report.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

8.2 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 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 2019 Audit Committee meeting.

BACKGROUND

Clause 5.5 (xiv) of the Audit Committee Charter version 7 states that one of the duties and responsibilities of the Audit 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 Committee is enabling the Audit Committee to monitor Council's risk exposure.

RISK ANALYSIS

Failing to provide this report may result in the Audit 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.

COMMITTEE RESOLUTION 2019/74

Moved: Mr Rod Poxon
Seconded: Mr Jarrah O'Shea
That the Audit Committee note the Fraud Report.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

8.3 RISK MANAGEMENT REPORT

File Number: 06/02/003

Author: Carol Canfield, Manager Organisational Development

Authoriser: Sharon Morrison, Director Corporate Services

- Attachments:
1. Risk Management Report for the period ending August 2019
 2. VERO Motor Risk Engineering Report
 3. JLT Loddon Risk Maturity Appraisal
 4. MAV Targeted Risk Appraisal - Bridgewater Swimming Hole

RECOMMENDATION

That the Audit Committee:

1. note the Risk Management Report and
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 2019 Audit Committee meeting.

BACKGROUND

Clause 5.5 (vii) of the Audit Committee Charter version 7 states that one of the duties and responsibilities of the Audit 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 summary of the OH&S Meeting and the Risk Management Meeting as well as the Risk Register Report and other risk items of interest.

COST/BENEFITS

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

RISK ANALYSIS

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

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 COMMITTEE MEETING MINUTES

22 AUGUST 2019

COMMITTEE RESOLUTION 2019/75

Moved: Mr Rod Poxon
Seconded: Mr Alan Darbyshire

That the Audit Committee:

1. note the Risk Management Report and
2. refer the Risk Management Report to the next ordinary meeting of Council
3. receive trend data for key measures in the Risk Management Report.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

8.4 ITEMS RAISED BY COUNCIL THAT MAY IMPACT THE AUDIT COMMITTEE

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 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 August 2018 Audit Committee meeting agenda listed this matter.

BACKGROUND

Clause 5.5 (xvii) of the Audit Committee Charter version 7 states that one of the duties and responsibilities of the Audit 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 Committee.

COST/BENEFITS

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

RISK ANALYSIS

Failing to provide this report may result in the Audit 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.

COMMITTEE RESOLUTION 2019/76

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

That the Audit Committee notes there were no matters raised.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

9 INFORMATION REPORTS**9.1 MONTHLY FINANCE REPORT**

File Number: 06/02/003

Author: Deanne Caserta, Manager Financial Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. Finance Report for Period Ending 31 July 2019

RECOMMENDATION

That the Audit Committee note the Finance Report for the period ending 31 July 2019.

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 meeting the Audit Committee reviews the financial report for the most recent month.

BACKGROUND

The Audit Committee is provided with a copy of the monthly financial report by email.

ISSUES/DISCUSSION

Depending upon the timing of the finalisation of the finance report and/or the Audit Committee agenda papers, the most recent finance report will not be available at the time of distribution of the Audit Committee papers so will be tabled at the Audit Committee meeting.

COST/BENEFITS

There is minimal cost involved in the preparation of this report. The benefit of receiving the monthly financial report is that accurate and regular financial reporting is being disclosed.

RISK ANALYSIS

The provision of regular and accurate finance reports to the Audit Committee minimises the risk of Council not delivering projects within the approved budget.

CONSULTATION AND ENGAGEMENT

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

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.

COMMITTEE RESOLUTION 2019/77

Moved: Mr Alan Darbyshire

Seconded: Mr Jarrah O'Shea

That the Audit Committee note the Finance Report for the period ending 31 July 2019.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

9.2 UPDATE ON SERVICE PLANNING**File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Service Planning Project Timetable**RECOMMENDATION**

That the Audit Committee notes the update on service planning.

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

An internal audit on Service Planning was reported to the February 2019 meeting of the Audit Committee which made two findings with a high risk rating and noted that Council was working with a consultant toward a formalised approach to service planning.

BACKGROUND

One of the management actions was to work with the external consultant to develop a service planning framework.

ISSUES/DISCUSSION

Council is currently on track with the project timetable for the Service Planning project. It is intended to complete service plans this financial year so a revised long term financial plan can be prepared on the basis of the service plans rather than preparing service plans on the basis of the long term financial plan.

COST/BENEFITS

Costs for service planning are contained within the operational budget for 2018-19 and 2019-2020.

RISK ANALYSIS

There is a risk that the service planning approach does not respond to the risk identified in the internal audit on Service Planning. This risk is being addressed by consulting with key stakeholders and reviewing the draft policy against the internal audit on Service Planning.

CONSULTATION AND ENGAGEMENT

Key stakeholders are being consulted on the draft policy and experts have been engaged to prepare the policy.

COMMITTEE RESOLUTION 2019/78**Moved:** Mr Jarrah O'Shea**Seconded:** Mr Rod Poxon

That the Audit Committee notes the update on service planning.

CARRIED

AUDIT COMMITTEE MEETING MINUTES**22 AUGUST 2019****9.3 PRESENTATION BY STAFF MEMBER****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. Business Plan Report - Office of Corporate Services**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 Works in February 2019.

BACKGROUND

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

ISSUES/DISCUSSION

Director Corporate Services, Sharon Morrison, was appointed to the role in August 2016.

Among Sharon's areas of responsibility are:

- Oversight of three departments: Financial Services, Organisational Development, and Information and Business Transformation
- Managing internal audit function
- Managing culture change program
- Managing community satisfaction survey
- Responding to Protected Disclosures
- Responding to Freedom of Information requests
- Managing Privacy and Protected Data responsibilities
- Reporting against Council Plan and producing Annual Report
- Managing elections

Some key projects for 2018/19 included:

- Revise approach to service planning
- Develop volunteer strategy
- Develop community engagement framework
- Various service reviews
- Service Planning approach
- Rural Councils Transformation Program

AUDIT COMMITTEE MEETING MINUTES

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- Financial Assistance Grants projects

COST/BENEFITS

The cost of a staff member attending the Audit Committee are outweighed by the benefit the Audit 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 Committee becoming too involved in operational matters. This risk can be managed by the chair of the Audit Committee keeping the focus on matters set out in the Audit Committee's Charter.

CONSULTATION AND ENGAGEMENT

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

COMMITTEE RESOLUTION 2019/79

Moved: Mr Alan Darbyshire

Seconded: Mr Jarrah O'Shea

That the Audit Committee note the presentation by staff member be held over to November meeting.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

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9.4 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. Performance Statement LGPRF extract 2018-2019
	2. Report of Operations LGPRF extract 2018-2019
	3. Governance and Management Checklist 2018-2019
	4. Loddon Performance Framework 2018-2019

RECOMMENDATION

That the Audit 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 2018 results of the Loddon Performance Framework were discussed at the February 2019 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.

At the time of printing, final checking of data and comments was still taking place so some amendments may be advised at the audit committee meeting.

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AUDIT COMMITTEE MEETING MINUTES

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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 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.

COMMITTEE RESOLUTION 2019/80

Moved: Mr Jarrah O'Shea

Seconded: Mr Alan Darbyshire

That the Audit 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
4. Noted updated version circulated during the meeting

CARRIED

AUDIT COMMITTEE MEETING MINUTES**22 AUGUST 2019****9.5 VAGO ANNUAL PLAN 2019-20****File Number:** 06/02/003**Author:** Sharon Morrison, Director Corporate Services**Authoriser:** Sharon Morrison, Director Corporate Services**Attachments:** 1. VAGO Annual Plan**RECOMMENDATION**

That the Audit Committee note the extract of the VAGO Annual Plan 2019-20.

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 2018-19 in August 2018.

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 2019-20 and beyond:

- Performance audit work program
 - 2019-20
 - Council libraries
 - Rehabilitating mines
 - 2020-21
 - Council waste management services
 - Maintaining local roads
 - 2021-22
 - Agricultural productivity and digital technologies
 - Developing Fishermans Bend
 - Parks and open space management

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

- Financial audit work program
 - Results of 2019-20 Audits

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.

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

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.

COMMITTEE RESOLUTION 2019/81

Moved: Mr Alan Darbyshire.

Seconded: Mr Jarrah O'Shea.

That the Audit Committee note the extract of the VAGO Annual Plan 2019-20.

CARRIED

Cr Gavan Holt left the meeting 12.05pm.

AUDIT COMMITTEE MEETING MINUTES**22 AUGUST 2019****9.6 AMENDMENTS TO ACCOUNTING STANDARDS**

File Number: 06/02/003

Author: Deanne Caserta, Manager Financial Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: Nil

RECOMMENDATION

That the Audit Committee note the presentation on changes to accounting standards.

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

Councils are required to prepare an annual report in respect of each financial year including audited financial statements prepared in accordance with the Australian Accounting Standards (AAS).

ISSUES/DISCUSSION

Recent changes to the accounting requirements in the AAS will impact the financial statements prepared by Council in the current and future reporting periods. This presentation will give a basic outline of the changes that have occurred and the impact they have on Loddon Shire Council.

COST/BENEFITS

Although there is expected to be either small or immaterial adjustments to Councils financial statements, there will be a large amount of staff time required to research, implement and monitor these required changes.

The benefits will be more transparent reporting and compliance with the accounting standards.

RISK ANALYSIS

The Local Government Act 1989 states that it is essential there is a legislative framework that provides councils to be accountable to their local communities in the performance of functions and the exercise of powers and the use of resources.

If the standards are not met, Council can also face a qualified audit opinion.

CONSULTATION AND ENGAGEMENT

Presentations around the accounting standard changes have been made to the Management Executive Group and to Council.

COMMITTEE RESOLUTION 2019/82

Moved: Mr Rod Poxon

Seconded: Mr Jarrah O'Shea

That the Audit Committee note the presentation on changes to accounting standards.

CARRIED

AUDIT COMMITTEE MEETING MINUTES22 AUGUST 2019**10 GENERAL BUSINESS****10.1 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 Committee confirm the occurrence on 22 August 2019 at 9.15am 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 Committee community members and councillor representative meet with the internal and external auditors without officers present.

BACKGROUND

Clause 5.3(e) of the Audit Committee Charter version 7 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 22 August 2019.

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 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 COMMITTEE MEETING MINUTES

22 AUGUST 2019

COMMITTEE RESOLUTION 2019/83

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Baker

That the Audit Committee confirm the occurrence on 22 August 2019 at 9.15am of the meeting held under clause 5.3(e) of the Charter.

This meeting was not held due to no auditors being present

CARRIED**MOTION****COMMITTEE RESOLUTION 2019/84**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Baker

That all references to version 6 of the Charter be changed to version 7 in the minutes.

CARRIED**MOTION****COMMITTEE RESOLUTION 2019/85**

Moved: Mr Jarrah O'Shea

Seconded: Mr Rod Baker

That the minutes of the meeting be circulated after being approved by the chair .

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

11 ITEMS REFERRED TO COUNCIL

As per resolution in reports:

12 NEXT REVIEW**12.1 SUBJECT TO INTERNAL AUDIT PLAN BEING ADOPTED**

File Number: 06/02/003

Author: Michelle Hargreaves, Administration Officer

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: Nil

RECOMMENDATION

That the Audit Committee note the first internal audit proposed in the Internal Audit Plan.

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 considered the draft Internal Audit Plan 2019-2022 (2019-20 focus) (the Plan) in August 2019.

BACKGROUND

Appendix 1 of the Audit Committee Charter version 6 states that the agenda shall include details of the next audit.

ISSUES/DISCUSSION

Generally, the scope of the audit is outlined in the Internal Audit Plan.

COST/BENEFITS

The cost of the audit is contained in the annual budget.

RISK ANALYSIS

There is a risk that Council will not be able to resource the recommendations contained in the Audit Report.

CONSULTATION AND ENGAGEMENT

Relevant staff will be consulted during the audit.

COMMITTEE RESOLUTION 2019/86

Moved: Mr Alan Darbyshire

Seconded: Mr Rod Poxon

That the Audit Committee note the first internal audit proposed in the Internal Audit Plan is the Risk Management Framework.

CARRIED

AUDIT COMMITTEE MEETING MINUTES

22 AUGUST 2019

NEXT MEETING

The next Audit Committee meeting will be held on 21 November 2019 at Wedderburn commencing at 9:15am.

There being no further business the meeting was closed at 12.40pm.

Confirmed this 5 day of December 2019


CHAIRPERSON

INTERNAL AUDIT REPORT

LODDON SHIRE COUNCIL

FOLLOW-UP REVIEW

November 2019



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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.

Our report is for the sole use of Loddon Shire Council and is not to be used by any other person for any other purpose and may not be distributed, duplicated, quoted, referred to, in whole or in part, without our prior written consent.



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 status of actions contained in management responses to internal audit recommendations are monitored by management and the Audit Committee. This will ensure that they are implemented appropriately and in a timely manner.

This review was performed to determine the extent and adequacy of remedial actions taken by Loddon Shire Council (the "Council" or "LSC") in addressing the audit findings and recommendations contained in previous internal audit reports.

The status of each recommendation was assessed as 'Completed', 'Partially Completed', 'In Progress', 'Outstanding' or 'Not Applicable' as described below:

- **Completed** – All required actions agreed by management in the previous audit report have been implemented satisfactorily and no exceptions were found during the status review;
- **Partially Completed** – Agreed implementation date is due. Required actions agreed by management in the previous audit report have been partially implemented and/or with some exceptions found during the status review;
- **In Progress** – Agreed implementation date is not due. Required actions agreed by management in the previous audit report have been partially implemented and/or with some exceptions found during the status review;
- **Outstanding** – Agreed implementation date is due. Required actions agreed by management in the previous audit report have been partially completed or have not been implemented during the status review; and
- **Not Applicable** – Management have accepted the risk of not taking action or implementing recommendations in the previous audit report.

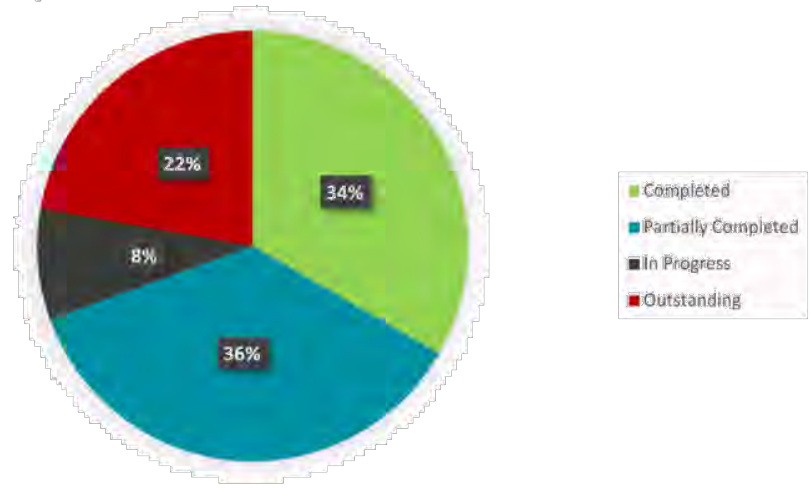
This review has been approved by the Audit Committee, and forms part of the Council's 2018-2019 Internal Audit Program.



ANALYSIS OF IMPLEMENTATION STATUS OF RECOMMENDATIONS

Overall, we found that there has been progress in certain actions taken by LSC to address the audit findings and recommendations contained in the previous internal audit reports. The chart below summarises the implementation status as at May 2019:

Implementation Status of Recommendations





The following table below summarises the number of findings/ observations for the eight audits and the percentage of completion as at May 2019:

Audit Areas	Observations/ Findings						Percentage Completion (%)
	Total	Completed	Partially Completed	In Progress	Outstanding	Not Applicable	
Follow-Up Report (July 2018): Outstanding / Partially Completed / In-Progress Areas from the 2018 Follow-Up Review							
Areas to follow-up on from the 2018 Review include the following:							
Review of Purchases and Issues from Council Depot Stores (incl. purchases made on credit cards) (August 2016)	3	1	1	1	-	-	33%
Review of Accounts Payable (October 2016)	1	-	-	1	-	-	-
Review of the Management of Privacy Responsibilities (February 2017)	7	4	2	-	1	-	57%
Review of Salary Oncost Rate, Project Costing and Budgeting Process (March 2017)	1	1	-	-	-	-	100%
Follow-Up areas from May 2017 Follow-Up Areas	10	2	4	1	3	-	20%
2017-18:							
Review of Occupational Health & Safety (October 2017)	7	3	4	-	-	-	43%
Review of Records Management (December 2017)	6	1	1	-	4	-	17%



Audit Areas	Observations/ Findings						
	Total	Completed	Partially Completed	In Progress	Outstanding	Not Applicable	Percentage Completion (%)
Review of Whole-of-Life Costing Review (April 2018)	1	-	1	-	-	-	-
Total	36	12	13	3	8	0	34%

In general, our status review confirmed that:

- LSC had addressed 12 (or 34%) of the 36 findings highlighted in the previous internal audit reports reviewed as part of this follow-up;
- Remedial actions for 8 (or 22%) findings were outstanding and had passed their due by date;
- Remedial actions for 13 (or 36%) findings were partially completed and had passed their due by date;
- Remedial actions for 3 (or 8%) were found to be in progress at the time of our follow-up review; and

A more detailed assessment on the status of implementation for each recommendation is provided in **Table A – Outstanding / In Progress / Partially Completed Action Items** and **Table B – Completed / Not Applicable Action Items**.



OBJECTIVES AND PROCEDURES

Objectives

The objective of this review was to identify and inform the Audit Committee on the current status of management actions addressing recommendations contained in previous internal audit reports.

Our review specifically focused on findings that have been rated as extreme, high and medium.

The following internal audit reports were followed-up on as part of this review:

2017-18:

- Review of Occupational Health & Safety (October 2017);
- Review of Records Management (December 2017);
- Review of Whole-of-Life Costing Review (April 2018);

Outstanding/Partially Completed/In-Progress Areas from the 2018 Follow-Up Review Report. Areas to follow-up on from the 2018 Review include the following:

- 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);
- Review of Salary Oncost Rate, Project Costing and Budgeting Process (March 2017); and
- Follow-Up areas from May 2017 Follow-Up Areas.



Procedures

The procedures adopted in the course of this review included the following:

- Met with key personnel to discuss progression of agreed recommendations;
- Reviewed relevant documentation;
- Assessed the adequacy of remedial actions implemented;
- Discussed issues with key personnel; and
- Prepared report on status of implementation.



TABLE A – OUTSTANDING / IN PROGRESS / PARTIALLY COMPLETED ACTION ITEMS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
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)					
1. 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.	<p>We recommend Council management should:</p> <ol style="list-style-type: none"> 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). <p>A standard Disclosure of Conflict of Interest and Confidentiality Form can be developed for this process to ensure consistency; and</p> <ol style="list-style-type: none"> Communicate and make available the above procedures and form to all staff 	M	<p>Agreed.</p> <p>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.</p> <p>Declaration of a conflict of interest will only be required at the time of assessing tenders/quotes and preparation of detailed evaluation report for approval.</p> <p>Once developed, tender evaluation procedure and associated forms would be communicated to relevant Council staff.</p> <p><u>MA:</u></p> <ol style="list-style-type: none"> Establish standard Disclosure of Conflict of 	<p><u>Responsibility:</u></p> <p>MA 1-2 Project Management Coordinator</p> <p><u>Timeframe:</u></p> <ol style="list-style-type: none"> May 2017 AC Meeting August 2017 AC Meeting <hr/> <p><u>Status as at April 2018:</u></p> <p>Partially Completed</p> <p>Our review noted:</p> <p><u>MA 1-2:</u></p> <p>A Contract Management manual was developed, and</p>	<p><u>Status as at May 2019:</u></p> <p>Partially Completed</p> <p>Our review noted:</p> <p><u>MA 1-2:</u></p> <p>The draft Contract Management Manual encompasses a stand-alone Conflict of Interest form for all the evaluation panel members. Management advised that although the manual has not yet been adopted.</p> <p>We do acknowledge though that the Procurement Officer has been recently recruited who will ensure that the form is used during procurement.</p> <p><u>Management Response:</u></p> <p>Management Agrees.</p> <p>Finalise draft Contract Management Manual and a</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			<p>Interest and Confidentiality Form and process.</p> <p>2. Communication of procedures and forms to all staff.</p>	<p>was in draft form. However, the manual does not incorporate a stand-alone Conflict of Interest Declaration form to be completed by panel members. We do acknowledge though that the requirement for declaration of conflict of interest was documented in the manual.</p> <p>Management Response: Management Agrees.</p> <p>A stand-alone Conflict of Interest Declaration form is being prepared for inclusion in the draft Contract Management manual which will be communicated to all relevant staff once finalised.</p> <p>Revised Timeframe: 31 August 2018</p>	<p>Conflict of Interest Declaration form.</p> <p>Responsibility Manager Financial Services, Deanne Caserta</p> <p>Revised Timeframe: 30 November 2019</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
2. A supply panel engagement model is currently not used by Council for the acquisition of recurring goods or services	<p>We recommend that the Council management should:</p> <p>3. 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;</p> <p>4. Establish the panel via supplier selection, appointment, 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>5. Appoint a panel of suppliers for the delivery of goods or services in order to improve process efficiency.</p>	M	<p>Agreed.</p> <p>3. A review of potential services or goods for which Council may utilise panel contractors;</p> <p>4. Develop contract templates and processes for supplier panels; and</p> <p>5. Appoint panel of suppliers where relevant.</p>	<p>Responsibility: MA 3-5 Manager Financial Services</p> <p>Timeframe: 3. May 2017 AC meeting 4. May 2017 AC meeting 5. November 2017 AC meeting</p> <p>Status as at April 2018: Partially Completed Our review noted: MA 3-5: The Council has engaged a Supply panel model on different occasions depending on services to be provided (more ad-hoc). The Council also have a list of compliant supplier database. However, a formal and detailed review of potential services, development of appropriate policies and procedures, and appointment of panel of suppliers has not been completed.</p>	<p>Status as at May 2019: In Progress Our review noted: MA 3-5: 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.</p> <p>Management Response: Management Agrees. Please refer to No.4 below.</p> <p>Responsibility Manager Financial Service</p> <p>Revised Timeframe: As per No.4 below.</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>Management Response: This finding has been superseded by Finding No.4 below. Refer to Finding No.4 below.</p> <p>Revised Timeframe: 31 May 2019</p>	
<p>Follow-Up Review (July 2018) – In relation to the Review of Accounts Payable/Purchasing (including data interrogation) (October 2016)</p>					
<p>3. A supply panel engagement model is currently not used by Council for the acquisition of recurring goods or services.</p>	<p>We recommend that the Council management should:</p> <p>6. 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;</p> <p>7. Establish the panel via supplier selection, appointment, 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>M</p>	<p>Agreed.</p> <p>9. Conduct a review of potential services or goods for which Council may utilise panel contractors.</p> <p>10. Develop appropriate policies, procedures and templates for the management of supply panels.</p> <p>11. Appoint panel of suppliers where relevant.</p>	<p>Responsibility: MA 9-11 Project Management Coordinator</p> <p>Timeframe: 9. May 2017 AC meeting 10. May 2017 AC meeting 11. November 2017 AC meeting</p> <p>Status as at April 2018: Partially Completed Our review noted: MA 9-11:</p>	<p>Status as at May 2019: In Progress Our review noted: MA 9-11: 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.</p> <p>Management Response: Management Agrees. Establish supply panel engagement model for the acquisition of recurring goods or services.</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	8. Appoint a panel of suppliers for the delivery of goods or services in order to improve process efficiency.			<p>The Council has engaged a Supply panel model on different occasions depending on services to be provided (more ad-hoc). The Council also have a list of complaint supplier database.</p> <p>However, a formal and detailed review of potential services, development of appropriate policies and procedures, and appointment of panel of suppliers has not been completed.</p> <p>Management Response: Management Agrees.</p> <p>Council has approved the appointment of a Procurement Officer in 2018/19 who will be tasked with investigating supply panels for goods and services.</p> <p>Revised Timeframe: 31 May 2019</p>	<p>Responsibility Manager Financial Services, Deanne Caserta</p> <p>Revised Timeframe: 31 December 2019</p>
Follow-Up Review (July 2018) – In relation to the Review of the Management of Privacy Responsibilities (February 2017)					
4. Absence of documented policy and/or	We recommend that the Council management should:	M	Agreed.	<p>Responsibility: MA 12-15</p>	<p>Status as at May 2019: Partially Completed</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
procedures specifically directed at certain data security aspects of Council's operations. Absence of data security policy which includes security of personal information stored in both manual and computerised systems.	<p>12 Ensure that key policies and in draft form are finalised in a timely manner;</p> <p>13 Incorporate data security related procedures not already covered in existing policies to provide guidance to staff that have access to the Council's information systems. These areas may include (but not limited to):</p> <ul style="list-style-type: none"> • Procedures relating to security of personal information stored in manual/hardcopy files; • Procedures surrounding backup, recovery and redundancy practices; • Procedures surrounding collection, processing, storage, use and disclosure of personal information; • Procedures surrounding disposal of information (i.e. steps to be undertaken when destroying or permanently de-identifying personal information no longer required); 		<p>12. Finalise/review the following policies:</p> <ul style="list-style-type: none"> • Password and Authentication Policy (updated 24 Feb 2016); • Anti-virus (updated 10 Feb 2016); • Cloud Computing (draft); • Email (draft); • Internet use (draft); • Portable electronic device security (draft); and • Acceptable use (draft). <p>13. Develop the following procedures:</p> <ul style="list-style-type: none"> • Procedures relating to security of personal information stored in manual/hardcopy files; • Procedures surrounding backup, recovery and 	<p>Manager Information</p> <p><u>Timeframe:</u></p> <p>12. November 2017 13. November 2017 14. November 2017 15. November 2017</p> <hr/> <p><u>Status as at April 2018:</u></p> <p>Partially Completed</p> <p>Our review noted that:</p> <p><u>MA 12:</u></p> <p>The following policies have been finalised: Password and Authentication Policy; Anti-virus Policy and Portable Electronic Device Security Policy. The remaining policies are yet to be finalised (Cloud Computing; Email; Internet Use and Acceptable use.</p> <p><u>MA 13-15:</u></p> <p>Management advised that no procedures have been developed yet. They will be developed once the policies</p>	<p>Our review noted that:</p> <p><u>MA 12:</u></p> <p>The following policies have still not yet been finalised: Cloud Computing; Email; Internet Use and Acceptable use.</p> <p><u>MA 13-15:</u></p> <p>Further, management advised that no procedures have been developed yet.</p> <p><u>Management Response:</u></p> <p>Management Agrees.</p> <p>Update and finalise policies with the introduction of the Electronic Document Records Management System:</p> <ul style="list-style-type: none"> • Password and Authentication Policy (updated 24 Feb 2016); • Anti-virus (updated 10 Feb 2016); • Cloud Computing (draft); • Email (draft); • Internet use (draft); • Portable electronic device security (draft); and



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	14 Obtain the appropriate approvals for the respective policies and accompanying procedures; and 15 Communicate and make available the above documents to staff.		redundancy practices; <ul style="list-style-type: none"> • Procedures surrounding collection, processing, storage, use and disclosure of personal information; • Procedures surrounding disposal of information (i.e. steps to be undertaken when destroying or permanently de-identifying personal information no longer required). 14. Obtain approval for policies and procedures referred to in Action 7 and 8. 15. Communicate and make available to relevant staff the policies and procedures referred to in Action 7 and 8.	mentioned above have been finalised. Management Response: Management Agrees. Council has purchased process mapping software which will be used to document these processes/procedures Revised Timeframe: 31 May 2019	<ul style="list-style-type: none"> • Acceptable use (draft) Responsibility Manager Information and Business Transformation, Peter Williams Revised Timeframe: 30 September 2020



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>5. 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 place to ensure that IT user access controls of staff that have changed position titles had been</p>	<p>We recommend that Council management should:</p> <p>16 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;</p> <p>17 Implement a formal process that is documented in the procedures for conducting user access reviews to systems and applications on a periodic basis;</p> <p>18 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>19 Evidence surrounding the user access review process should be kept.</p>	M	<p>Agreed.</p> <p>16. Review IT access controls and make necessary changes.</p> <p>17. Develop a procedure for conducting user access reviews on a period basis.</p> <p>18. Develop procedure and checklist for internal transfers to ensure user access to key systems and applications are managed appropriately.</p> <p>19. Include a provision in procedure for conducting user access reviews on a period basis to ensure evidence of user access review is kept</p>	<p>Responsibility: MA 16,17,18 Manager Information MA 19 Manager Organisation Development</p> <p>Timeframe: 16. August 2017 17. November 2017 18. August 2017 19. November 2017</p> <p>Status as at April 2018: Outstanding Our review noted that: MA 16-19:</p> <ul style="list-style-type: none"> • A formal review of access controls has not been done yet including documenting the requirements in a procedure; • No formally documented procedure has been 	<p>Status as at May 2019: Outstanding MA 16-19: Management advised that this has not been progressed due to other competing priorities. Management Response: Management Agrees. Review IT access controls and make necessary changes. Develop a procedure for conducting user access reviews on a periodic basis. Develop procedure and checklist for internal transfers to ensure user access to key systems and applications are managed appropriately. Include a provision in procedure for conduct user access reviews on a periodic basis to ensure evidence of user access reviews is kept. Review to be scheduled in Reliance on a periodic basis. Responsibility</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
reviewed and de-activated.				developed to conduct user access reviews; and • The checklist for internal transfers and provision to conduct user access reviews periodically has not yet been developed. Management Response: Management Agrees. Council has purchased process mapping software which will be used to document these processes/procedures. Revised Timeframe: 31 May 2019	Manager Information and Business Transformation, Peter Williams Revised Timeframe: 30 September 2020
6. 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 contracts dated back to more	We recommend that Council management should: 20 Conduct a review of all existing IT vendor contracts and determine if they cover off on confidentiality and security related matters appropriately; and 21 & 22 Ensure that confidentiality agreements are signed-off by	M	Agreed. 20. Develop a confidentiality agreement for existing IT vendors. 21. Provide confidentiality agreement to all existing IT vendors requesting signing.	Responsibility: MA 20-22 Manager Information Timeframe: 20. August 2017 21. August 2017 22. 1 August 2017	Status as at May 2019: Partially Completed Our review noted that: MA 20-22: • The supplier non-disclosure agreement template for existing IT vendors has been prepared and was in draft form. Management



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
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.		22. Ensure a confidentiality agreement is provided to any new vendors for signing.	<p>Status as at April 2018: Outstanding Our review noted that:</p> <p>MA 20-22:</p> <ul style="list-style-type: none"> The confidentiality agreement template for existing IT vendors has not been developed yet. Signing against this for existing and new vendors will be a key requirement once the template has been developed. <p>Management Response: Management Agrees.</p> <p>Confidentiality agreement or contract condition will be developed and used for all new vendors.</p> <p>Revised Timeframe: 31 May 2019</p>	<p>advised that the template was with the Director of Corporate Services for review and approval. Once finalised, this would be communicated to staff thereafter.</p> <p>Management Response: Management Agrees.</p> <p>Confidentiality agreement to be forwarded to all vendors to be signed.</p> <p>Responsibility Manager Information and Business Transformation, Peter Williams</p> <p>Revised Timeframe: 20 December 2019</p>
Follow-Up Review (July 2018) – In relation to the Follow-Up Review (May 2017) - Review of Local Laws (September 2014)					
7. Inadequate procedures to guide staff on processes	We recommend that the Council management should: 23. Document and formalise procedure documents on key	M	23. A project plan for development of the suggested procedures will be developed and	<p>Responsibility: Action 23-24 Tyson Sutton</p>	<p>Status as at May 2019: Outstanding</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
required to implement the Council's Enforcement of Local Laws Policy.	<p>processes, which govern the administration and enforcement of local laws and animal management to address the shortcomings highlighted under <i>Observation</i>; and</p> <p>24. Review procedures on a regular basis to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.</p>		<p>provided to Audit Committee.</p> <p>24. This plan will be monitored until all actions are complete.</p> <p>Action 23-24: Project plan for the development of procedures.</p>	<p>Timeframe 23-24: November 2014 AC meeting</p> <p>Status as at Feb 2017: Outstanding</p> <p>Our review noted that:</p> <p>Action 23-24: There was no formalised procedure on key processes governing the administration and enforcement of local laws and animal management.</p> <p>We understand that due to staff turnover, the project for the development of procedures was not carried out. The Council indicated that a review will be conducted to ensure that a formalised procedure on key processes governing the administration and enforcement of local laws and animal management is put in place.</p> <p>Management Response: Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.</p>	<p>Our review noted:</p> <p>Action 23-24: Procedures had not yet been developed.</p> <p>Management Response: Management Agrees.</p> <p>Formalise the key processes governing the administration and enforcement of local laws and animal management.</p> <p>Responsibility Manager Development and Compliance, Glenn Harvey</p> <p>Revised Timeframe: 30 June 2020</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>Responsible Officer: Manager Development and Compliance</p> <p>Revised Timeframe: 31 August 2017</p> <hr/> <p>Status as at April 2018: Outstanding Our review noted:</p> <p>Action 23-24: The procedures to guide staff have not yet been developed.</p> <p>Management advised that the Manager (Development and Compliance) has a plan to review the Council's existing Enforcement of Local Laws Policy and Procedure and combine it with Health, Building, and local laws as a Community Enforcement Policy and Procedure that would cover the staff guidance.</p> <p>Management Response: Management Agrees.</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				Policies will be consolidated and appropriate procedures developed. <u>Revised Timeframe:</u> 30 November 2018	
8. A risk methodology/approach has not been emphasised and formalised in the Council's local laws framework.	We recommend that the Council management should: 25. Develop a risk methodology/approach to be applied consistently to enforcement activities; 26. Document processes for assessing and prioritising cases within relevant policies and procedures; and 27. Obtain adequate approvals before implementing policies and procedures across the organisation.	M	25. The risk methodology will be incorporated into the enforcement policy. 26. A procedure for assessing and prioritising cases will be developed. 27. The policy will be approved by Council, while procedures will be approved by the MEG. <u>Action 25:</u> Risk methodology development. <u>Action 26-27:</u> Procedure development.	<u>Responsibility:</u> Actions 25-27 Manager Development and Compliance <u>Timeframe 25:</u> May AC Meeting <u>Status as at Feb 2017:</u> Outstanding Our review noted that: <u>Action 25:</u> The risk methodology has not been incorporated into the enforcement policy. <u>Action 26-27:</u> The procedure for assessing and prioritising cases has not been developed. <u>Management Response:</u> Staff appointments to replace agency staff is being	<u>Status as at May 2019:</u> Outstanding Our review noted that: <u>Action 25-27:</u> The Planning and Building software is nearing the completion of implementation, the next stage is looking at implementing software into the Local Laws area. The software will necessitate an audit and review of the current systems and then the documenting of formal procedures, including the risk methodology/approach. <u>Management Response:</u> Management Agrees. Develop procedure for assessing and prioritising Local Laws cases through the Elumina program.



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>undertaken. Revised timeframe is to provide for adequate response and action.</p> <p>Responsible Officer: Manager Development and Compliance</p> <p>Revised Timeframe: 31 August 2017</p> <hr/> <p>Status as at April 2018: Outstanding</p> <p>Our review noted:</p> <p>Action 25-27: A risk methodology and procedure for assessing and prioritising cases has not yet been developed. This will be addressed as part of process in addressing Key Finding No.29 above.</p> <p>Management Response: Management Agrees. Risk methodology and procedure for assessing and prioritising cases will be developed as part of the</p>	<p>Responsibility Manager Development and Compliance, Glenn Harvey</p> <p>Revised Timeframe: 30 June 2020</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				response to Key Finding No.29 above. Revised Timeframe: 30 November 2018	
9. An annual audit program to ensure compliance with permit conditions has not been established.	<p>We recommend that the Council management should:</p> <p>28. Establish an annual audit program to ensure compliance with permit conditions (in line with the Council's policy).</p> <p>Note: A risk methodology (consistent with Audit Finding No. 4) should be adopted in the development of such program; and</p> <p>29. Conduct the annual audit and provide updates to key stakeholders accordingly for proper oversight.</p>	M	<p>28. An annual audit program for all local laws related matters will be developed.</p> <p>29. Following adoption of the program, the annual audits will commence, and compliance will be reported to Council at least annually.</p> <p>Action 28: Audit program developed.</p> <p>Action 29: Annual audits commenced.</p> <p>Action 29.1: Report to Council on annual audits.</p>	<p>Responsibility: Actions 28-29 Planning & Local Laws Compliance Officer and Local Laws & Fire Prevention Officer</p> <p>Timeframe: 28. February 2015 AC meeting 29. November 2014 AC meeting 29.1 November 2015 AC meeting (after a full year cycle for audit program)</p> <p>Status as at Feb 2017: Outstanding Our review noted that: Action 28: An annual audit program for all local laws related matters had not been established.</p>	<p>Status as at May 2019: Outstanding Our review noted that: Action 28-29: An annual audit program for all local laws related matters had not yet been developed.</p> <p>Management Response: Management Agrees. Annual audit compliance program to be established and adhered to.</p> <p>Responsibility Manager Development and Compliance, Glenn Harvey</p> <p>Revised Timeframe: 30 June 2020</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>Action 29: Annual audits have not commenced.</p> <p>Action 29.1: Report to Council on annual audit was not done, as annual audits have not commenced.</p> <p>We understand that Council had not been able to fill the Local Law/Planning & Compliance Officer position. For enforcement issues, a contractor was hired on ad-hoc basis. For planning, a planning contract consultant was used.</p> <p>Thus, it did not have the resources to establish and implement the annual audit program.</p> <p>Management Response: Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.</p> <p>Responsible Officer: Manager Development and Compliance</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>Revised Timeframe: 31 August 2017</p> <p>Status as at April 2018: Outstanding Our review noted: MA 28-29.1: An annual audit program has not yet been developed.</p> <p>Management Response: Management Agrees. An annual audit program for all local laws related matters will be developed.</p> <p>Revised Timeframe: 31 May 2019</p>	
<p>Follow-Up Review (July 2018) – In relation to the Follow-Up Review (May 2017) - Review of Contract Management (December 2014)</p>					
10. The Council's contracts register does not summarise all contracts entered into by	We recommend Council management perform housekeeping on the contracts register by performing the following:		30. Council will explore the opportunity to purchase a formal proprietary contract management software package for the	<p>Responsibility: Action 30 Director, Operations Action 31</p>	<p>Status as at May 2019: In progress Our review noted that:</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
the organisation and contains information related to immature tendering or low value purchases.	<p>30. Centralise the assignment of a contract number before a folder is created under the "Contract Management" directory on the shared drive;</p> <p>31. 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> <ul style="list-style-type: none"> a. Description of the contract and what it is for; b. Name of the contractor; c. Date the contract was entered into and the date the contract expires; d. The value of the contract; e. Who is responsible for managing the contract; f. Location of the actual original copy of the full contract; and <p>Update the contracts register accordingly and regularly.</p>		<p>organisation to compliment the contract management framework which will be developed over the next year.</p> <p>31. 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.</p> <p>Action 30: Software package.</p> <p>Action 31: Improved process.</p>	<p>Director, Corporate Services</p> <p>Timeframe: 35. November 2015 AC Meeting 36. Immediate implementation</p> <p>Status as at Feb 2017: Outstanding</p> <p>Our review noted that:</p> <p>Action 30: The electronic contract management system (eCMS) has not been implemented.</p> <p>The Project Management Coordinator is currently examining 2 eCMS that are tailored to the local government contracting, and are modular in nature, so that components can be purchased as and when needed, to be cost effective.</p> <p>Action 31: In the meantime, the existing contract register is maintained in Excel Spreadsheet by Corporate Services.</p> <p>We understand that a centralised identity/naming</p>	<p>Action 30-31: Implementation of a new contract management system is still underway. This system will include an electronic contract management register. Investigation is also underway to determine if the previous contract register can also be included in this new system to ensure there is one central point of reference moving forward.</p> <p>Management Response: Management Agrees.</p> <p>Nimblex training to be rolled out to all departments in October 2019.</p> <p>Responsibility Manager Financial Services, Deanne Caserta</p> <p>Revised Timeframe: 30 November 2019</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				convention will be implemented with the electronic contract management system (eCMS). <u>Management Response:</u> Various electronic contract management systems are being reviewed and a new system to be implemented which will have a centralised naming convention. <u>Responsible Officer:</u> Director Corporate Services <u>Revised Timeframe:</u> 31 December 2017	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>Status as at April 2018: Partially Completed Our review noted that:</p> <p>Action 30-31: A new Contract management software/system is currently being explored to assist with addressing the observation.</p> <p>In the meantime, a workaround had been established with respect to ensuring the manual contract register included key contract related information.</p> <p>Management Response: Management Agrees.</p> <p>Council is in the process of procuring a new corporate system. After awarding the contract, Council will be in a position to know whether the new system provides for an electronic contract management system. If not, Council will commence scoping software to address the gap.</p> <p>Revised Timeframe: 30 November 2019</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
Follow-Up Review (July 2018) – In relation to the Follow-Up Review (May 2017) - Review of Succession Planning and Workforce Development (October 2015)					
11. 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.	<p>We recommend that council management should:</p> <p>32. Assess the need to establish a workforce strategy;</p> <p>33. Appoint a responsible officer and required management support;</p> <p>34. Establish a workforce strategy, which should address the shortcomings highlighted under Observation. A guide to workforce 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 objectives and behaviours, and assessed on the overall likelihood of their success in addressing the gaps.)</p>	H	<p>32. A Workforce Strategy will be developed for Council, as recommended.</p> <p>33. 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.</p> <p>Action 32: Stage 1 Context and environment.</p> <p>Action 33: Stage 2 Current workforce profile.</p> <p>Action 34: Stage 3 Future workforce profile.</p> <p>Action 35: Stage 4 Gap analysis and closing strategies.</p> <p>Action 36:</p>	<p>Responsibility: Action 32-36 Manager Organisational Development</p> <p>Timeframe: 32. February 2016 AC Meeting 33. May 2016 AC Meeting 34. May 2016 AC Meeting 35. August 2016 AC Meeting 36. August 2016 AC Meeting</p> <p>Status as at Feb 2017: Outstanding</p> <p>Our review noted that:</p> <p>Action 32-36: There was no Workforce Strategy developed for Council as yet.</p> <p>We understand that the Council has expressed interest in working with the Local Government Professionals</p>	<p>Status as at May 2019: Partially Completed</p> <p>Our review noted:</p> <p>Action 32-36 The Workforce Strategy has been developed and was currently in draft form awaiting approval.</p> <p>Management Response: Management Agrees. Finalise draft Workforce Strategy.</p> <p>Responsibility Director Corporate Services, Sharon Morrison</p> <p>Revised Timeframe: 30 November 2019</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>35. Obtain adequate approval before implementing and executing of such workforce strategy;</p> <p>36. 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 information remains current and is reviewed in light of any developments that may affect staffing issues in the organisation.</p>		<p>Stage 5 Review and evaluation.</p>	<p>(LGPro) on this project, together with 4 other Councils. LGPro is seeking funding for a sector wide local government approach to workforce planning.</p> <p><u>Management Response:</u></p> <p>The Manager Organisational Development is on the working group with LGPro to develop a template Workforce Strategy document for local Government, LGPro has sought funding for this project, it is envisaged that the document should be ready for distribution for Council's to use by the end of 2017.</p> <p><u>Revised Timeframe:</u></p> <p>31 December 2017</p> <p><u>Status as at April 2018:</u></p> <p>Outstanding</p> <p>Our review noted:</p> <p><u>Action 32-36:</u></p> <p>The Workforce Strategy has not yet been developed. Management advised that an appropriate toolkit is being developed by the Council for</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				the Loddon Shire Council in conjunction with 5 other Councils to assist in the development of the Workforce Strategy document. <u>Management Response:</u> Management Agrees. A draft Workforce Strategy is almost complete. <u>Revised Timeframe:</u> 30 November 2018	
Follow-Up Review (April 2018) – In relation to the Follow-Up Review (May 2017) - Review of Building Management Services (March 2016)					
12. A comprehensive, centralised and accurate register of public buildings was not maintained.	We recommend that council management should: 37. 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; 38. Consolidate these 3 registers into one comprehensive, centralised and accurate register of public buildings and distribute accordingly across the Council to relevant departments; and	H	37. Council has been developing a centralised database of buildings in the past two years, and it is now ready for use throughout the organisation. 38. 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.	<u>Responsibility:</u> Action 37-39 Manager Information <u>Timeframe:</u> August 2016 AC Meeting <u>Status as at Feb 2017:</u> Outstanding Our review noted that: <u>Action 37-39:</u> The Council had combined the registers into one centralised	<u>Status as at May 2019:</u> Partially Completed Our review noted: <u>Action 37-39:</u> The BAMP was still in draft form. <u>Management Response:</u> Management Agrees. Finalise BAMP.



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>39. Implement a system of periodic review and update of the public building register by a delegated staff member to ensure ongoing completeness.</p>		<p>39. The database will be "rolled out" to the broader staff with land and building asset responsibilities.</p> <p>Action 37: Roll out of database to staff with land and buildings responsibilities.</p>	<p>list but had not completed the review of the list of buildings to ensure that it is comprehensive and accurate.</p> <p>Management Response:</p> <p>The land and buildings database was replaced by Assetic in late 2016. A part of implementing Assetic a condition report and audit of buildings was completed by the Assets Engineer.</p> <p>A review of the BAMP outlining the issues with the current BAMP and changes revisions required will be completed by 30/6/2017, with a revised BAMP provided by October 2017.</p> <p>Responsible Officer:</p> <p>Manager Technical Services</p> <p>Revised Timeframe:</p> <p>31 October 2017</p>	<p>Responsibility</p> <p>Manager Assets and Infrastructure, David Southcombe</p> <p>Revised Timeframe:</p> <p>30 October 2019</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>Status as at April 2018: Partially Completed Our review noted: Action 37-39: The Council has a centralised Building Asset Register that includes the Valuations, Condition reports, and Ratings. However, the BAMP review process is still work in progress. Management Response: Management Agrees. The BAMP is being finalised. An update on progress of the BAMP was presented at the June Council Forum. Revised Timeframe: 30 November 2018</p>	
13. The Building Asset Management Plan review cycle did not allow for appropriate	We recommend that council management should: 40. Implement a bi-annual review process which focuses on updating any legislative and/or regulatory changes in the Building Asset Management	M	40. 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	<p>Responsibility: Action 40 Manager Technical Services Timeframe: February 2017 AC Meeting</p>	<p>Status as at May 2019: Partially Completed Our review noted: Action 40:</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
legislative updates to be incorporated in a timely manner.	Plan, in addition to the 4-year review cycle of the Building Asset Management Plan as a whole.		<p>changes that can be recognised as an appendix to the plan.</p> <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>Action 40: Building Asset Management Plan update.</p>	<p>Status as at Feb 2017: Outstanding</p> <p>Our review noted that:</p> <p>Action 40: The Building Asset Management Plan had not been updated. We understand that in the updated Building Asset Management Plan, it will make allowance for an interim 2-yearly review of legislative changes. Significant changes to legislation which affects Council's building policies or plans would be reported separately to Council and updated by the effective date of the legislation.</p> <p>Management Response: Council currently revises its asset management plans in 4-year cycle. However, a review can be conducted in 2-year cycle which will be encompassed in the new asset management policy.</p> <p>Responsible Officer: Manager Technical Services</p>	<p>The BAMP was still in draft form.</p> <p>Management Response: Finalise BAMP and include two-yearly review.</p> <p>Responsibility Manager Assets and Infrastructure, David Southcombe</p> <p>Revised Timeframe: 30 October 2019</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>Revised Timeframe: 30 September 2017</p> <p>Status as at April 2018: Partially Completed Our review noted: Action 40: The BAMP is currently being revised to address the observation.</p> <p>Management Response: Management Agrees. The BAMP is being finalised. An update on progress of the BAMP was presented at the June Council Forum.</p> <p>Revised Timeframe: 30 November 2018</p>	
14. Inadequate investment to meet identified future liability and a lack of follow up actions relating to previous gap	<p>We recommend that council management should:</p> <p>41. Perform a comprehensive assessment as part of its budget preparations to formulate an accurate required investment figure based on:</p>	M	<p>41. Agreed. Council is investing an annual \$400k which is in line with the current BAMP.</p> <p>42. It is recognised that more accurate investment modelling is required based upon</p>	<p>Responsibility: Action 41-43 Manager Technical Services</p> <p>Timeframe 41-43: February 2017 AC Meeting</p>	<p>Status as at May 2019: Partially Completed Our review noted: Action 41-43:</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
analysis undertaken.	<ul style="list-style-type: none"> New and existing buildings to be maintained, upgraded, refurbished or have components replaced; and Existing assets identified for inclusion in special maintenance or capital works programs or scheduled for disposal. <p>42. 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>43. Perform an annual review to identify if previous investment has been adequate and to update work priorities.</p>		<p>pending condition audits to determine if this investment is adequate.</p> <p>43. 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>Action 41-42: Preparation of detailed gap analysis.</p> <p>Action 43: Development of annual rolling program for buildings.</p>	<p>Status as at Feb 2017: Outstanding</p> <p>Our review noted that:</p> <p>Action 41-42:</p> <p>The Council had not completed the detailed gap analysis.</p> <p>We understand that the Council had met with the consultants and noted that the expenditure required is 2 to 3 times higher than the annual \$400K investment. The Council is reviewing and coming up with a new investment model.</p> <p>Action 43:</p> <p>The annual rolling program of capital renewal and upgrade had not been established.</p> <p>The priorities of work and budget allocation will be included in the annual rolling program for buildings.</p> <p>Management Response:</p> <p>Council recently undertook condition inspections of all building and is working towards financial modelling based on this audit. This shall form a part</p>	<p>The annual rolling program for buildings was developed and was mentioned in the BAMP.</p> <p>However, the BAMP was still in draft form.</p> <p>Management Response:</p> <p>Develop Long Term Financial Plan based upon adequate investment to meet future liabilities.</p> <p>Responsibility</p> <p>Manager Financial Services, Deanne Caserta</p> <p>Revised Timeframe:</p> <p>30 March 2020</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>of the Building Asset Management Plan.</p> <p>Responsible Officer: Manager Technical Services</p> <p>Revised Timeframe: 30 September 2017</p> <hr/> <p>Status as at April 2018: Partially Completed Our review noted:</p> <p>Action 44-46: Financial models are being analysed to identify the investment needs to address the renewal gap in the building asset class. BAMP will also incorporate the Asset disposal policy to address the rising renewal demand.</p> <p>Council developed a rolling program for building assets to form part of the annual infrastructure program in 2017/18. It will be maintained until the new BAMP is adopted with the financial projection.</p> <p>Management Response:</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				Management Agrees. BAMP is being finalised. An update on progress of the BAMP was presented at the June Council Forum. <u>Revised Timeframe:</u> 30 November 2018	
Review of Occupational Health and Safety (October 2017)					
15. Absence of an OH&S plan/strategy that links to Council Plan and OH&S Policy.	We recommend that council management should: 48. Develop and adopt an OH&S plan/strategy, which defines the means by which the organisation will achieve its 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: <ul style="list-style-type: none"> ◆ Introduction; ◆ Principle 1 – Commitment and Policy (e.g. resources, responsibility, and planning); ◆ Principle 2 – Planning (e.g. activities over OH&S guided 	M	Management Agrees. Action 48 Develop and adopt an OH&S plan/strategy. Action 49: Obtain approval and endorsements from relevant stakeholders before adoption of OH&S plan/strategy. Action 50: Ensure the OH&S strategy/plan is reviewed regularly. Action 51: Communicate OH&S strategy/plan to all staff.	Responsibility: MA 48 - 51 Manager Organisational Development. Timeframe 48 - 51: 28 February 2019	<u>Status as at May 2019</u> Partially Completed Our review noted that: <u>Action 48 – 51 :</u> The OH&S Strategic Plan 2019-21 was currently in draft form and sitting with the Director of Corporate Services for review. Once approved, the plan will be implemented and communicated to key staff. Management Response: Management Agrees. OH&S plan/strategy that links to Council Plan and OH&S Policy to be finalised and adopted.



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	by annual workplan/calendar); • Principle 3 – Implementation which should encompass: – Accountability; – Capability; – Consultation; – Training; – Communication; – Regulatory compliance; – Reporting; – Organisational committee reporting structure for OH&S; – Documentation and records; – Hazard identification; – Contractors and volunteers; – Chemicals/hazardous substances and asbestos exposure; – Working in Isolation, heat, outdoors or in confined spaces;				OH&S plan/strategy and OH&S Policy to be communicated to all staff. <u>Responsibility</u> Manager Organisation Development <u>Revised Timeframe:</u> 20 December 2019



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<ul style="list-style-type: none"> - Contingency & disaster plans; ◆ Principle 4 – Measurement and evaluation (e.g. KPI's); ◆ Review and improvement (e.g. annual review of plan, and annual summary report over OH&S); and ◆ Definitions. <p>The plan should be simple with references to individual OH&S policies and procedures that fall under each category above;</p> <p>49. Obtain adequate approvals and endorsements from relevant stakeholders before implementation and communication to staff; and</p> <p>50. 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>51. Communicate and make available the above documents to all staff for easy reference.</p>				



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
16. A chemicals and dangerous goods register did not exist within the Council to comply with the requirement under the OH&S Regulation 4.1.23.	<p>We recommend that council management should:</p> <p>52. Develop and adopt chemical management procedures in accordance with the requirement under OH&S Regulation 4.1.23. The procedures should include (but not limited to) the following:</p> <ul style="list-style-type: none"> • Roles and responsibilities; • Current chemical register and MSDS/Safety Information; • Procedures for identification of dangerous and hazardous chemicals; • Procedures for introducing and purchasing of dangerous and hazardous chemicals into the workplace; • Risk assessment of dangerous and hazardous chemicals; • Procedures for controlling risks, including risk management, labelling of dangerous & hazardous chemicals and enclosed systems, chemical storage, 	11	<p>Management Agrees.</p> <p>Action 52: Develop and adopt a chemical management procedure in accordance with the requirement under OH&S Regulation 4.1.23.</p> <p>Action 53: Consider developing a chemical register.</p> <p>Action 54: If a chemical register is developed, ensure it is updated at least annually.</p>	<p>Responsibility 58-60: Manager Operations</p> <p>Timeframe:</p> <p>52 February 2019</p> <p>53 28 February 2019</p> <p>54 28 February 2018</p>	<p>Status as at May 2019</p> <p>Partially Completed</p> <p>Our review noted:</p> <p>Action 52-54:</p> <ul style="list-style-type: none"> • That the Chemical Management procedure had not yet been developed; and • A Chemical Register was developed (14/12/2017). However, the register was not updated annually. <p>Management Response:</p> <p>Management Agrees.</p> <p>New Elumina program has a Chemical Register. The current register to be input into the program and a procedure developed once implemented.</p> <p>Responsibility</p> <p>Manager Organisation Development</p> <p>Revised Timeframe:</p> <p>30 June 2020</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	signage, disposal of chemicals, emergency facilities and consultation/training; <ul style="list-style-type: none"> • Procedures for inspections; and • References to the Act & Regulations where appropriate. 53. 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 54. Ensure the register is updated periodically to ensure it is current, accurate and complete.				
17. Absence of an annual OHSMS audit to determine the effectiveness of the system as required by the Standard.	We recommend that council management should: <ul style="list-style-type: none"> 55. Set up periodic audits on the Health and Safety Management System as required by the Standard; 56. Consider forming OH&S working groups (e.g. comprising of HSRs and selected staff members) to conduct periodic OH&S audits in 	M	Action 55: Conduct periodic audits on the Health and Safety Management System as required by the Standard. Action 56: Develop a business case for the effective resourcing of OH&S strategy/plan development and implementation. Action 57: Provide reports on the audit of the Health and	Responsibility: 55 Manager Organisational Development 56 Director Corporate Services 57 Manager Organisational Development Timeframe: 55 February 2019	Status as at May 2019 Partially Completed Our review noted that: Action 55-57: <ul style="list-style-type: none"> • As Management are currently looking at exploring the Elumina system to determine whether it can assist in overseeing and managing



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>accordance with a pre-agreed schedule/calendar;</p> <p>Alternatively:</p> <p>Consider employing a full-time OH&S dedicated personnel for overseeing OH&S processes across the Council and conducting OH&S related audits where applicable; and</p> <p>57. Reports be subsequently prepared from the results of the audits and provided to key stakeholders such as the Executive Management Team, OH&S Committee, and the Audit Committee</p>		Safety Management System at completion.	56 November 2017 57 28 February 2019	<p>this requirement to ensure periodic audits are undertaken; and</p> <ul style="list-style-type: none"> A dedicated OH&S Officer has been appointed to oversee the OH&S processes across the Council. Reports will be prepared on completion of the audit of the Health and Safety Management System. <p>Management Response: Management Agrees. New Elumina program to be implemented.</p> <p>Responsibility Manager Organisation Development</p> <p>Revised Timeframe: 30 June 2020</p>
18. An OH&S actions register was not maintained to keep records of all OH&S related matters for monitoring	<p>We recommend that council management should:</p> <p>62. Develop and adopt an OH&S actions register to record all OH&S improvement opportunities. The register should</p>	M	<p>Management Agrees.</p> <p>Action 62: Develop an OHS actions register to record all OH&S improvement opportunities to be followed up.</p>	<p>Responsibility:</p> <p>62. Manager Organisational Development</p> <p>63. Manager Organisational Development</p>	<p>Status as at May 2019</p> <p>Partially Completed</p> <p>Our review noted:</p> <p>Action 62-64:</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>and tracking purposes.</p> <p>Noted instances that actions were not followed up and closed in a timely manner.</p>	<p>contain (but not limited to) the following:</p> <ul style="list-style-type: none"> • Descriptions of matters; • Related reports (e.g. Worksafe audit, Site inspection, Evacuation drill training) • Locations/areas affected; • Actions to be undertaken; • Due date for actions; • Responsible personnel; • Implementation status (e.g. quarterly); • Revised timeline (if any). <p>63. Re-enforce the requirement for respective manager/supervisor to comment and sign off the incident report in a timely manner;</p> <p>64. Ensure that follow-up action items identified during internal inspections/audits are to be actioned and closed off in a timely manner.</p>		<p>Action 63: Investigate software to automate and monitor timely sign off of OH&S incident reports.</p> <p>Action 64: Establish an internal inspections/audits register in CAMMS to monitor and report on internal inspections/audit actions.</p>	<p>64. Director Corporate Services</p> <p>Timeframe:</p> <p>62 November 2017</p> <p>63 28 February 2019</p> <p>67 November 2017</p>	<ul style="list-style-type: none"> • An OH&S Corrective Action Register was developed by the Council. We noted key actions on the register are followed up on; and • Our discussion with management noted that the sign-off process was not automated and that Council continues to monitor this through a manual process. The manual process involved incident reports being signed off by the Manager and being tracked and discussed during periodic meetings; and • The Inspections/Audits Register is in the process of being developed. <p>Management Response:</p> <p>Management Agrees.</p> <p>OH&S Corrective Action Register will be transferred from Reliansys to Elumina with the implementation of the Elumina Program.</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					The Inspections/Audits Register has been completed. <u>Responsibility</u> Manager Organisation Development <u>Revised Timeframe:</u> 20 December 2019
Review of Records Management (December 2017)					
19. Various Records Management policies and procedures were outdated and/or still in draft form. Further, certain key processes surrounding records management practices were not formally documented.	We recommend that council management should: 65. 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, reviewed and/or updated in a timely manner to ensure they remain relevant and reflect current practices; and 66. Ensure updated policies and procedures above are communicated/trained to all relevant staff members and made available for staff easy access.	M	Management Agrees. Action 65 – Revise overdue records management policies and procedures (refer to Audit Findings). Finalise draft records management policies and procedures (refer to Audit Findings). Develop and finalise missing records management policies and procedures (refer to Audit Findings). Action 66 – Involve staff in the review and development of policies and procedures are advise staff when policies and procedures have been approved.	<u>Responsibility:</u> Peter Williams, Manager Information and Business Transformation. <u>Timeframe:</u> 65. 31 December 2018. 66. 31 March 2019.	<u>Status as at May 2019</u> Partially Completed Our review noted that: <u>Action 65-66:</u> The following policies and procedures were developed or reviewed and updated: a. Records Management policy; b. Electronic Document Naming procedure; c. Social Media Post Submission and Approval procedure; d. Privacy policy and procedure; and



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					<p>e. Reporting Infovision overdues reporting procedure.</p> <p>In regards Transferring Records to Council Archives Guide no 1 and 3, management advised that they will review whether it should be a procedure after implementation of new EDRMS, given the guide will be impacted due to electronic records and reduced physical records.</p> <p>In regard to remaining documents listed below, management advised that they will be completed as they are dependent on the implementation of the new EDRMS system.</p> <p>f. Protected Disclosure procedure;</p> <p>g. Records scanning procedure;</p> <p>h. Freedom of Information policy and procedure;</p> <p>i. Registering an email into Infovision procedure;</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					<ul style="list-style-type: none"> j. Mail management/correspondence procedure; k. Records Disposal procedure; l. Records management requirements for volunteers (i.e. training, roles and responsibilities of creation, capture, retention, etc.); m. Periodic user access reviews of the Infovision system; n. Periodic generation and review of audit reports from Infovision on key criteria such as high/medium/low users or deleted files from the registry; and o. Periodic risk assessment of the databases/records stored/hosted in the Cloud (i.e. Attaché, Advent Manager, CAMMS). <p>Management Response: Management Agrees With the implementation of the new EDMRS the following</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					policies and procedures are to be reviewed. a. Records Management policy; b. Electronic Document Naming procedure; c. Social Media Post Submission and Approval procedure; d. Privacy policy and procedure; and e. Reporting Infovision overdue reporting procedure. f. Protected Disclosure procedure; g. Records scanning procedure; h. Freedom of Information policy and procedure; i. Registering an email into Infovision procedure; j. Mail management/correspondence procedure; k. Records Disposal procedure;



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
		M			l. Records management requirements for volunteers (i.e. training, roles and responsibilities of creation, capture, retention, etc.); m. Periodic user access reviews of the Infovision system; n. Periodic generation and review of audit reports from Infovision on key criteria such as high/medium/low users or deleted files from the registry; and o. Periodic risk assessment of the databases/records stored/hosted in the Cloud (i.e. Attaché, Advent Manager, CAMMS). <u>Responsibility</u> Manager Information and Business Transformation <u>Revised Timeframe:</u> 30 June 2020
20. Absence of formal and periodic	We recommend that council management should:	M	Management Agrees. Action 67 - Ensure up-to-date records management training	Responsibility:	<u>Status as at May 2019</u> Outstanding



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
organisation-wide records management related training.	67. 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.).	H	is delivered to relevant new and existing staff.	Peter Williams, Manager Information and Business Transformation. Timeframe: 31 December 2018.	Our review noted that: Action 67: Formal training will be provided upon the implementation of new EDRMS system. Management Response: Management Agrees. Conduct formal training with the implementation of the new EDRMS. Responsibility Manager Information and Business Transformation Revised Timeframe: 30 June 2020
21. Absence of key performance indicators, internal compliance/monitoring program and periodic reporting to executive management on records	We recommend that council management should: 68. 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);	H	Management Agrees. Action 68 - 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 the development of the	Responsibility: Peter Williams, Manager Information and Business Transformation. Timeframe: 31 July 2018.	Status as at May 2019 Outstanding Our review noted that: Action 68-70: Council is waiting for the implementation of the new system and subsequently will create a Compliance Program with monitoring and reporting mechanisms.



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
management activities.	<p>69. 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"> - Economy measurement (i.e. cost per record retrieval, cost per file created, etc.); - Efficiency measurement (i.e. number of complaints, enquiries completed in x hours, speed of retrieval from storage, existence/relevance of records management policy, procedures, etc.); - Effectiveness measurement (i.e. number of emails registration per period, proportion of new users, training attended/completed, number of audit/compliance check completed, etc.); - Progress against implementation and action items from the records management strategy (from Recommendation 1); 		<p>Records Management Strategy.</p> <p>Action 69 - As part of the Records Management Strategy, develop KPIs and reports to facilitate monitoring.</p> <p>Action 70 - Ensure Records Management Strategy Compliance Program has monitoring and reporting framework.</p>		<p><u>Management Response:</u></p> <p>Management Agrees.</p> <p>As part of the Records Management Strategy, develop a records management compliance program.</p> <p>As part of the Records Management Strategy, develop KPIs and reports to facilitate monitoring.</p> <p>Ensure Records Management Strategy Compliance Program has monitoring and reporting framework.</p> <p><u>Responsibility</u></p> <p>Manager Information and Business Transformation</p> <p><u>Revised Timeframe:</u></p> <p>30 June 2020</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<ul style="list-style-type: none"> - Actions to address any related outstanding items; - Records management related training undertaken including attendees listing, as well as the next scheduled training dates; - Outcomes and actions from the compliance program; and <p>70. 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>				
22. A Retention and Disposal Program for electronic records was not implemented.	<p>We recommend that council management should:</p> <p>71. 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, PROS 10-13, PROS 07-01 VAR 4 and PROS 09-05</i>; and</p> <p>72. Communicate and upload the Retention and Disposal Program</p>	M	<p>Management Agrees.</p> <p>Action 71 - Develop a Retention and Disposal Program for electronic records.</p> <p>Action 72 - Advise staff of Retention and Disposal Program and add to intranet.</p>	<p>Responsibility: Peter Williams, Manager Information and Business Transformation.</p> <p>Timeframe: 31 December 2018.</p>	<p>Status as at May 2019</p> <p>Outstanding</p> <p>Our review noted that:</p> <p>Action 71-72:</p> <p>Council is waiting for the new system (which is VERS compliant) to be implemented, which enable an electronic retention and disposal program for electronic records. Once implemented staff will be advised thereafter.</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	onto the intranet for easy reference for staff.				<p>Management Response: Management Agrees. Implement a Retention and Disposal Program for electronic records.</p> <p>Responsibility Manager Information and Business Transformation</p> <p>Revised Timeframe: 30 June 2020</p>
23. Records management practices are inconsistent across departments and locations.	<p>We recommend that council management should:</p> <p>73. Streamline organisation-wide records management requirements on structured filing and document registration across the Council's different departments;</p> <p>74. 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>75. Re-enforce to all staff that documents should be named as per the naming convention set out</p>	M	<p>Management Agrees.</p> <p>Action 73 - Develop a standard procedure for capturing public records.</p> <p>Action 74 - Through implementation of the Records Management Strategy Compliance Program, assist staff to understand and meet records management requirements relating to maintaining files.</p> <p>Action 75 - Through implementation of the Records Management Strategy Compliance Program, assist staff to understand and meet records</p>	<p>Responsibility: Peter Williams, Manager Information and Business Transformation.</p> <p>Timeframe: 31 December 2018</p>	<p>Status as at May 2019</p> <p>Outstanding</p> <p>Our review noted:</p> <p>Action 73-76: In regard to all management actions they will be completed once the new EDRMS system is implemented as they are dependent on the system.</p> <p>Management Response: Management Agrees. Develop a standard procedure for capturing public records. Through implementation of the Records Management</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>in the Document Naming procedure; and</p> <p>76. 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>Action 76 - 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>Strategy Compliance Program, assist staff to understand and meet records management requirements relating to maintaining files.</p> <p>Through implementation of the Records Management Strategy Compliance Program, assist staff to understand and meet records management requirements relating to document naming.</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>Responsibility</p> <p>Manager Information and Business Transformation</p> <p>Revised Timeframe:</p> <p>30 June 2020</p>
Review of Whole-of-Life Costing (April 2018)					
24. Council's policies, guidelines and accompanying templates	<p>We recommend that council management should:</p> <p>77. Review and update policies and procedures as identified under the</p>	M	<p>Management Agrees.</p> <p>77. Review and update Asset management policy and Project</p>	<p>Responsibility:</p> <p>77. Indivar Dhakal, Manager Technical Services</p>	<p>Status as at May 2019</p> <p>Partially Completed</p> <p>Our review noted:</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>pertaining to WLC concept were outdated, not robust and adequate to facilitate a consistent and transparent approach.</p> <p>This was further evidenced through our sample-based testing where WLC were not considered/applied during project initiation and planning stages across various projects.</p>	<p>“Observation” column in a timely manner;</p> <p>78. Develop and implement a robust/comprehensive guidelines and/or templates/costing model to guide staff in WLC approach.</p> <p>The guidelines and accompanying templates/models may include but not limited to the following processes:</p> <ul style="list-style-type: none"> • Determine objectives and scopes; • Identify feasibility options; • Estimate whole of life costs; • Consider alternative funding; • Calculate NPV and sensitivity analysis; • Document decision; and • Review whole of life costing; <p>Please also refer to the following appendices for samples:</p> <p>Appendix A - Key steps in the WLC process; and</p> <p>Appendix B - WLC model – sample;</p>		<p>Management Framework.</p> <p>78. Develop and implement robust/comprehensive guidelines and/or templates/costing model to guide staff in WLC approach and include on intranet.</p> <p>79. Include WLC approach in induction materials and annual training program.</p> <p>80. Develop process for adding approved WLC information to Assetic and using information to development Long Term Financial Plan.</p>	<p>78. Indivar Dhakal, Manager Technical Services</p> <p>79. Carol Canfield, Manager Organisation Development</p> <p>80. Deanne Caserta, Manager Financial Services</p> <p>Timeframe:</p> <p>77. 31 May 2019</p> <p>78. 31 May 2019</p> <p>79. 31 August 2018</p> <p>80. 30 November 2018</p>	<p>Action 77-80:</p> <p>The Asset Management Policy was in draft form. Management advised that the Project Management Framework has been used in majority of the projects undertaken. The templates and forms are used based on each project.</p> <p>Management advised that no progress has been made with respect to guidelines and/or templates/costing model to guide staff in WLC approach due to other competing priorities.</p> <p>Management Response:</p> <p>Management Agrees</p> <p>Review and update Asset management policy and Project Management Framework.</p> <p>Develop and implement robust/comprehensive guidelines and/or templates/costing model to guide staff in WLC approach and include on intranet.</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>79. 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>80. Ensure formal periodic monitoring and reporting being implemented across the Council to include complete and adequate WLC information based on the total cost of the asset/project over its life.</p>				<p>Include WLC approach in induction materials and annual training program.</p> <p>Develop process for adding approved WLC information to Assetic and using information to development Long Term Financial Plan.</p> <p><u>Responsibility</u> Manager Assets and Infrastructure David Southcombe</p> <p><u>Revised Timeframe:</u> 20 February 2020</p>



TABLE B – COMPLETED / NOT APPLICABLE ACTION ITEMS

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
Follow-Up Review (July 2018) – in relation to the Review of the Management of Privacy Responsibilities (February 2017)					
1. Absence of documented procedures in place with respect to processes when responding to breaches identified and resulting consequences from an incident management perspective.	<p>We recommend that Council management should:</p> <p>1. Ensure formal procedures in response to privacy breaches are developed in a timely manner. The procedures may incorporate (but not be limited to) the following areas:</p> <ul style="list-style-type: none"> • Breach containment and preliminary assessment; • Evaluation of the risks associated with the breach; • Notification processes over breaches; and • Prevention processes. <p>Communicate and make available the above procedures to staff.</p>	M	<p>Agreed.</p> <p>1. As a minimum ensure privacy procedures cover:</p> <ul style="list-style-type: none"> • Breach containment and preliminary assessment; • Evaluation of the risks associated with the breach; • Notification processes over breaches; and • Prevention processes 	<p>Responsibility: MA 1 Director Corporate Services</p> <p>Timeframe: 1. August 2017</p> <hr/> <p>Status as at April 2018: Partially Completed Our review noted that: MA 1: The Privacy Policy and procedures were in draft form. The draft documents had been reviewed by the Policy Review Group and were scheduled to be put forward to the Management Executive Group for review and approval. The above documents would be subsequently</p>	<p>Status as at May 2019: Completed Our review noted that: MA 1:</p> <ul style="list-style-type: none"> • The Privacy breach procedures were documented which included the following steps/processes for responding to privacy breaches: <ol style="list-style-type: none"> Step 1 – Privacy breach containment and preliminary assessment Step 2 – Evaluate the risks associated with the breach Step 3 – Notification and



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				communicated and made available to staff upon approvals being sought. Management Response: Management Agrees. Procedures are still under development. Revised Timeframe: 28 February 2019	d. Step 4 – Prevention of future breaches The above document was subsequently communicated and made available to staff.
2. Physical access security control deficiencies noted with respect to physical hardcopy files (i.e. property files, financial related files, HR files)	We recommend that Council management should: 2. Consider reviewing controls to ensure that physical access to all the hardcopy files containing personal information is secured and limited to the responsible staff only.	M	Partially Agrees. 2. Co-ordinate management in conducting reviews of controls to ensure physical access to all hardcopy files containing personal information is secured and limited to the responsible staff only by developing an annual self-assessment checklist and adding to Advent Manager for annual completion by departmental heads.	Responsibility: MA 2 Director Corporate Services Timeframe: 2. November 2017 Status as at April 2018: Partially Completed Our review noted that: MA 2: All the hardcopy files containing personal information are kept in the office with access to the respective departments	Status as at May 2019: Completed Our review noted that: MA 2: An Annual Self-Assessment Checklist Procedure has been developed and adopted as a self-auditing tool. Management advised that this checklist is to be completed by the most senior person with privacy responsibilities in Council. Management is still working towards implementing a document management system.



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>restricted to Council staff only via swipe/key access cards.</p> <p>Efforts are being made to convert documents to electronic records where possible for extra security which is a work-in-progress at Council.</p> <p><u>Management Response:</u> Management Agrees.</p> <p>Tender documents for a new Corporate System including document management software is currently being finalised. A key requirement is that the software is compliant with electronic document management standards.</p> <p><u>Revised Timeframe:</u> 30 November 2019</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>3. Privacy related performance indicators did not exist within the Council. Further, the Council did not formally report on any privacy related matters and/or activities.</p>	<p>We recommend that the Council management should:</p> <p>3 Consider developing a formal process where reporting to management, CEO and/or the Council on the organisation's privacy activities is undertaken on a regular basis (e.g. review of the Council's Privacy Policy and Procedures, review of systems used to record, capture and collect information, etc.);</p> <p>4 Consider implementing an annual self-assessment checklist to be completed by all the department heads within Council. The checklist should incorporate (but not be limited to) the following areas:</p> <ul style="list-style-type: none"> • Identification of personal information collected and re-assessment of the need for collection and use; • Risks identified and controls put in place regarding the privacy of personal information; and • Whether the department has complied with the Privacy Framework and Information Privacy Principles, with reference to this checklist. <p>The self-assessments should be reported to the Privacy Contact Officer. Any non-compliance identified through</p>	M	<p>Agreed.</p> <p>3. Add privacy reporting to Loddon Performance Reporting Framework to be reported six monthly.</p> <p>4. Develop a self-assessment checklist and add to Advent Manager for annual completion by department heads.</p> <p>5. Add the following KPIs to the Loddon Performance Framework:</p> <ul style="list-style-type: none"> • Number reported concerns regarding privacy practices; • Number of identified breaches of privacy; • Number of identified losses of personal data; • Percentage new starters completing privacy training within 6 months of commencement; and 	<p>Responsibility: MA 3-5 Director Corporate Services</p> <p>Timeframe:</p> <p>3. May 2017 4. August 2017 5. May 2017</p>	<p>Status as at May 2019: Completed Our review noted that:</p> <p>MA 4:</p> <ul style="list-style-type: none"> • A self-assessment checklist has been finalised and adopted .
				<p>Status as at April 2018: Partially Completed Our review noted that:</p> <p>MA 3:</p> <ul style="list-style-type: none"> • Privacy reporting has been added to the Loddon Performance Reporting Framework. <p>MA 4:</p> <ul style="list-style-type: none"> • A self-assessment checklist is still under consideration and work in progress. <p>MA 5:</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<p>this processes should also be followed up by the Privacy Contact Officer with the respective departments, to ensure that it is rectified.</p> <p>5 Consider developing, adopting and reporting against privacy related KPIs (as relevant to the Council's size), to assist in ensuring organisational objectives and targets are being met. Examples of KPIs that Council may consider reporting against may include (but not limited to):</p> <ul style="list-style-type: none"> • Reported concerns regarding privacy practices; • Number and/or percentage of breaches of privacy; • Number and/or losses of personal data; <p>6 Privacy training attended by staff etc.</p>		<ul style="list-style-type: none"> • Percentage staff with current refresher training. 	<ul style="list-style-type: none"> • KPI's have been added to the Loddon Performance Reporting Framework. <p>Management Response: Management Agrees.</p> <p>A self-assessment checklist has been purchased and will be adopted to suit Council's requirements.</p> <p>Revised Timeframe: 28 February 2019</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>4. A Privacy Policy and accompanying procedures did not exist within the Council which cover on key privacy related areas.</p> <ul style="list-style-type: none"> Procedures do not exist that set out how to implement privacy policies (e.g. circulars, memos, notices defining what the department must do to abide by the legislation) Policies do not exist relating 	<p>We recommend that the Council management should:</p> <p>6. Ensure that the Privacy Policy is developed in a timely manner as part of the Council's privacy framework. The document should align with the PDPA, inclusive of the 10 IPPs within Schedule 1 of the PDPA. The document should also incorporate (but not limited to) the following areas:</p> <ul style="list-style-type: none"> Objective/s; Scope; Legislative and other document references; Definitions; Responsible officers; Collection, use and disclosure, safeguarding, archiving and disposal of personal information; Policy review; and Version control (i.e. position title of author, approver, issue date, date of last review, date of next review etc.). <p>7. Ensure accompanying privacy procedures are developed to guide staff.</p>	M	<p>Agreed.</p> <p>6. Develop Privacy Policy.</p> <p>7. Develop Privacy Procedures.</p> <p>8. Obtain approval for Policy.</p> <p>8.1 Obtain approval for Procedures.</p> <p>9. Communicate policy to staff and make policy available.</p> <p>10. Ensure policy is included in policy review framework for review every 2 years.</p>	<p>Responsibility: MA6-10 Director, Corporate Services</p> <p>Timeframe: 6. May 2017 7. August 2017 8. May 2017 8.1 August 2017 9. May 2017 10. May 2017</p>	<p>Status as at May 2019: Completed</p> <p>Our review noted: MA 6-10: The Privacy Policy was adopted by Council on 22 May 2018 and Privacy Breach Procedure was adopted by Council on 24 April 2019 and has been communicated to staff. Both documents have a review period of no later than 1 year after its adoption.</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>specifically to privacy issues.</p> <ul style="list-style-type: none"> Procedures surrounding the need to perform a period re-evaluation process of all personal information collected need to be formally documented. Procedures surrounding the periodic review of the necessity for personal information to continue to be disclosed need to be formally documented by Council. The need to ensure there 	<p>The procedures should incorporate (but not limited to) the following areas:</p> <ul style="list-style-type: none"> Identification of departments that collect personal information, what personal information they collect and how they manage the personal information; Situations where personal information may be disclosed and procedures to verify identity of requestor before disclosure (i.e. in writing, over the phone etc.); The need for Council to perform a formal re-evaluation of its need for all personal information collected and disclosed necessary for its functions or activities; and <p>8. Obtain the appropriate approvals for the Policy and accompanying procedures once developed;</p> <p>9. Ensure the Policy is made available and free of charge to a person or body that may request the document as per the IPP requirements; and</p> <p>10. Ensure the Policy is reviewed and updated on a regular basis (i.e. every 2 years) to ensure it remains relevant and reflects current practice.</p>			<p>Status as at April 2018:</p> <p>Partially Completed</p> <p>Our review noted that:</p> <p>MA 6-10:</p> <p>The Privacy Policy and procedures were in draft form. The draft documents had been reviewed by the Policy Review Group and were scheduled to be put forward to the Management Executive Group for review and approval.</p> <p>The above documents would be subsequently communicated and made available to staff upon approvals being sought.</p> <p>Management Response:</p> <p>Management Agrees.</p> <p>Privacy Policy was adopted by Council 22 May 2018 (post audit fieldwork date) and has been communicated to staff on 14 June 2018. It has a review period of no later than 1 year after its adoption.</p> <p>Procedures are in draft form.</p> <p>Revised Timeframe:</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>are procedures in place for handling of personal information including collection, storage, processing, use and disclosure to third parties.</p> <ul style="list-style-type: none"> Absence of documented policies and procedures to ensure that management commitment to implement policies and procedures to safeguard personal information. 				28 February 2019	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
5. Absence of documented procedures with respect to sensitivity of personal information being maintained in accordance with the IPPs.	We recommend that the Council management should: 13. Ensure formal processes with respect to the collection and maintenance of sensitive information are incorporated within the Privacy Policy and accompanying procedures in a timely manner; and 14. Communicate and make available the Privacy Policy and accompanying procedures to staff.	M	See Key Finding No. 4 above.	See Key Finding No. 4 above.	See Key Finding No. 4 above.
Follow-Up Review (July 2018) – In relation to the Review of Salary Oncost Rate, Project Costing, and Budgeting Process (March 2017)					
6. No formal review process in place to ensure that the project costing prepared by individual departments was reasonable and justifiable.	We recommend that Council's management should: 15. Develop and implement a process for Finance to review the project costing methodology, together with the relevant departmental manager, to ensure that the costing is reasonable and justifiable	H	Agreed. 15. Finance Department to work with the Operations Department to ensure that the formulated worksheets used to calculate each project has an appropriate costing methodology. This is to be included into a private/external contractor works policy and procedure that outlines the different methodologies used within each project type.	Responsibility: MA 15 Manager, Operations Timeframe: February 2018 Status as at April 2018: Partially Completed Our review noted that: MA 15: ● The Finance Department continues to work in close	Status as at May 2019: Completed Our review noted that: MA 15: ● The Finance Department continues to work in close association with the Operations Department to ensure costing methodology is appropriate. This responsibility has also been assigned to the Director (Operations).



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				association with the Operations Department to ensure costing methodology is appropriate. This responsibility has also been assigned to the Director (Operations). <ul style="list-style-type: none"> However, the requirement above has not yet been included into a private/external contractor works policy and procedure. <p>Management Response: Council is of the view that this process is part of contract negotiations rather than a project costing process and therefore does not need a process.</p> <p>Revised Timeframe: Complete.</p>	<ul style="list-style-type: none"> The oncost calculation procedure document has been developed and adopted in Feb 2019, the procedure aims to provide clarification and direction around the oncost calculation method used by Council. Our discussion with management noted that this process was part of the contract negotiations and is a standard practice followed at Council.
Follow-Up Review (July 2018) – In relation to the Follow-Up Review (May 2017) - Review of Local Laws (September 2014)					
7. The review and report of the	We recommend Council management:		16. DEPI are holding a forum on the Domestic Animal Management Plan	Responsibility: Action 16-19	Status as at May 2019: Completed



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
implementation of the Domestic Animal Management Plan 2013-2016 was not conducted.	16. Conduct a review and report exercise to assess the implementation of the Plan; 17. Undertake corrective actions to address any performance gap noted; and 18. Provide assessment outcomes to key stakeholders for proper oversight.		(DAMP) implementation on 27 October 2014 which staff will attend. 17. Any information on this and an update of actions from the DAMP will be reported to the Council Meeting in December 2014. 18. Corrective actions will be incorporated into Council's report. 19. Annual reports to Council will be incorporated into the Council Meeting cycle. <u>Action 12-13:</u> Council Report on DAMP. <u>Action 14-15:</u> Annual report in Council meeting cycle.	Planning & Local Laws Compliance Officer <u>Timeframe:</u> 16-17. February 2015 AC meeting 18-19. Immediate action Status as at Feb 2017: Outstanding Our review noted that: <u>Action 16-19:</u> The review and report of the implementation of the Domestic Animal Management Plan had not been completed. We understand that the Council is currently conducting the review and undertaking actions for gaps identified. <u>Management Response:</u> Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action. <u>Responsible Officer:</u> Manager Development and Compliance	Our review noted: MA 16-19: The Domestic Animal Management Plan 2018-2021 has been approved and adopted (26 th June 2018).



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>Revised Timeframe: 30 September 2017</p> <p>Status as at April 2018: Outstanding Our review noted: MA 16-19: The review and reporting of the Domestic Animal Management Plan had not yet been performed.</p> <p>Management Response: The Domestic Animal Management Plan was adopted in June 2018 and send to Department of Economic Development, Jobs, Transport and Resources.</p> <p>Revised Timeframe: Completed (post audit fieldwork date)</p>	
Follow-Up Review (July 2018) – In relation to the Follow-Up Review (May 2017) - Building Management Services (March 2016)					
8. There was an absence of	We recommend that council management should:	H	20. Agreed. Development of scheduled building inspection program will be	<p>Responsibility: Action 20-21</p>	<p>Status as at May 2019: Completed</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
<p>routine building condition inspections undertaken.</p>	<p>20. Ensure that routine building condition inspections are completed as per the requirements of the Building Asset Management Plan;</p> <p>21. Develop an appropriate building condition inspection schedule which outlines all required routine building condition inspections for all buildings which the Council has direct or indirect responsibility.</p> <p>Review the building condition inspection schedule on an ongoing basis to ensure inspections occur as per the outlined timeframes (no longer than a 2-year cycle).</p>		<p>earmarked as a priority for the new Building Maintenance Officer on commencement of employment.</p> <p>21. Scheduling of these inspections will also be reflected in the new building asset management system and reviewed periodically in accordance with the building hierarchy and risk.</p> <p>Action 20: Initial building condition and maintenance audit.</p> <p>Action 21: Scheduling of periodic follow up inspections in the asset management system after purchase of the system.</p>	<p>Asset Engineer</p> <p>Timeframe: 20. May 2017 AC Meeting 21. August 2017 AC Meeting</p> <p>Status as at Feb 2017: In Progress</p> <p>Our review noted that:</p> <p>Action 20: An initial inspection of the building condition was conducted from Sept to Nov 2016.</p> <p>The results are currently being consolidated and will be presented to the Audit Committee.</p> <p>Action 21: There is currently no scheduling of periodic follow up inspections.</p> <p>In the new Building Asset Management Plan (2017-2021) that is currently under development, it will establish routine building condition inspections and ensure review of building condition inspection schedule on an ongoing basis</p>	<p>Our review noted:</p> <p>Action 20-21: The building inspection program has been encompassed in the BAMP document.</p>



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				<p>to ensure inspections occurs as per the outlined timeframes.</p> <p>Management Response:</p> <p>A review of the BAMP outlining the issues with the current BAMP and changes revisions required will be completed by 30/6/2017, with a revised BAMP provided by October 2017. The building inspection regime shall be encompassed in this document.</p> <p>Responsible Officer:</p> <p>Manager Technical Services</p> <p>Revised Timeframe:</p> <p>31 October 2017</p> <p>Status as at April 2018:</p> <p>Partially Completed</p> <p>Our review noted:</p> <p>Action 20-21:</p> <p>The BAMP is currently being reviewed and worked upon. This process will encompass the scheduling of periodic follow up building inspections.</p> <p>Management Response:</p>	



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
				Management Agrees. The BAMP is being finalised. An update on progress of the BAMP was presented at the June Council Forum. Revised Timeframe: 30 November 2018	
Review of Records Management (December 2017)					
9. A Records Management Strategy has not been developed and implemented.	We recommend that LSC management should: 22. Develop and implement a formalised and comprehensive records management strategy. Refer to Appendix A for A Quick Guide for Developing a Records Management Strategy. 23. Ensure that the strategy is approved and formally endorsed and communicated to all staff members; and 24. Evaluate and update the records management strategy periodically (e.g. 6-monthly or annually) to ensure it remains relevant to changing scenarios.	H	Management Agrees. Action 22 - Develop and implement a Records Management Strategy. Action 23 - Ensure the strategy is approved and formally endorsed and communicated to all staff members. Action 24 – Ensure the Records Management Strategy has an annual review date to ensure it remains relevant to changing scenarios.	Responsibility 22-24: Peter Williams, Manager Information and Business Transformation. Timeframe 22-24: 31 July 2018.	Status as at May 2019: Completed Our review noted: Action 22-24: The Records Management Strategy 2018-22 has been developed, approved and implemented. The strategy was communicated to all staff via email before publishing on intranet.



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
Review of Occupational Health and Safety (October 2017)					
10. Instances where we could not confirm whether new employees had been inducted on OH&S when they commenced.	We recommend the Council management should: 25. Reinforce the requirement for the Induction checklist to be completed, signed off by both employees and managers and returned to HR in a timely manner for filing purposes; and 26. Establish a follow up and tracking process to ensure induction is completed as required.	M	Management Agrees. Action 25: Investigate software to automate, monitor and manage the timely completion of Induction process. Action 26: Advise people managers of the need to promptly complete and return induction checklists.	Responsibility: 25. Director Corporate Services 26. Manager Organisation Development Timeframe: 25. 28 February 2018 26. 30 November 2017	Status as at May 2019: Completed Our review noted that: Action 25-26: Our discussion with management noted that the process was not automated and that Council continues to monitor through a manual process. The manual process was that the Learning and Development Officer sends a calendar invite to the new employee's Manager to return the checklist and follows up with the manager if not returned by due date.
11. Certain policies and procedures to guide staff over OH&S processes were outdated, still in draft and were not formally documented. Further, we noted instances where OH&S	We recommend that council management should: 44. Review and update the outdated policies and procedures identified under the "Observation" column to ensure they remain current and relevant; 45. Complete and adopt the draft policies and procedures identified under the "Observation" column as soon as practical to improve the adequacy of	M	Management Agrees. <u>MA 44</u> Action 44.1: Review and update the Fire Prevention and Response Policy. Action 44.2: Review and update the Emergency and Evacuation Policy.	Responsibility: 44. Manager Organisational Development 45. Manager Technical Services 46. Manager Operations 47. Manager Executive and Commercial Services	Status as at May 2019 Completed Our review noted: Action 44-47: <ul style="list-style-type: none"> That the Council had decided to rescind the Fire Prevention and Response Policy and



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
related policies and procedures were not centrally located on Council's intranet.	<p>Council's OH&S related policies and procedures;</p> <p>46. Develop formally documented work instructions and/or procedures for processes identified under the "observation" column to guide staff over OH&S related matters; and</p> <p>Ensure all OH&S related documents be communicated and centrally located within Council's intranet to facilitate staff easy reference.</p>		<p>Action 44.3: Review and update the Staff Complaints Procedure.</p> <p>Action 44.4: Review and update the Staff and Contractor Code of Conduct.</p> <p><u>MA 45</u></p> <p>Action 45.1: Complete and adopt the Management of Asbestos Policy and Procedure.</p> <p>Action 45.2: Complete and adopt the Testing of Electrical Equipment.</p> <p><u>MA 46</u></p> <p>Action 46.1: Develop procedures for work site inspection.</p> <p>Action 46.2: Develop procedure for chemical hazardous substance and dangerous goods.</p> <p>Action 46.3: Develop manual handling procedure.</p> <p><u>MA 47</u></p> <p>Action 47.1: Strategic documents register to be updated to ensure overdue, outstanding and missing</p>	<p>Timeframe 44-47: 22 February 2018</p>	<p>rewrite it as a department procedure.</p> <ul style="list-style-type: none"> All requirement policy and procedure documents had been developed and were approved.



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			policies and procedures mentioned in this report are monitored for completion.		
12. Fire drills were not conducted on a regular basis at Council's different sites in line with the Council's policy.	<p>We recommend that council management should:</p> <p>58. Reinforce the requirement for fire evacuation drills to be performed at all sites at least twice a year as per Council's policy;</p> <p>59. Ensure that evidence/report from the fire evacuation drills is retained and used to analyse and address any issues identified during the process;</p> <p>60. Incorporate the Emergency Evacuation Report Template into relevant policies/procedures; and</p> <p>Review and update policies/processes/practices where relevant to address issues identified during drills.</p>	M	<p>Action 58: Include the need for twice yearly fire evacuation drills at all sites on the OH&S schedule/calendar.</p> <p>Action 59: Develop a procedure for the retention of reports on fire evacuation drills.</p> <p>Action 60: Develop and incorporate an Emergency Evacuation Report Template into relevant policies and procedures.</p> <p>Action 61: Ensure policies /procedures /practices are updated to accommodate any learnings from Emergency Evacuation Reports.</p>	<p>Responsibility 58-61: Manager Organisational Development</p> <p>Timeframe 58-61: 28 February 2019</p>	<p><u>Status as at May 2019</u></p> <p>Completed</p> <p>Our review noted:</p> <p><u>Action 58-61:</u></p> <ul style="list-style-type: none"> The requirement of a minimum of two evacuation drills per year was referenced within procedures for all 3 locations (i.e. Wedderburn Office, Serpentine Office and Depot); Procedural documents for Wedderburn, Depot and Serpentine Office were developed with respect to retention of reports on fire drills; An Emergency Evacuation Report Template was developed at LSC. We noted this template had been completed and included for the last fire drills



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					undertaken at Wedderburn Depot (8/4/2019) and Wedderburn Office (9/5/2019). Debrief meetings are held with the warden and OH&S representatives following each drill. We reviewed minutes of the fire warden meeting with actions; and <ul style="list-style-type: none"> Obligations are set for all departments as a reminder to conduct evacuation drills twice a year.
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)					
13. A centralised, accurate plant and equipment database/register had not yet been fully rolled out.	We recommend Council management should: 27. Ensure the consolidation process of plant and equipment onto the centralised plant and equipment database/register is undertaken in a timely manner, to assist Council in its service delivery; and 28 & 29. Ensure the centralised plant and equipment database is reviewed and updated on a periodic basis to ensure it remains relevant, accurate and complete.	M	Agreed. 27. Plant and equipment database to be finalised and populated to ensure the capture of all relevant equipment and plant owned and operated by Council. 28. Review procedures for procurement or disposal of plant and equipment	<u>Responsibility:</u> MA 6-8 Manager, Operations <u>Timeframe:</u> 27. November 2016 AC Meeting 28. February 2017 AC meeting	<u>Status as at May 2019:</u> Completed <u>MA 27-29:</u> An interim approach to plant and equipment has been considered which meets Council's needs and is a centralised and accurate plant and equipment database. Management advised that



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			includes updating of plant and equipment database. 29. Review and identify most suitable IT solution for managing Plant and Fleet registers (including development of replacement programs).	29. February 2017 AC meeting	Council's procurement of a new corporate system has been delayed.



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 agreed by the Audit 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 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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INTERNAL AUDIT REPORT

LODDON SHIRE COUNCIL

Review of Councillor's Expenses

November 2019



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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

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Executive Summary

INTRODUCTION

As part of the internal audit services provided to Loddon Shire Council ("LSC" or the "Council"), HLB Mann Judd has undertaken a review of its Councillor's expenses management practices and processes. The objective of the internal audit was to assess the adequacy and effectiveness of policies, processes and practices at the Council associated with Councillor's expenses and compliance with Section 75 of the *Local Government Act 1989*.

The review was approved by the Council's Audit Committee and forms part of the 2019-20 Internal Audit Program.

BACKGROUND

Residents and ratepayers elect councillors to serve their communities. Councillors are responsible for setting the overall direction of the council and take an oath that they will perform their role impartially, to the best of their ability, and in the best interests of the municipality.

The *Local Government Act 1989* provides for councillors to receive support from councils including an allowance, resources and facilities, and the reimbursement of expenses incurred while performing councillor duties.

Councillors must model appropriate behaviour. As highly visible community leaders, they must hold themselves to the highest standard of integrity and foster a culture of zero tolerance for fraud and corruption. Any perception of excessive entitlements may damage public trust and the maintenance of a culture of integrity. As with any type of council expenditure, the provision of entitlements to councillors may constitute a fraud and corruption risk for which councils need adequate controls.



Summary of Councillor Expenses

- Review of the overall Councillor Expenses noted that the allowance/reimbursement/entitlements received by Councillors are not excessive. Below is the summary of the Councillor Expenses from 1 July 2018 to 30 June 2019 that has been published on the Council's website:

Name of Councillors	Travel	Car Mileage	Childcare	Information and Communication Technology Expenses	Conference and Training Expenses	Expense Incurred	Total Expense
Cr N Beattie (Mayor - part)	\$0	\$6,930	\$0	\$540	\$1,675	\$1,099	\$10,244
Cr G Condiffe	\$0	\$6,012	\$0	\$1,098	\$250	\$420	\$7,780
Cr G Gumow	\$0	\$4,164	\$0	\$1,732	\$926	\$1,035	\$7,857
Cr G Holt	\$0	\$0	\$0	\$385	\$3,539	\$460	\$4,384
Cr C McKinnon (Mayor)	\$0	\$16,000	\$0	\$1,753	\$6,722	\$508	\$26,983
Total	\$0	\$35,106	\$0	\$5,508	\$13,112	\$3,522	\$57,248

POSITIVE ASPECTS OF CONTROL

The following positive business practices were noted regarding the Councillor's expenses practices and processes:

Policy and Procedure

- The councillor expenses are governed by the Councillors Support and Reimbursement of Expenses Policy (approved in December 2016, and due for next review in December 2020). The Policy is developed in accordance with the *Local Government Act 1989* to support Councillors and enable them to effectively fulfil their civic and statutory duties by:
 - Providing for reimbursement of reasonable out of pocket expenses incurred by Councillors in undertaking their duties and functions as Councillors;



- Describing the resources and support that will be provided and the conditions, responsibilities and limits on the use of the resources provided to them;
- Providing training and resources for Councillor's professional development;
- Providing for mutual accountability and transparency between Councillors and for appropriate accountability to the community;
- The Policy incorporates reporting requirements to the public by stating that costs associated with interstate and overseas travel are recorded and are available for public inspection in accordance with the *Local Government Act 1989*. Council publishes the details of expenses and entitlements in accordance with requirements under the *Local Government (Planning and Reporting) Regulations 2014* in its Annual Report;
- The Councillor reimbursement form requires Councillors to declare/certify that the expenses claimed are reasonable bona fide councillor out of pocket expenses incurred while performing duties as councillor and that their claims accord with the relevant legislative provision. This statement helps Council to hold Councillors accountable if they fail to meet their obligations;

Councillor Expenses Practices and Control

- The end-to-end process of claiming and approving the Councillor expenses are depicted in the Councillors Support and Reimbursement of Expenses Policy;
- Our sample testing noted that the Councillor expenses are supported with adequate documentation and approved by the CEO as per the Councillors Support and Reimbursement of Expenses Policy;
- Management has undertaken the following actions in 2019 as corrective actions to respond to and resolve the ***VAGO Audit Findings - Fraud and Corruption Controls over Councillor Entitlements and Expenditure, June 2019***:
 - Reviewed the Councillors Support and Reimbursement of Expenses Policy to ensure issues identified in the report are addressed;
 - Reviewed the Training Seminars and Conferences policy to stipulate frequency of fraud and corruption awareness training; and
 - Continued to maintain a fraud and corruption incident register. Ensured staff are aware of the fraud and corruption incident register by sending an awareness email each year.



SUMMARY OF KEY FINDINGS

The primary objective was to assess and evaluate the effectiveness and efficiency of internal controls embedded in the Councillor’s expenses practices and controls, to determine whether the following audit objectives were addressed:

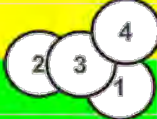
Audit Objectives	Related Finding	Risk Rating*			
		Extreme	High	Medium	Low
The Council has adequate policies and procedures that prescribes the types of councillor expenses the council must reimburse, and the procedures councillors must follow for reimbursements including outlining the support the council will provide to councillors and mayors, including access to resources and facilities.	Noted an instance where a Councillor claim for reimbursement was not submitted in a timely manner as per the Councillors Support and Reimbursement of Expenses Policy.				Finding 1
	The Councillor Support and Reimbursement of Expense Policy did not capture the correct authorised car mileage allowance rate.				Finding 2
	The need to undertake periodic awareness training 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.			Finding 4	
Assessment of whether the Council has adequate policies processes and practices with respect to councillor expenses in line with the VAGO recommendations stipulated in the <i>Fraud and Corruption Control—Local Government Report June 2019</i> .	No issues noted.				
The councillor reimbursements and entitlements are supported by documentation that confirms they are for genuine council business and details the beneficiaries of the expense.	Noted an instance where the description provided by the Councillor on the Councillor expense claim form was not clear and well-articulated.				Finding 3
Standing entitlements and support that councillors receive are not excessive and meet community expectations.	No issues noted.				
The Council adequately reports on councillor reimbursements and entitlements.	No issues noted.				



RISK MATRIX

The risk rating of each of the above findings is contained in the following matrix:

		CONSEQUENCE				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
LIKELIHOOD	5 Frequent / almost certain	Yellow	Orange	Orange	Red	Red
	4 Probable / likely	Green	Yellow	Orange	Orange	Red
	3 Occasional / possible	Green	Yellow	Yellow	Orange	Orange
	2 Unlikely	Green	Green	Yellow	Yellow	Orange
	1 Rare	Green	Green	Green	Green	Yellow



OVERALL CONCLUSION

Based on the results of the review, the Council has established adequate and efficient internal controls and processes relating to the management of Councillor's expenses.



Detailed Findings

Description of Finding	Observation	Impact and Recommended Action	Management Response								
<p>1. 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.</p>	<p>Risk Rating: Low</p> <p>Standard/Criteria: As per Councillors Support and Reimbursement of Expenses Policy, Councillors are requested to submit travel and expense claims on a monthly basis.</p> <p>Audit Finding: Our sample testing of 15 Councillor claims noted:</p> <ul style="list-style-type: none"> 1 instance where the claim form and supporting documentation were not submitted in a timely manner (more than 30 days) as per Councillors Support and Reimbursement of Expenses Policy. This related to the following sample: <table border="1"> <thead> <tr> <th>Name</th> <th>The date of the expense occurred</th> <th>The date of the Councillor Travel Form signed</th> <th>Number of days from the first expense incurred</th> </tr> </thead> <tbody> <tr> <td>Neil Beattie</td> <td>9th Jan – 26th June 2018</td> <td>15 Sep 2018</td> <td>249 days (more than 8 months)</td> </tr> </tbody> </table>	Name	The date of the expense occurred	The date of the Councillor Travel Form signed	Number of days from the first expense incurred	Neil Beattie	9 th Jan – 26 th June 2018	15 Sep 2018	249 days (more than 8 months)	<p>Impact: Councillor claims for reimbursement not being submitted in timely manner may lead to:</p> <ul style="list-style-type: none"> Inefficient process undertaken when claiming for reimbursement due to late submission; and Disputes between the Councillor and the Council as the reimbursement do not meet the internal and external requirements. <p>Recommended Action: We recommend that the Council management should:</p> <ol style="list-style-type: none"> 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 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. 	<p>Management Action: Recommendation 1: Recommendation of the timely manner to be reinforced at a forum training session with Councillors.</p> <p>Responsibility: Christine Coombes, Executive and Commercial Services Officer</p> <p>Timeframe: 30 April 2020</p> <p>Recommendation 2: Scheduled email reminder to be sent monthly to Councillors to remind them of the timeliness of submissions of claims.</p> <p>Responsibility: Christine Coombes, Executive and Commercial Services Officer</p> <p>Timeframe:</p>
Name	The date of the expense occurred	The date of the Councillor Travel Form signed	Number of days from the first expense incurred								
Neil Beattie	9 th Jan – 26 th June 2018	15 Sep 2018	249 days (more than 8 months)								



Description of Finding	Observation	Impact and Recommended Action	Management Response
			30 April 2020
<p>2. The Councillor Support and Reimbursement of Expense Policy did not capture the correct authorised car mileage allowance rate.</p>	<p>Risk Rating: Low</p> <p>Standard/Criteria: As per the Councillors Support and Reimbursement of Expenses Policy, the reimbursement of private vehicle use will be on the basis of the Council rate per kilometre amount paid to <i>home care staff</i>, as amended from time to time.</p> <p>Audit Finding: Our discussion with the management and review of the Councillors Support and Reimbursement of Expenses Policy identified an inconsistency in regard to the basis for car mileage allowance paid to Councillor.</p> <p>To be specific, whilst the Policy stated, "<i>travel rate for councillor to claim should be in accordance with the <u>homecare staff rate</u>, which is reviewed and updated periodically, our sample testing noted the actual rate captured on the Councillor claim form template and paid to Councillor was based on "<u>Private Travel – Cars only rate</u>, currently sitting at \$0.99/kilometre".</i></p> <p>Management confirmed that the correct allowance rate should be "<u>private travel – cars only rate</u>" and hence, the Policy needs to be updated accordingly.</p>	<p>Impact: Inconsistent allowance rates for reimbursement to Councillors on various documents may result in:</p> <ul style="list-style-type: none"> • Non-compliance with the policy; and • Increasing risk of potential disputes when inaccurate allowance being paid. <p>Recommended Action: We recommend that the Council management should:</p> <ol style="list-style-type: none"> 3. Review and update the Councillors Support and Reimbursement of Expenses Policy to change the basis from "<u>home care staff</u>" to "<u>Private Travel – Cars Only</u>"; and <p>Subsequently, communicate to all Councillors regarding the change.</p>	<p>Management Action: Recommendation 3: The correct rate is paid however the name of the rate changed with the new Enterprise Agreement.</p> <p>Policy to be updated to reflect the change in the name for the rate, from "<u>homecare staff rate</u>" to "<u>private travel – cars only rate</u>".</p> <p>Responsibility: Christine Coombes, Executive and Commercial Services Officer</p> <p>Timeframe: 30 November 2020</p>



Description of Finding	Observation	Impact and Recommended Action	Management Response						
<p>3. The description provided by the Councillor in the Councillor expense claim form was not clear and well-articulated.</p>	<p>Risk Rating: Low</p> <p>Standard/Criteria: The VAGO recommendation in the Fraud and Corruption Control – Local Government Report June 2019 stipulates that “<i>Councillor reimbursement and entitlements should be supported by documentation that confirm that they are genuine council business and details the beneficiaries of the expense</i>”.</p> <p>Audit Finding: Our sample testing of 15 Councillor claims noted 1 instance where the description of the Councillor’s expenses (e.g. location, reason/purpose, type of expense) was not clearly documented. This related to the following sample:</p> <table border="1" data-bbox="533 850 1128 967"> <thead> <tr> <th>Name</th> <th>Purpose of the expense provided in the form</th> <th>Details of Out of Pocket Expense provided</th> </tr> </thead> <tbody> <tr> <td>Geoff Cumow</td> <td>Loddon Food + Wine Expo</td> <td>Newbridge</td> </tr> </tbody> </table> <p>As per conversations with management, this claim was indeed eligible travel allowance to be reimbursed, as the Councillor gave a presentation, and represented the council during the Expo.</p>	Name	Purpose of the expense provided in the form	Details of Out of Pocket Expense provided	Geoff Cumow	Loddon Food + Wine Expo	Newbridge	<p>Impact: In the absence detailed description for the Councillor expense to be claimed, this could lead to:</p> <ul style="list-style-type: none"> Incorrect approval/ disapproval by the reviewer of the claimed amount; and Decrease the level of transparency and make it difficult for public scrutiny in determining whether the expense is genuine council business related transaction. <p>Recommended Action: We recommend that the Council management should:</p> <p>4. Consider updating the Councillor Expense Claim 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> <ul style="list-style-type: none"> Business reasons/justification (delivery of speech at a seminar/community event, attending Councillor trainings, attending meetings with Local Government Minister, etc.); Type of expense (business meal, car mileage, parking, toll fees, etc.); and Location/Destination; <p>Subsequently, Council to provide briefing to</p>	<p>Management Action: Recommendation 4: Update expense claim form to reflect the additional information of “business reasons/justification”, “type of expense”, “location”. Details to be clarified at a forum training session in early 2020.</p> <p>Responsibility: Christine Coombes, Executive and Commercial Services Officer</p> <p>Timeframe: 30 April 2020</p>
Name	Purpose of the expense provided in the form	Details of Out of Pocket Expense provided							
Geoff Cumow	Loddon Food + Wine Expo	Newbridge							



Description of Finding	Observation	Impact and Recommended Action	Management Response								
		Councillors regarding the changes/updates to ensure consistency and transparency.									
4. 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.	<p>Risk Rating: Medium</p> <p>Standard/Criteria:</p> <p>The <i>Local Government Act 1989</i> requires councils to adopt and maintain a policy that prescribes the types of councillor expenses the council must reimburse, and the procedures councillors must follow for reimbursement.</p> <p>The VAGO recommendation in the Fraud and Corruption Control – Local Government Report June 2019 also stipulates that Council should provide training to Councillors to reinforce policy requirements for reimbursement and ensure that councillors understand that any claim for reimbursement must be reasonable.</p> <p>Audit Finding:</p> <p>Our sample testing of 15 councillor expenses and discussions with the councillors noted the following 3 instances where the Councillors Expense Claim forms prepared by the Councillors were adjusted/amended by the CEO before approval:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Details for the adjustment made by CEO</th> <th>Reason for adjustment</th> </tr> </thead> <tbody> <tr> <td>Geoff Cumow</td> <td>4 eligible meetings were added to claim the \$40 per approved council meeting at remote area.</td> <td rowspan="2">Number of meetings that were eligible to claim were left blank when submitted by the Councillor.</td> </tr> <tr> <td>Geoff</td> <td>1 eligible meeting was added to claim the \$40 per</td> </tr> </tbody> </table>	Name	Details for the adjustment made by CEO	Reason for adjustment	Geoff Cumow	4 eligible meetings were added to claim the \$40 per approved council meeting at remote area.	Number of meetings that were eligible to claim were left blank when submitted by the Councillor.	Geoff	1 eligible meeting was added to claim the \$40 per	<p>Impact:</p> <p>Lack of understanding of what can/cannot claim and criteria for claiming eligible entitlements may lead to:</p> <ul style="list-style-type: none"> • Non-compliance with internal and external requirements; and • Lack of transparency and consistency of the Councillor expense claim process. <p>Recommended Action:</p> <p>We recommend that the Council management should:</p> <p>5. Provide periodic training/ update to Councillors to reinforce policy requirements for reimbursement and ensure that Councillors understand criteria to claim expenses.</p>	<p>Management Action:</p> <p>Recommendation 5:</p> <p>Training will be provided to Councillors in April 2020 to clarify details of reasonable claims.</p> <p>Responsibility:</p> <p>Christine Coombes, Executive and Commercial Services Officer</p> <p>Timeframe:</p> <p>30 April 2020</p>
Name	Details for the adjustment made by CEO	Reason for adjustment									
Geoff Cumow	4 eligible meetings were added to claim the \$40 per approved council meeting at remote area.	Number of meetings that were eligible to claim were left blank when submitted by the Councillor.									
Geoff	1 eligible meeting was added to claim the \$40 per										



Description of Finding	Observation		Impact and Recommended Action	Management Response
	Cumow	approved council meeting at remote area.		
	Neil Beattie	11 meetings were changed to 6 meetings that were eligible to claim the \$40 travel expense for council meetings at remote area.	Some of the meetings were not eligible to claim the \$40 travel expense but was included in the claim form when submitted by the Councillor.	
<p>As per discussions with management, the main reason for CEO's adjustments on forms was mainly due to councillors being unsure/unaware of how many meetings would meet the criteria to claim the \$40 remote area travel allowance.</p>				



APPENDICES

- Appendix A – Audit Approach and Procedures
- Appendix B – Personnel Consulted
- Appendix C – Risk Rating Matrix
- Appendix D – Basis and Use of Report



Appendix A – Audit Approach and Procedures

The approach for this engagement is presented below:

- Held interviews and walkthroughs with management and key personnel involved in management of Councillor expenses to gain an understanding of existing processes, systems and activities;
- Reviewed the Councillor expenses related policies, procedures and guidelines at the Council;
- Sample testing of Councillor expenses performed to assess whether expenses:
 - Complied with the documented policies and procedures;
 - Related to reasonable and bona-fide expenses incurred during the performance of a council member's duties; and
 - Were appropriately approved.
- Evaluated the results of the review to determine potential improvements and recommendations over Councillor expenses practices at the Council, as well as positive aspects of control;
- Held the closing meeting with the project sponsor following completion of the fieldwork to discuss:
 - Findings and potential improvements;
 - Recommendations to improve business process and internal controls;
 - Management's proposed actions to address the findings identified;
- Issued draft and final report to management which contained audit findings, recommendations and implementation plans as a basis for continual improvement of related Councillor expenses processes;
- Presented the final report to the Audit Committee.



Appendix B – Personnel Consulted

We would like to take this opportunity to thank the staff at Loddon Shire Council for their co-operation and assistance during the course of our engagement.

NAME	TITLE	TOPIC DISCUSSED
Geoff Curnow	Councillor	<ul style="list-style-type: none"> • Councillor expense claim process; • Any potential areas for improvement.
Gavan Holt	Councillor	
Sharon Morrison	Director Corporate Services	<ul style="list-style-type: none"> • Audit scope and findings. • VAGO Audit results and corrective action; • Policy and Procedure discussion.
Deanne Caserta	Manager Financial Services	<ul style="list-style-type: none"> • Audit scope; • Councillor Expenses end-to-end process; • Sample testing; • Audit document requests.
Christine Coombes	Executive and Commercial Services Officer	<ul style="list-style-type: none"> • Councillor Expenses end-to-end process; • Sample testing; • Audit document requests; • Policy and Procedure discussion; and • Audit scope and findings.
Michelle Hargreaves	Administration Officer Corporate Services	<ul style="list-style-type: none"> • Providing Councillor expense related policy and procedures; • Organising meetings and discussions with Councillor and management.



Appendix C – Risk Rating Matrix

Findings arising during the course of the internal audit have been rated against the Issue Ratings Matrices below.

RISK RATING MATRIX

		CONSEQUENCE				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
LIKELIHOOD	5 Frequent / almost certain	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	4 Probable / likely	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
	3 Occasional / possible	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
	2 Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
	1 Rare	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)



EXPLANATORY NOTES TO RISK RATING

RISK RATING	DEFINITION	GUIDANCE	ACTION REQUIRED
Extreme	Issue represents a serious control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability of the process to achieve its objectives.	Material errors and departures from the organisation's policies and procedures. Financial management / accountability / probity concerns. Significant breach of governing legislation and regulations which may result in fines or other penalties.	Requires significant senior management intervention and may require significant mobilisation of resources, including external assistance. Close and on-going monitoring by senior management to resolution is highly recommended. Requires extreme priority to immediate action and a program for prompt resolution. Recommended timeframe for action: Immediate – 3 months.
High	Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives.	Errors and departures from the organisation's policies and procedures. Non-compliance with governing legislation and regulations which may result in fines or other penalties. Collective impact of many medium or low issues.	Requires substantial senior management intervention, On-going resource diversionary potential and may require possible external assistance. Requires high priority to action. Recommended timeframe for action: 3 – 6 months.
Medium	Issue represents a control weakness, which could cause or is causing moderate adverse effect on the ability of the process to achieve its objectives.	Events, operational, business, and financial risks that could expose the organisation to losses that could be marginally material to the organisation. Departures from best practice management procedures and processes.	Requires considerable management intervention and may require possible external assistance. Requires prompt action. Recommended timeframe for action: 6 – 12 months.
Low	Issue represents a minor control weakness, which is minimal but reportable impact on the ability of the process to achieve its objectives.	Events, operational, and business risks that could expose the organisation to losses which are not material due to the low probability of occurrence of the event on the operating capacity, reputation and regulatory compliance. Departures from management procedures and processes; however, appropriate monitoring and governance generally mitigates these risks.	Requires management attention and possible use of external resources. Requires action commensurate with the process objectives. Recommended timeframe for action: Depending on the availability of scarce resources.



Appendix D- 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 or 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.
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Audit Committee – 21/11/2019

2020 Timetable

Introduction

At this time each year the committee outlines items to be included in each of the meetings' agendas, as well as a number of standing items included in every agenda.

13 February 2020 Meeting

Items for agenda	Reference
Annual report to Council summarising activities of the committee during the previous year	Charter 5.4 (e)
Assess format of agenda	2008 survey
Appointment of Chair and Recommendation to Council	Charter 5.2 (g)
Review Audit Committee Charter and achievement of Charter	Charter 5.4(b)
Committee members to approve format for annual self-assessment of performance	Charter 5.8
Present Performance Reporting Framework results for July to December	Local Government Performance Reporting Framework
Risk Management Report (half yearly)	Charter 5.5(vii)

14 May 2020 Meeting

Items for agenda	Reference
Review the scope of the internal audit plan and program and the effectiveness of the function, and set Audit Program for the financial year	Charter 5.5(i)
Appointment of Committee Member (refer to table below for committee member terms)	Charter 5.2(d)
Discuss Budget	Charter 5.3(b)
Consider results of committee self-assessment of performance including results of survey	Charter 5.8
Review of outstanding audit recommendations	Charter 5.5(iv)

July/August 2020

Items for agenda	Reference
Meeting held under Clause 5.3(e) of the Charter – with internal and external auditors and without officers present	Charter 5.3(e)
Meeting to discuss Financial Statements, with External Auditor present	Charter 5.5(ix) and 5.5(xiii)
Present Performance Reporting Framework results for July to June	Local Government Performance Reporting Framework
Risk Management Report (half yearly)	Charter 5.5(vii)

12 November 2020

Items for agenda	Reference
Prepare calendar of meetings for the following year	Charter 5.3(b)
Meeting to discuss Corporate Plan	Charter 5.3(b)
Management Letter – End of Financial Year	Standing item
Review of outstanding audit recommendations	Charter 5.5(iv)

Standing items for every meeting

Every meeting	Reference
Internal audit report	Audit program
Fraud report	Charter 5.5(xv)
Finance report	Lead up to Charter 5.5(ix)
Review of major lawsuits facing Council	Charter 5.5(xvii)
Items raised by Council that may impact the Audit Committee	Chair
Staff presentation (refer to table below for history of presentations)	Chair

Reference Material for Calendar

Advertising for Committee Members

Member Name	End of Term
Rodney Baker	30 April 2020
Alan Darbyshire	30 April 2021
Rod Poxon	30 April 2022
Jarrah O'Shea	30 April 2023

Staff Presentations - Historical

Presentation Date	Position
November 2019	Director Corporate Services: the role and strategic projects
August 2019	deferred
May 2019	deferred
February 2019	Manager Works: the role and current projects
November 2018	Manager Information and Business Transformation: the role and current projects
August 2018	Manager Finance: the role and current projects
May 2018	Manager Community Services: the role and current projects
February 2018	Manager Organisation Development: the role and current projects
November 2017	Director Community Wellbeing: changes in aged care
August 2017	Director Community Wellbeing: deferred
May 2017	Manager Development and Compliance: the role and current projects
February 2017	Director Operations: the role and current projects
November 2016	Acting Manager Executive and Commercial Services: the role and current projects
August 2016	Manager Technical Services: the role and current projects
May 2016	None
February 2016	Manager Information: the role and responsibilities
November 2015	Manager Community Support: role and responsibilities
August 2015	Director Corporate Services: Essential Services Commission
May 2015	None
February 2015	Director Community Wellbeing: community services activities
November 2014	Manager Environmental Health: the role and current projects
August 2014	Manager Information: the role and responsibilities
May 2014	None
February 2014	Manager Works: the role and current projects

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Loddon Shire Council
Final Management Letter
For the year ended 30 June 2019

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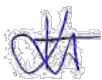
Background

I enclose for your information the final management letter for the year ended 30 June 2019. The final management letter provides a summary of audit findings from the final phase of our audit. This letter will be discussed at the Loddon Shire Council audit and risk committee meeting on 22 August 2019.

Acknowledgement

I also take this opportunity to thank your executive team and staff for the time they made available to us during our audit.

Yours sincerely



Kathie Teasdale
Partner
VAGO Audit Service Provider



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Loddon Shire Council —Final Management Letter 2018–19 

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Introduction

We have substantially completed the 30 June 2019 audit and now bring to your attention our findings. This letter should be read in conjunction with our closing report presented to the and Risk Committee in August 2019. As part of our reporting, we include our assessment of the audit significance of the findings. The criteria we consider in this assessment is included in **Appendix A**. Findings can fall into the following categories:

- internal control findings.
- financial reporting and performance statement reporting findings.
- business improvement opportunities and other findings.

Internal control findings

As part of our audit, we assess the design and implementation of internal controls relevant to financial reporting and performance statement reporting. If we intend to rely on these controls, we test how effectively they are operating.

Any weaknesses in internal control identified during our audit is communicated to you through our management letters.

Financial reporting and performance statement reporting findings

As part of our audit, we may identify weaknesses in management's approach to financial reporting and performance statement reporting resulting in potential material misstatement. This includes, but is not limited to, non-compliance with the Australian Accounting Standards and other reporting frameworks.

Reporting and tracking internal control and financial reporting findings

As part of this communication we include:

- our assessment as to the significance of the finding
- recommended actions
- management comments and expected implementation dates.

We have discussed all of our findings with management. The nature and rating of the finding determines our expectations in relation to management acceptance and our monitoring of the implementation of remedial actions.

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Business improvement opportunities and other findings

While conducting our audit, we may identify opportunities for improving the efficiency and effectiveness of your entity's processes and controls. We may also identify better practice situations from across the public sector which we would like to share with you. These would be included in this category.

Given their nature, business improvement opportunities and other matters will not be tracked.

Scope of our audit

We did not carry out a comprehensive audit of all processes and systems of internal control you maintain or seek to uncover all deficiencies, breaches and irregularities in those systems and processes. Inherent limitations in any process and system of internal control may mean that errors or irregularities might not be detected.

As explained in the audit strategy memorandum Audit and Risk Committee in March 2019, the objective of the audit is for the Auditor-General to express an opinion on the financial report and performance statement. Although the audit considers internal controls relevant to preparing the financial report and performance statement, this is done in order to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of those controls. Our planned approach, including level of reliance on internal controls, was communicated in our audit strategy.

Reports to Parliament

The Auditor-General may include items listed in this letter in a report to Parliament. We will send you a draft of the relevant material included in this report and ask for your comments before the report is tabled in Parliament. High rated findings may be specifically identified and reported in the Parliamentary reports.

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Summary of audit findings

The table below summarises all 'open' (current and prior period) management letter issues and prior period issues that have been resolved in the current period. Open items include all findings that are 'unresolved', 'partially resolved' or 'substantially resolved' as at the date of this letter.

Finding first raised (month / year)	Reference	Findings	Rating	Classification of deficiency			Resolved / unresolved	Management acceptance	Original agreed implementation date
				Internal control	Financial / performance reporting	Financial statement areas grouping			
Open issues (current and prior period)									
May 2019	2019.1	Employee Masterfile Changes Report	Medium	X	-	Payroll	Unresolved	Yes	31 October 2019
May 2019	2019.2	Review of General Journals	Low	X	-	General Ledger	Unresolved	Yes	31 October 2019
May 2019	2019.3	Appropriate Use of Purchase Orders	Medium	X	-	Expenditure	Unresolved	Yes	31 October 2019
May 2019	2019.4	Key Policies & Documents Overdue for Review	Low	X	-	Governance	Unresolved	Yes	30 September 2019
May 2019	2019.5	Missing Key ICT Policies	Low	X	-	ICT	Unresolved	Yes	31 December 2019
June 2019	2019.6	Provision for doubtful debts	Low	-	X	Trade debtors	Unresolved	Yes	31 December 2019
August 2016	2016.1	Ability to Deliver Capital Works	Medium	X	-	Governance	Unresolved	Yes	2019



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Detailed audit findings – open issues

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2019.1	<p>Employee Masterfile Changes Report</p> <p>During our review of the Council's payroll processes, we noted that there is no effective control in place to review for unauthorised changes to key employee details. Currently, the Council has a manual form that must be completed for each change, however without a report from the systems summarising all changes made there is a risk that unauthorised or erroneous changes may be made to the data.</p>	<p>We recommend that Council investigate the ability of the system to produce a report. This report should then be reviewed by an officer independent of the payroll cycle on a regular basis.</p>	<p>Recommendation Accepted/Not Accepted</p> <p>Responsible officer: Carol Canfield – Manager Organisational Development</p> <p>Implementation date: 31 August 2019 (Revised: 31 October 2019)</p> <p>A before and after the report is currently generated for Masterfile changes. This individual report is reviewed by the HR Coordinator. Management will investigate with the software provider if it is possible to provide a summary report of all the Masterfile changes for each payroll cycle.</p>
2019.2	<p>Review of General Journals</p> <p>As part of our review of the internal control environment, we have reviewed the processes around general journals. Although many of the journals processed through the system are automatically generated, staff in the finance team have the ability and the access to process general journals when required. We note that the Council does not have in place an appropriate control mechanism which enables review of general journals posted.</p> <p>The Council is exposed to a higher risk of potential fraud or error if general journals are not reviewed.</p>	<p>Council should determine whether an effective report can be generated from the system to enable the review of journals processed.</p>	<p>Recommendation Accepted</p> <p>Responsible officer: Deanne Caserta – Manager Financial Services</p> <p>Implementation date: 31 October 2019</p> <p>Management to develop a procedure for the review of the general ledger posting process, including restricting permission where possible to only key finance staff and a regular review process of posted journals. Management will investigate with the software provider if it is possible to provide a report to enable review of processed journals.</p>

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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2019.3	<p>Appropriate Use of Purchase Orders</p> <p>Our review of the expenditure controls in place at Council identified that purchase orders are not being appropriately used by Council. Our testing noted that many of the transactions selected for sampling had purchase orders which did not specify an amount.</p> <p>Purchase orders are designed to enable appropriate delegation to be utilised before Council commits to an expense. Where no value is allocated to a purchase order, then the purpose is not achieved.</p>	<p>Council needs to reinforce with staff the appropriate processes associated with purchase orders with a view to significantly improve compliance.</p>	<p>Recommendation Accepted</p> <p>Responsible officer: Deanne Caserta – Manager Financial Services</p> <p>Implementation date: 31 October 2019</p> <p>Management to investigate the implementation of a temporary electronic purchase order system for the interim period between the current processing systems and the implementation of a new corporate system. Procurement Coordinator to review the current written purchase order raising process and provide training and guidance to departments who are not currently compliant with the documented procurement policy and procedure.</p>
2019.4	<p>Key Policies & Documents Overdue for Review</p> <p>At the time of our interim work, we noted a number of key policies, procedures and other documents which were overdue for review and renewal by Council. This includes:</p> <ul style="list-style-type: none"> • Anti-Fraud & Corruption Policy • Protected Disclosure Procedure • Business Continuity Plan • Disaster Recovery Plan • Risk Management Policy & Framework 	<p>We recommend that the Council ensure that all policies are reviewed on a regular basis, and systems are improved to monitor the due dates to ensure all renewal requirements are met.</p>	<p>Recommendation Accepted</p> <p>Responsible officer: Sharon Morrison – Director Corporate Services</p> <p>Implementation date: 30 September 2019</p> <p>Updates to the progress of documents as stated below and expected delivery dates for those that are not yet complete.</p> <ul style="list-style-type: none"> • Anti-Fraud & Corruption Policy – adopted 25 June 2019 • Protected Disclosure Procedure – adopted 12 June 2019 • Business Continuity Plan – by 30 September 2019 • Disaster Recovery Plan – by 30 September 2019 • Risk Management Policy & Framework – adopted 26 February 2019



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Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2019.5	<p>Missing Key ICT Policies</p> <p>Council does not currently have in place an appropriate policy which outlines to staff and contractors the terms of acceptable use with Councils ICT systems. Additionally, there is currently no documented policy or procedure in place for remote access to Councils systems.</p> <p>Without key policies in place to guide staff (and contractors where necessary), there is an increased risk of inappropriate use and potential breaches to Councils information.</p>	<p>We recommend that Council look to create and implement additional key policies to improve the control environment associated with the ICT systems.</p>	<p>Recommendation Accepted</p> <p>Responsible officer: Peter Williams, Manager Information and Business Transformation</p> <p>Implementation date: 31 December 2019</p> <p>Management will prepare and implement:</p> <ul style="list-style-type: none"> - an Acceptable Use Policy that applies to staff and contractors - a Remote Access Policy - a Remote Access Procedure
2019.6	<p>Provision for doubtful debts (AASB 9 Financial Instruments)</p> <p>During our review of trade debtors and other receivables, we noted council has not factored in future expected credit losses to determine bad and doubtful provisions in accordance with AASB 9 -Financial Instruments.</p> <p>Based on our assessment, whilst this didn't have any material impact on the financial statements, council required to adopt latest effective new accounting standards to ensure financial statements are prepared in accordance with Australia Accounting Standards.</p>	<p>We recommend Council financial team to ensure all the effective new accounting standards are applied on a timely basis and ensure the financial reporting process is in compliance with Australian Accounting Standards.</p>	<p>Recommendation Accepted</p> <p>Responsible officer: Deanne Caserta, Manager Financial Services</p> <p>Implementation date: 31 December 2019</p> <p>Management response:</p> <p>Finance team will review the process and templates used for calculating the provision for doubtful debts and implement a practice which is compliant with the new standards.</p>
2016.1	<p>Ability to Deliver Capital Works</p> <p>As noted in the 2016-17 and 2017-18 financial statements there is a the considerable variance between the original budgeted capital works and that actually expended during the year.</p> <p>This is quite a change from the prior year which saw Council expend more than budgeted on capital works.</p> <p>There can be varying causes that can impact on the ability to deliver the capital works budget. However, it is critical that Council maintains oversight and amends the budget and asset management policy as appropriate. As infrastructure assets mature the cost to maintain often increases, which may cause a financial burden on the Council.</p>	<p>Council continues to closely monitor capital works completion rates and has implemented strategies to help improve this.</p>	<p>Recommendation: Accepted</p> <p>Responsible officer: Deanne Caserta – Manager Financial Services</p> <p>Implementation date: 2019</p> <p>Additional focus and resources have been placed on capital works during 2018/19 to deliver any outstanding projects. When planning for the 2019/20 budget, work has been undertaken to ensure that there are sufficient planning budget and the timeframe allocated prior to the commencement of any major project. This will ensure that funds will be spent over a more accurate period assisting in avoiding unnecessary carryovers. Management will investigate reporting on the capital works program according to the phasing of the expenditure rather than straight-line phasing.</p>



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Appendix A. Rating definitions and actions

We have rated our findings as follows:

Rating	Description of rating	Management action required
High	<p>This issue represents:</p> <ul style="list-style-type: none"> → a material misstatement in the financial report which has occurred, or an issue which could potentially result in a modified audit opinion if not addressed as a matter of urgency by the entity, or → a control weakness which could cause or is causing a major disruption of the process or the entity's ability to achieve process objectives in relation to financial reporting and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires executive management to correct the misstatement in the financial report, or address the issue, as a matter of urgency to avoid a modified audit opinion. → Requires immediate management intervention with a detailed action plan to be implemented within one month.
Moderate	<p>This issue represents:</p> <ul style="list-style-type: none"> → a misstatement in the financial report that is not material and has occurred, or that may occur, the impact of which has the possibility to be material, or → a control weakness which could have or is having a moderate adverse effect on the ability to achieve process objectives and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires management intervention with a detailed action plan implemented within three to six months.
Low	<p>This issue represents:</p> <ul style="list-style-type: none"> → a misstatement in the financial report that is likely to occur but is not expected to be material, or → a minor control weakness with minimal but reportable impact on the ability to achieve process objectives and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires management intervention with a detailed action plan implemented within six to 12 months.

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9.2 FINANCE REPORT FOR THE PERIOD ENDING 30 NOVEMBER 2019

File Number: 08/06/001

Author: Deanne Caserta, Manager Financial Services

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. Finance Report for Period Ending 30 November 2019

RECOMMENDATION

That Council:

1. receives and notes the 'Finance report for the period ending 30 November 2019'
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 2019/20 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 2019/20.

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 2019 includes 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 2019/20 Budget, and includes operating results, capital expenditure and funding sources.

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 increased by \$33K to \$1.27M.

Income Statement (revenue) - Council's year to date (YTD) operating revenue is at 101% of YTD budget. Revenue brought to account for November was \$2.13M (\$597K for October).

Income Statement (expenditure) - Council's operating expenditure is at 89% of YTD budget. Payments for this month totalled just over \$2.21M (\$2.75M for October).

Capital Works - The revised budget for capital works is \$21.1M and is 12% complete in financial terms for the current financial year (10% at the end of October).

Balance Sheet - Council has a cash total of \$23.5M with \$3.6M in general accounts. Debtors are \$10.6M which is a decrease of \$1.13M for the month. Sundry debtors total \$0.9M (\$1.35M in October) with invoices outstanding for 60 or more days relating to community wellbeing debtors and local community groups totalling approximately \$64K.

There were 36 supplementary valuations updated during November. The total rateable CIV at the end of November is \$2.35B.

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 2019/20.

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 2019



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INTRODUCTION

During November 2019, staff have commenced preparation works for the 2020-2030 Long Term Financial Plan. This has included preparing indexation rates, calling for additional project plans and meeting with individual directorate leaders. A final version is to be presented to Councillors at the January 2020 Council Forum.

1 CASH SURPLUS POSITION

1.1 Budget revisions

The overall budget cash surplus, which has been included in the attached financial reports, has increased from \$1,235,629 to \$1,268,804.

These revisions are summarised below:

Item	October Revised Budget	November Revised Budget	Change \$
Operating revenue	\$ 29,145,558	\$ 29,147,058	\$ 1,500
Operating expenditure	\$ (34,948,828)	\$ (34,917,153)	\$ 31,675
Transfers from reserves	\$ 17,254,848	\$ 17,254,848	\$ -
Transfers to reserves	\$ (2,811,392)	\$ (2,811,392)	\$ -
Other funding decisions	\$ 383,617	\$ 383,617	\$ -
Capital expenditure	\$ (21,080,005)	\$ (21,080,005)	\$ -
Other non cash adjustments	\$ 9,431,014	\$ 9,431,014	\$ -
Accumulated surplus carried forward	\$ 3,860,817	\$ 3,860,817	\$ -
Closing surplus (deficit) as reported in Appendix 2	\$ 1,235,629	\$ 1,268,804	\$ 33,175

Major changes are highlighted below. Some items that are listed above may have a large overall adjustment but are in fact made up of numerous smaller changes.

1.2 Operating revenue

Operating revenue has increased by \$1.5K.

The main variance to budget is an increase in funding for the Listen, Lead and Learn program which has expenditure to offset.

1.3 Operating expenditure

Operating expenditure has decreased by \$32K.

The main variance to budget relates to unallocated community funds from 2018/19 which have been returned to surplus.

2 STANDARD INCOME STATEMENT

In the analysis of the statements only those areas which have a variance greater than 10% and \$10,000 will be reported. Variances have been explained in further detail below.

2.1 Operating revenue

Total revenue brought to account for the month of November was \$2.13M.

Revenue YTD is at 101% compared to YTD budget or \$107K ahead.

2.1.1 User fees

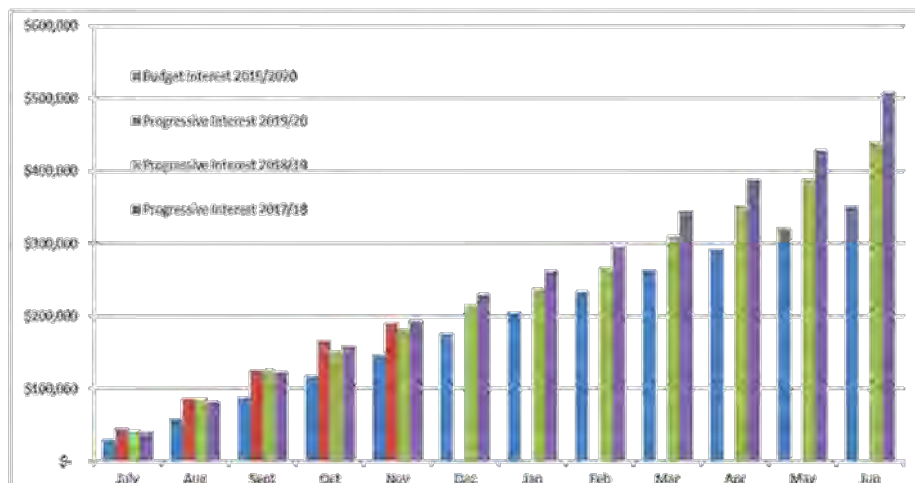
User fees are currently \$149K ahead of budget. The main variation is due to higher than expected planning permit activity and higher fee income as a result.

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 \$190K, and rates interest amounts to \$11K. Year to date represents 128% of the year revised budget amount of \$ 375K (\$350K for investments only).

Progressive interest from investments for the years 2017/18 to 2019/20 is:



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

LONDON SHIRE COUNCIL INVESTMENT SCHEDULE												
Bank	Establishment date	Status	Maturity date	Term (days)	Interest rate	Investment amount	Total interest receivable on TD	Interest accrued 2018/19	YTD accrued interest	Total interest accrued	YTD interest received	Total YTD interest earned
Bendigo & Adelaide Bank	01/01/2018	Open	N/A	N/A	1.00%	\$ 1,000,000		\$ -	\$ -	\$ -	\$ 2,276	\$ 2,276
Bendigo & Adelaide Bank	27/01/2019	Closed	25/07/2019	182	2.53%	\$ 2,000,000	\$ 16,438	\$ 13,014	\$ -	\$ -	\$ 16,991	\$ 35,977
Bendigo & Adelaide Bank	27/01/2019	Closed	25/07/2019	90	1.75%	\$ 2,000,000	\$ 8,903	\$ -	\$ -	\$ -	\$ -	\$ 8,903
Members Equity Bank	28/03/2019	Closed	28/07/2019	154	2.69%	\$ 2,000,000	\$ 22,962	\$ 18,190	\$ -	\$ -	\$ 22,369	\$ 43,121
NAB	28/03/2019	Closed	30/09/2019	90	2.24%	\$ 2,000,000	\$ 11,047	\$ 8,295	\$ -	\$ -	\$ 11,047	\$ 23,751
AMP	28/03/2019	Closed	30/09/2019	90	2.30%	\$ 2,000,000	\$ 11,342	\$ 8,411	\$ -	\$ -	\$ 11,342	\$ 25,081
Members Equity Bank	17/06/2019	Closed	16/09/2019	91	2.10%	\$ 2,000,000	\$ 10,411	\$ 1,496	\$ -	\$ -	\$ 10,411	\$ 20,755
Auswide	19/06/2019	Closed	17/09/2019	90	2.15%	\$ 2,000,000	\$ 10,803	\$ 1,290	\$ -	\$ -	\$ 10,603	\$ 20,017
Bendigo & Adelaide Bank	19/07/2019	Closed	28/10/2019	90	1.75%	\$ 2,000,000	\$ 8,903	\$ -	\$ -	\$ -	\$ 8,903	\$ 17,806
Members Equity Bank	23/07/2019	Closed	23/10/2019	90	1.88%	\$ 1,000,000	\$ 4,953	\$ -	\$ -	\$ -	\$ 4,953	\$ 9,906
NAB	30/08/2019	Closed	30/10/2019	120	2.54%	\$ 2,000,000	\$ 28,095	\$ 8,295	\$ -	\$ -	\$ 28,280	\$ 56,375
AMP	30/09/2019	Closed	30/11/2019	100	2.50%	\$ 2,000,000	\$ 25,753	\$ 8,082	\$ -	\$ -	\$ 25,753	\$ 51,505
Members Equity Bank	19/09/2019	Closed	19/11/2019	153	1.70%	\$ 2,000,000	\$ 17,605	\$ 1,295	\$ -	\$ -	\$ 17,605	\$ 35,210
Bendigo & Adelaide Bank	17/09/2019	Open	16/12/2019	182	2.10%	\$ 2,000,000	\$ 20,942	\$ 1,496	\$ 17,606	\$ 19,101	\$ -	\$ 17,606
MyState	17/09/2019	Open	16/12/2019	182	2.10%	\$ 2,000,000	\$ 20,942	\$ 1,496	\$ 17,606	\$ 19,101	\$ -	\$ 17,606
Bendigo & Adelaide Bank	27/08/2019	Open	24/01/2020	150	1.80%	\$ 2,000,000	\$ 13,181	\$ -	\$ 8,329	\$ 8,329	\$ -	\$ 8,329
AMP	20/08/2019	Open	24/02/2020	192	2.00%	\$ 2,000,000	\$ 19,945	\$ -	\$ 10,421	\$ 10,421	\$ -	\$ 10,421
Macquarie Bank	28/11/2019	Open	28/09/2020	36	1.90%	\$ 1,500,000	\$ 3,149	\$ -	\$ 132	\$ 132	\$ -	\$ 132
Bendigo & Adelaide Bank	12/04/2019	Open	12/05/2020	369	1.68%	\$ 2,000,000	\$ 16,794	\$ -	\$ 8,817	\$ 8,817	\$ -	\$ 8,817
NAB	19/04/2019	Open	17/01/2020	160	1.72%	\$ 1,500,000	\$ 12,720	\$ -	\$ 5,691	\$ 5,691	\$ -	\$ 5,691
MyState	26/11/2019	Open	26/03/2020	120	1.70%	\$ 1,500,000	\$ 6,453	\$ -	\$ 279	\$ 279	\$ -	\$ 279
AMP	30/10/2019	Open	30/09/2020	188	1.75%	\$ 2,000,000	\$ 18,077	\$ -	\$ 2,973	\$ 2,973	\$ -	\$ 2,973
Defence Bank	11/12/2019	Open	30/05/2020	180	1.62%	\$ 2,000,000	\$ 14,816	\$ -	\$ 2,622	\$ 2,622	\$ -	\$ 2,622
AMP	01/11/2019	Open	01/05/2020	182	1.78%	\$ 2,000,000	\$ 17,452	\$ -	\$ 2,301	\$ 2,301	\$ -	\$ 2,301
Total interest on Fixed terms							\$ 63,298	\$ 74,280	\$ 77,280	\$ 106,871	\$ -	\$ 181,280
Interest on Current Accounts												\$ 8,227
Interest transferred in from externally funded projects												\$ -
Net interest on investments												\$ 189,507

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

Current investments:			
Members Equity Bank	A2/BBB		\$ - 0.0%
NAB	A1+AA-		\$ 1,500,000 7.3%
MyState	A2/BBB+		\$ 3,500,000 17.1%
AMP	A2/BBB+		\$ 6,000,000 29.3%
Macquarie Bank	A1/A		\$ 1,500,000 7.3%
Defence Bank	A2/BBB		\$ 2,000,000 9.8%
Bendigo & Adelaide Bank	A2/BBB+		\$ 6,000,000 29.3%
Council Funds on Term Deposit			\$ 20,500,000 100%



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.

2.2 Operating expenditure

Total operating expenditure for November was \$2.42M.

Expenditure YTD is at 89% compared to YTD budget or \$1.61M behind.

2.2.1 Materials and services

Materials and services are behind YTD budget by \$1.1M or 22%.

The main variations behind budget due to works progressing slower than expected or commencing later in the year than originally budgeted are:

- outdoor exercise equipment of \$133K
- plant operating costs of \$126K
- Laanecoorie boat ramp of \$90K
- landfills and transfer stations of \$84K
- urban drainage strategy of \$117K
- service delivery reviews of \$57K
- gravel road maintenance of \$52K.

2.2.2 Contract payments

Contract payments are behind YTD budget by \$141K or 23%.

The main variation to budget is kerbside collection service and cleaning of public facilities, due to a delay in receiving monthly invoices.

2.2.3 Payments

During the month the following payments were made:

Creditor payments - cheque	\$44,532.19
Creditor payments - electronic funds transfer	\$1,556,030.64
Payroll (2 pays)	<u>\$607,570.65</u>
TOTAL	<u>\$2,208,133.48</u>

2.3 Operating surplus

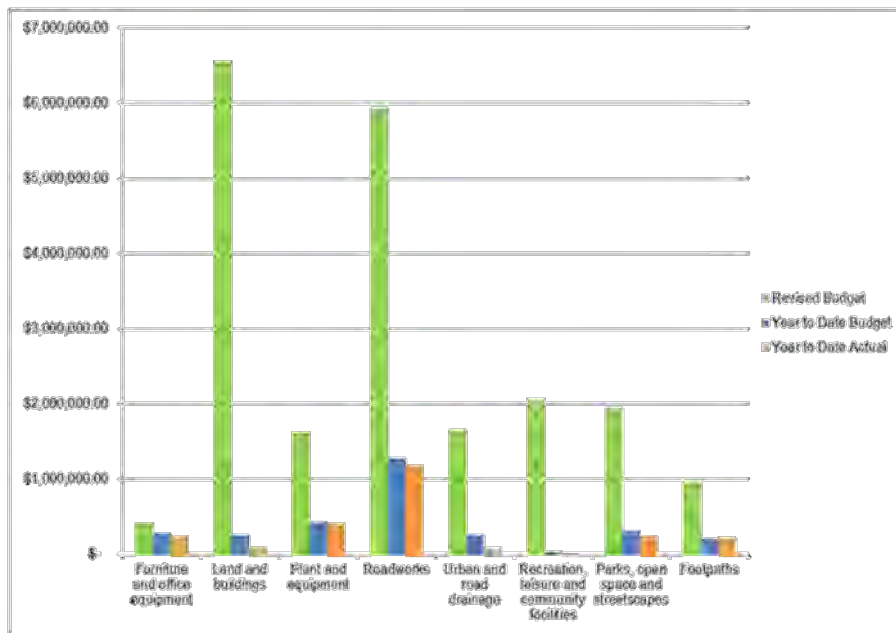
The operating surplus to date is \$3.8M.

2.4 Capital expenditure

Total capital works expenditure for November was \$354K.

The total revised budget for the 2019/20 capital works program is \$21.1M.

The total capital works expenditure is 12% complete in financial terms.



Within the asset types the major variations to YTD budget are:

2.4.1 Furniture and office equipment

Furniture and office equipment is behind of YTD budget by \$48K, the main variance is PC replacement, with the program expected to be completed in December.

2.4.2 Land and buildings

Land and buildings is behind YTD budget by \$169K, the main variance is the Loddon Shire energy efficient upgrades, with the project expected to commence in December.

2.4.3 Urban and road drainage

Urban and road drainage is behind YTD budget by \$181K, the main variance to budget is Verdon South Street Inglewood, where the project is progressing slower than expected.

2.4.4 Recreation leisure and community facilities

Recreation leisure and community facilities are behind YTD budget by \$11K, the main variance to budget is caravan park trees, due to slower than expected progress.

2.4.5 Parks, open space and streetscapes

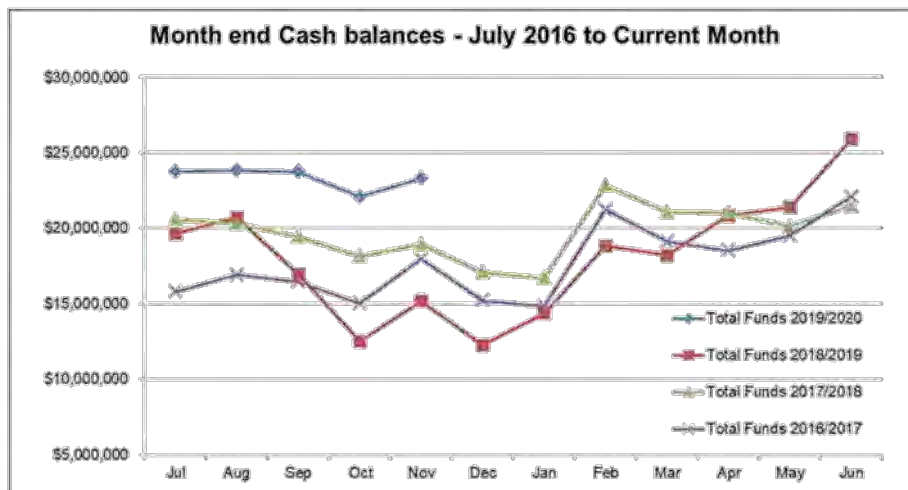
Parks, open space and streetscapes are behind of YTD budget by \$77K, the variation relates to delay in commencement of many smaller projects.

3 STANDARD BALANCE SHEET

3.1 Cash

At the end of the month, Council's overall cash total was \$23.5M which includes a balance of \$3.6M in general accounts.

Month end balances for Council's cash, from July 2016 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 2018	August 2019	October 2019	November 2019
Rates	8,555,345	10,369,863	9332678	8744004.65
Fire Services Property Levy	900,733	1,203,045	1071720	1001027.01
Total Rates & Fire Services Property Levy	9,456,078	11,572,908	10,404,398	9,745,032
Sundry debtors	705,093	2,040,488	1,354,981	890,139
Community loans/advances	3,600	2,400	2,400	2,400
Long term loans/advances	80,000	-	-	-
Employee superannuation	2,922	3,147	6,738	2,822
Magistrates court fines	100,319	100,319	100,319	100,319
LESS provision for doubtful debts	(112,950)	(118,887)	(118,887)	(118,887)
Total	10,235,061	13,600,376	11,749,949	10,621,824

3.2.2 Rates debtors

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

	Nov 2019 (3/11/2018)	August 2019 (6/8/2019)	Sept.2019 (3/10/2019)	Oct 2019 (1/10/2019)	Nov 2019 (2/11/2019)
2006/07	\$ 272	\$ 298	\$ 298	\$ 300	\$ 305
2007/08	\$ 428	\$ 469	\$ 469	\$ 473	\$ 480
2008/09	\$ 447	\$ 489	\$ 489	\$ 494	\$ 501
2009/10	\$ 1,727	\$ 1,541	\$ 1,538	\$ 1,534	\$ 1,435
2010/11	\$ 3,168	\$ 2,766	\$ 2,762	\$ 2,763	\$ 2,823
2011/12	\$ 5,440	\$ 4,106	\$ 4,101	\$ 4,134	\$ 4,195
2012/13	\$ 6,029	\$ 3,882	\$ 3,377	\$ 3,403	\$ 3,453
2013/14	\$ 6,406	\$ 2,992	\$ 1,699	\$ 1,721	\$ 1,765
2013/14 Fire Services Property Levy	\$ 1,702	\$ 688	\$ 688	\$ 693	\$ 703
2014/15	\$ 16,310	\$ 5,474	\$ 3,695	\$ 3,685	\$ 3,766
2014/15 Fire Services Property Levy	\$ 2,797	\$ 1,335	\$ 1,321	\$ 1,325	\$ 1,344
2015/16	\$ 27,924	\$ 13,114	\$ 11,764	\$ 11,647	\$ 11,413
2015/16 Fire Services Property Levy	\$ 4,320	\$ 2,641	\$ 2,608	\$ 2,610	\$ 2,607
2016/17	\$ 57,593	\$ 26,081	\$ 25,635	\$ 25,630	\$ 25,456
2016/17 Fire Services Property Levy	\$ 8,035	\$ 4,499	\$ 4,436	\$ 4,448	\$ 4,316
2017/18	\$ 132,400	\$ 49,421	\$ 43,618	\$ 43,598	\$ 42,312
2017/18 Fire Services Property Levy	\$ 18,906	\$ 8,960	\$ 8,630	\$ 8,567	\$ 8,392
2018/19	\$ -	\$ 146,638	\$ 116,302	\$ 108,497	\$ 102,403
2018/19 Fire Services Property Levy	\$ -	\$ 21,784	\$ 19,835	\$ 18,840	\$ 18,977
2019/20	\$ -	\$ -	\$ -	\$ -	\$ -
2019/20 Fire Services Property Levy	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total: arrears	\$ 293,901	\$ 296,668	\$ 253,265	\$ 244,185	\$ 234,646
Current year (outstanding but not due)	\$ 8,320,077	\$ 10,369,863	\$ 9,354,719	\$ 9,131,763	\$ 8,551,248
Fire Services Property Levy	\$ 866,728	\$ 1,203,045	\$ 1,056,700	\$ 1,028,451	\$ 959,140
Total outstanding	\$ 9,480,707	\$ 11,572,908	\$ 10,411,419	\$ 10,404,398	\$ 9,745,032
<i>Summary</i>					
Rates in arrears	\$ 269,896	\$ 256,761	\$ 215,747	\$ 207,901	\$ 200,307
FSPL in arrears	\$ 34,005	\$ 99,907	\$ 37,518	\$ 36,284	\$ 34,339
Total arrears	\$ 293,901	\$ 296,668	\$ 253,265	\$ 244,185	\$ 234,646

The second rate instalment for 2019/20 was due in November 2019.

3.2.3 Sundry debtors

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

Current	\$8,535	6%
30 days	\$63,242	46%
60 days	\$1,547	1%
90 + days	\$62,890	46%
Sub total routine debtors	\$136,213	100%
Paid Parental Leave	\$2,962	
Government departments	\$762,605	
GST	(\$11,642)	
Total	\$890,139	
60 + days consists of:		
Community Wellbeing debtors	\$27,593	
Local community groups	\$913	
Others	\$35,931	
Total	\$64,436	

Total outstanding sundry debtors as at 30 November 2019 are \$890K.

The mainstream sundry debtors (\$136K) have been broken into the amount of time they have been outstanding. At the time of this report \$64K or 47% of that total has been outstanding for more than 60 days. All debtors are contacted as a matter of routine.

Government departments have approved a number of grants, and have requested invoices. The most significant of these grants is \$191K for works relating to the Bridgewater Raywood Road project.

3.2.4 Supplementary valuations

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

The current balances at end of November 2019 are:

Valuation type	Opening balance	Supplementary changes	Closing balance
Site Value	\$ 1,556,244,100	\$ 425,800	\$ 1,556,669,900
Capital Improved Value	\$ 2,347,296,100	\$ 2,017,600	\$ 2,349,313,700
NAV	\$ 120,427,785	\$ 100,880	\$ 120,528,665

The total rateable CIV at the end of November 2019 remains at \$2.35B.

3.3 Water rights

Council-owned water rights were valued at \$2.70M at 30 June 2019.

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

There has been no purchase to date this financial year, and no future purchases are budgeted for the remainder of 2019/20.

3.4 Vision Super Defined Benefits Plan update

On 26 November 2019, council received official notification of the 30 September 2019 estimated Vested Benefit Index (VBI) for the sub-plan being 107.3%. This is a minor increase from the previous quarter and it remains above the required 100%.

Currently, under the superannuation prudential standards, VBI's must generally be kept above a fund's nominated shortfall, currently 97%. When an actuarial review/investigation is in progress the fund's VBI must be at least 100% as it was at 30 June 2019.

Below is the sub-plan's recent VBI history:

As at	30 June 2016 (actual)	30 June 2017 (actual)	30 June 2018 (actual)	30 June 2019 (actual)	30 Sept 2019 (est.)
LASF DB	102.0%	103.1%	106.0%	107.1%	107.3%

APPENDIX 1: STANDARD INCOME STATEMENT

	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
REVENUE FROM ORDINARY ACTIVITIES							
Rates	\$11,027,275	\$11,027,275	\$10,753,744	\$10,877,464	\$123,720	101%	99%
Revenue grants	\$6,222,978	\$6,354,196	\$3,186,762	\$3,077,354	(\$109,408)	97%	48%
Capital grants	\$5,916,828	\$8,380,514	\$1,103,515	\$1,006,172	(897,343)	91%	12%
Mic Roads	\$524,064	\$524,064	\$218,360	\$225,890	\$7,530	100%	11%
User fees	\$1,836,005	\$1,860,051	\$759,434	\$908,238	\$148,804	120%	10%
Capital contributions	\$0	\$0	\$0	\$0	\$0	0%	0%
Recurrent contributions	\$310,000	\$330,000	\$20,000	(\$618)	(\$20,618)	-3%	0%
Interest income	\$375,125	\$375,125	\$156,305	\$200,508	\$44,203	128%	63%
* Reversal of impairment losses	\$0	\$0	\$0	\$103	\$103	0%	0%
* Library equity	\$0	\$0	\$0	\$0	\$0	0%	0%
Reimbursements	\$295,833	\$295,833	\$115,557	\$125,613	\$10,256	109%	43%
Total revenue	\$26,508,108	\$29,147,058	\$16,313,677	\$16,420,924	\$107,247	101%	56%
EXPENDITURE FROM ORDINARY ACTIVITIES							
Labour	\$10,796,481	\$10,903,812	\$4,418,822	\$4,069,735	(\$349,087)	92%	37%
Materials & services	\$8,846,918	\$12,222,064	\$5,012,325	\$3,921,333	(\$1,090,992)	78%	32%
Depreciation	\$9,431,014	\$9,431,014	\$3,929,570	\$3,929,590	(\$20)	100%	42%
Utilities	\$507,274	\$507,274	\$214,265	\$198,458	(\$15,807)	93%	39%
Contract payments	\$1,638,038	\$1,750,359	\$620,597	\$479,729	(\$140,868)	77%	27%
Loan interest	\$0	\$0	\$0	\$0	\$0	0%	0%
Auditor costs	\$84,631	\$84,631	\$20,250	\$4,062	(\$16,188)	20%	3%
Councillor costs	\$18,000	\$18,000	\$7,500	\$7,500	\$0	100%	42%
Loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
* Impairment losses	\$0	\$0	\$0	\$0	\$0	0%	0%
Bad debts expense	\$0	\$0	\$0	\$298	(\$298)	0%	0%
Total expenditure	\$31,322,355	\$34,917,153	\$14,223,329	\$12,610,704	(\$1,612,625)	89%	36%
NET RESULT FOR THE PERIOD	(\$4,814,247)	(\$5,770,095)	\$2,090,348	\$3,810,220	(\$1,719,872)	182%	-66%
The operating expenditure shown above is represented in Council's key direction areas as follows:							
	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Revised Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
EXPENSES FROM ORDINARY ACTIVITIES							
Economic development & tourism	\$1,449,827	\$1,767,657	\$692,529	\$616,538	(\$75,991)	89%	35%
Leadership	\$1,688,427	\$1,783,405	\$701,324	\$661,630	(\$39,694)	94%	37%
Works & infrastructure	\$14,542,506	\$14,730,343	\$5,976,971	\$5,623,684	(\$353,287)	94%	38%
Good management	\$4,353,730	\$4,835,727	\$2,094,411	\$1,776,281	(\$318,130)	85%	37%
Environment	\$2,287,172	\$2,313,250	\$986,028	\$835,169	(\$150,859)	83%	30%
Community services & recreation	\$7,000,694	\$9,486,772	\$3,823,066	\$3,097,401	(\$725,665)	81%	33%
Loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
Total operating expenditure	\$31,322,355	\$34,917,153	\$14,223,329	\$12,610,704	(\$1,612,625)	89%	36%
NET RESULT FOR THE PERIOD	(\$4,814,247)	(\$5,770,095)	\$2,090,348	\$3,810,220	(\$1,719,872)	182%	-66%

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

APPENDIX 2: STANDARD CAPITAL WORKS STATEMENT

	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
FUNDING DECISIONS							
Add loan interest accrued	\$0	\$0	\$0	\$0	\$0	0%	0%
Less loan repayments	\$0	\$0	\$0	\$0	\$0	0%	0%
Add transfer from reserves	\$7,812,974	\$17,254,648	\$0	\$0	\$0	0%	0%
Less transfer to reserves	(\$2,619,186)	(\$2,811,356)	\$0	\$0	\$0	0%	0%
Add proceeds from sale of assets	\$429,537	\$383,617	\$68,613	\$110,053	(\$41,440)	150%	28%
TOTAL FUNDING DECISIONS	\$5,624,325	\$14,827,073	\$68,613	\$110,053	(\$41,440)	160%	1%
NET FUNDS AVAILABLE FOR CAPITAL	\$810,078	\$9,056,978	\$2,158,961	\$3,920,272	(\$1,761,311)	182%	43%
CAPITAL EXPENDITURE BY ASSET TYPE							
Furniture and office equipment	\$405,500	\$405,500	\$279,129	\$231,176	\$47,953	83%	57%
Land and buildings	\$4,094,164	\$6,543,475	\$259,058	\$89,585	\$169,473	35%	1%
Plant and equipment	\$1,275,763	\$1,611,689	\$422,324	\$404,816	\$17,508	96%	25%
Roadworks	\$4,711,536	\$5,930,450	\$1,275,411	\$1,181,867	\$93,544	93%	19%
Urban and road drainage	\$350,000	\$1,641,240	\$258,802	\$77,530	\$181,272	30%	5%
Recreation, leisure and community facilities	\$888,822	\$2,081,912	\$26,971	\$15,507	\$11,464	57%	1%
Parks, open space and streetscapes	\$600,000	\$1,941,932	\$308,892	\$232,042	\$76,850	75%	12%
Footpaths	\$261,057	\$863,807	\$199,129	\$213,760	(\$14,631)	107%	22%
TOTAL CAPITAL EXPENDITURE PAYMENTS	\$13,683,842	\$21,080,005	\$3,029,821	\$2,446,283	\$583,538	81%	12%
NON CASH ADJUSTMENTS							
Less depreciation	\$9,431,014	\$9,431,014	\$3,929,570	\$3,929,590	(\$20)	100%	99%
Add reversal of impairment losses	\$0	\$0	\$0	(\$103)	\$103	0%	0%
Less loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
Less bad debts expense	\$0	\$0	\$0	\$298	(\$298)	0%	0%
TOTAL NON CASH ADJUSTMENTS	\$9,431,014	\$9,431,014	\$3,929,570	\$3,929,786	(\$216)	100%	42%
Accumulated surplus brought forward	(\$3,591,683)	(\$3,860,817)	\$0	\$0	\$0	0%	0%
NET CASH (SURPLUS)/DEFICIT	(\$148,932)	(\$1,268,804)	(\$3,058,710)	(\$5,403,775)	\$2,345,066	177%	42%

APPENDIX 3: STANDARD BALANCE SHEET

	November 2019 As per trial balance	June 2019 As per financial statements	November 2018 As per trial balance
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$23,495,958	\$25,893,132	\$15,171,135
Trade and other receivables	\$10,619,427	\$2,498,935	\$10,155,081
Financial assets	\$9,314	\$801,952	\$16,729
Inventories	\$39,343	\$40,279	\$45,313
Non-current assets classified as held for sale	\$556,091	\$556,092	\$690,322
TOTAL CURRENT ASSETS	\$34,720,133	\$29,790,390	\$26,078,580
NON-CURRENT ASSETS			
Trade and other receivables	\$2,397	\$2,397	\$80,000
Financial assets	\$787,578	\$269,572	\$442,173
Intangible assets	\$2,702,545	\$2,702,545	\$1,979,130
Property, infrastructure, plant and equipment	\$352,140,557	\$353,733,913	\$336,411,980
TOTAL NON-CURRENT ASSETS	\$355,633,077	\$356,708,427	\$338,913,283
TOTAL ASSETS	\$390,353,210	\$386,498,817	\$364,991,863
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	\$179,206	\$1,174,480	\$140,110
Trust funds and deposits	\$1,363,134	\$340,748	\$1,288,787
Provisions	\$2,429,469	\$2,412,407	\$1,777,813
Interest bearing loans and borrowings	\$0	\$0	\$0
TOTAL CURRENT LIABILITIES	\$3,971,809	\$3,927,635	\$3,247,389
NON-CURRENT LIABILITIES			
Provisions	\$1,797,418	\$1,797,418	\$2,324,221
Interest bearing loans & borrowings	\$0	\$0	\$0
TOTAL NON-CURRENT LIABILITIES	\$1,797,418	\$1,797,418	\$2,324,221
TOTAL LIABILITIES	\$5,769,227	\$5,725,053	\$5,571,610
NET ASSETS	\$384,583,984	\$380,773,764	\$335,690,475
EQUITY			
Accumulated Surplus	\$97,430,876	\$93,620,656	\$93,140,837
Asset Revaluation Reserve	\$265,442,673	\$287,153,108	\$247,387,367
Other Reserves	\$21,710,435	\$0	\$18,832,630
TOTAL EQUITY	\$384,583,984	\$380,773,764	\$335,690,475

9.3 FINANCE REPORT FOR THE PERIOD ENDING 31 DECEMBER 2019

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 31 December 2019

RECOMMENDATION

That Council:

1. receives and notes the 'Finance report for the period ending 31 December 2019'
2. approves budget revisions included in the report for internal reporting purposes only.

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 31 December 2019 includes 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 2019/20 Budget, and includes operating results, capital expenditure and funding sources.

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 \$8K to \$1.26M.

Income Statement (revenue) - Council's year to date (YTD) operating revenue is at 91% of YTD budget. Revenue brought to account for December was \$552K (\$2.13 for November).

Income Statement (expenditure) - Council's operating expenditure is at 86% of YTD budget. Payments for this month totalled just over \$2.43M (\$2.21M for November).

Capital Works - The revised budget for capital works is \$21.1M and is 17% complete in financial terms for the current financial year (12% at the end of November).

Balance Sheet - Council has a cash total of \$21.8M with \$2.27M in general accounts. Debtors are \$10.2M which is a decrease of \$0.47M for the month. Sundry debtors total \$0.89M (\$0.91M in November) with invoices outstanding for 90 or more days relating to community wellbeing debtors and local community groups totalling approximately \$45K.

There were no supplementary valuations updated during December. The total rateable CIV at the end of December remains at \$2.35B.

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 2019/20.

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 31 DECEMBER 2019



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INTRODUCTION

During December 2019, staff continued working on the 2020-2030 Long Term Financial Plan. This has included reviewing financials and meeting with the Management Executive Group. A final version is to be presented to Councillors at the January 2020 Council Forum.

1 CASH SURPLUS POSITION

1.1 Budget revisions

The overall budget cash surplus, which has been included in the attached financial reports, has decreased from \$1,268,804 to \$1,261,184.

These revisions are summarised below:

Item	November Finance Report	December Finance Report	Change \$
Operating revenue	\$29,147,058	\$29,211,439	\$64,381
Operating expenditure	(\$34,917,153)	(\$34,981,703)	(\$64,550)
Transfers from reserves	\$17,254,848	\$17,294,848	\$40,000
Transfers to reserves	(\$2,811,392)	(\$2,811,392)	\$0
Other funding decisions	\$383,617	\$383,617	\$0
Capital expenditure	(\$21,080,005)	(\$21,127,455)	(\$47,450)
Other non cash adjustments	\$9,431,014	\$9,431,014	\$0
Accumulated surplus carried forward	\$3,860,817	\$3,860,817	\$0
Closing surplus (deficit) as reported in Appendix 2	\$1,268,804	\$1,261,184	(\$7,620)

Major changes are highlighted below. Some items that are listed above may have a large overall adjustment but are in fact made up of numerous smaller changes.

1.2 Operating revenue

Operating revenue has increased by \$64K.

The main variance to budget is additional income for the scar trees campaign, which is offset by an increase in expenditure.

1.3 Operating expenditure

Operating expenditure has increased by \$65K.

The main variance to budget relates to scar trees campaign, an increase in expenditure to offset additional funding received.

1.4 Transfer from reserves

Transfer from reserves has increased by \$40K.

The variance to budget relates to an increase to funding for the replacement of town entrance signs within Loddon.

1.5 Capital expenditure

Capital expenditure has increased by \$47K.

The main variance to budget relates to the replacement of town entrance signage, which has been funded from reserve.

2 STANDARD INCOME STATEMENT

In the analysis of the statements only those areas which have a variance greater than 10% and \$10,000 will be reported. Variances have been explained in further detail below.

2.1 Operating revenue

Total revenue brought to account for the month of December was \$552K.

Revenue YTD is at 91% compared to YTD budget or \$1.78M behind.

2.1.1 Capital grants

Capital grants are behind budget by \$1.84M.

The main variances to budget are:

- Roads to Recovery funding of \$610K with a claim to be submitted in January
- Echuca Serpentine Road project of \$400K, due to timing of the budget
- Bridgewater Raywood Road project of \$200K with full funding not expected due to lower expenditure
- Bridgewater Foreshore of \$150K, due to timing.

2.1.2 User fees

User fees are currently \$150K ahead of budget. The main variation is due to higher than expected planning permit activity and higher fee income as a result.

2.1.3 Recurrent contributions

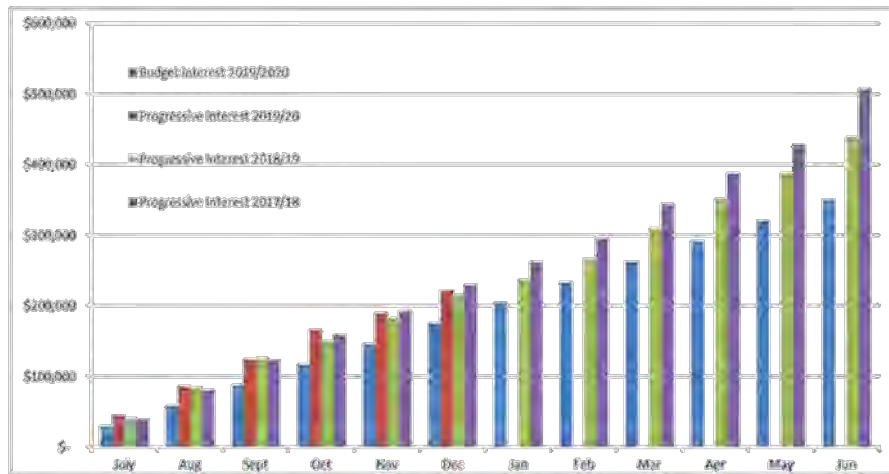
Recurrent contributions are behind budget by \$19K which mainly relates to the Boort Park kitchen works, with the project almost complete but an invoice still to be raised.

2.1.4 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 \$221K, and rates interest amounts to \$11K. Year to date represents 124% of the year revised budget amount of \$ 375K (\$350K for investments only).

Progressive interest from investments for the years 2017/18 to 2019/20 is:

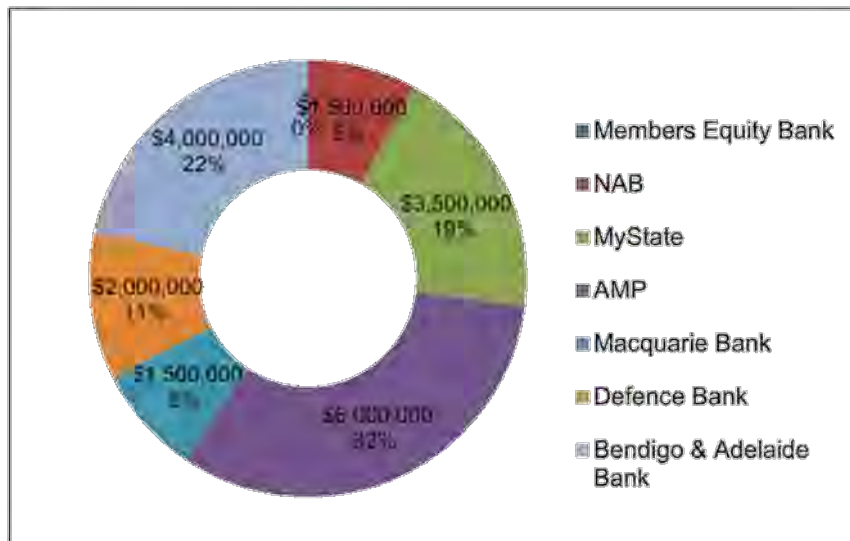


The below table shows all investments for the financial year to date.

LEEDON SHIRE COUNCIL INVESTMENT SCHEDULE												
Bank	Establishment date	Status	Maturity date	Term (days)	Interest rate	Investment amount	Total interest receivable on TD	Interest accrual 2018/19	YTD accrued interest	Total interest accrual	YTD interest received	Total YTD interest earned
Bendigo & Adelaide Bank	06/31/192016	Open	N/A	N/A	0.00%	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 5,891	\$ 5,891
Bendigo & Adelaide Bank	27/03/2019	Closed	27/03/2019	182	2.51%	\$ 2,000,000	\$ 16,438	\$ 19,318	\$ -	\$ 19,318	\$ -	\$ 35,736
Bendigo & Adelaide Bank	29/03/2019	Closed	29/03/2019	184	2.55%	\$ 2,000,000	\$ 22,762	\$ -	\$ -	\$ 22,762	\$ -	\$ 48,500
Members Equity Bank	06/07/2019	Closed	06/07/2019	30	3.24%	\$ 2,000,000	\$ 12,947	\$ 4,296	\$ -	\$ 17,243	\$ -	\$ 17,243
NAB	28/05/2019	Closed	28/05/2019	90	2.50%	\$ 2,000,000	\$ 11,342	\$ 4,471	\$ -	\$ 15,813	\$ -	\$ 15,813
MWP	28/05/2019	Closed	28/05/2019	90	2.50%	\$ 2,000,000	\$ 11,342	\$ 4,471	\$ -	\$ 15,813	\$ -	\$ 15,813
Members Equity Bank	19/06/2019	Closed	19/06/2019	94	2.50%	\$ 2,000,000	\$ 10,471	\$ 3,459	\$ -	\$ 13,930	\$ -	\$ 13,930
Macquarie	19/06/2019	Closed	19/06/2019	94	2.50%	\$ 2,000,000	\$ 10,463	\$ 3,298	\$ -	\$ 13,761	\$ -	\$ 13,761
Bendigo & Adelaide Bank	30/07/2019	Closed	30/07/2019	90	1.75%	\$ 2,000,000	\$ 8,320	\$ -	\$ -	\$ 8,320	\$ -	\$ 8,320
Members Equity Bank	20/07/2019	Closed	20/07/2019	92	1.85%	\$ 1,000,000	\$ 4,851	\$ -	\$ -	\$ 4,851	\$ -	\$ 4,851
NAB	30/09/2019	Closed	30/09/2019	273	3.47%	\$ 2,000,000	\$ 25,068	\$ 8,324	\$ -	\$ 33,392	\$ -	\$ 33,392
MWP	20/02/2019	Closed	20/02/2019	184	2.50%	\$ 2,000,000	\$ 20,774	\$ 8,084	\$ -	\$ 28,858	\$ -	\$ 28,858
Members Equity Bank	15/06/2019	Closed	15/06/2019	153	2.50%	\$ 2,000,000	\$ 17,853	\$ 5,268	\$ -	\$ 23,121	\$ -	\$ 23,121
Bendigo & Adelaide Bank	17/06/2019	Closed	17/06/2019	182	2.50%	\$ 2,000,000	\$ 20,842	\$ 5,416	\$ -	\$ 26,258	\$ -	\$ 26,258
MyState	17/06/2019	Closed	17/06/2019	182	2.50%	\$ 2,000,000	\$ 20,842	\$ 5,458	\$ -	\$ 26,300	\$ -	\$ 26,300
Bendigo & Adelaide Bank	27/08/2019	Open	27/08/2020	310	1.60%	\$ 2,000,000	\$ 13,151	\$ -	\$ 15,047	\$ 15,047	\$ -	\$ 30,198
MWP	30/02/2019	Open	30/02/2020	362	2.00%	\$ 2,000,000	\$ 10,841	\$ -	\$ 13,418	\$ 13,418	\$ -	\$ 24,259
Macquarie Bank	20/01/2019	Open	20/01/2020	365	1.60%	\$ 1,500,000	\$ 6,143	\$ -	\$ 7,179	\$ 7,179	\$ -	\$ 13,322
Bendigo & Adelaide Bank	17/02/2019	Open	17/02/2020	310	1.60%	\$ 2,000,000	\$ 16,754	\$ -	\$ 19,808	\$ 19,808	\$ -	\$ 36,562
NAB	15/04/2019	Open	15/04/2020	330	1.60%	\$ 1,500,000	\$ 12,721	\$ -	\$ 14,781	\$ 14,781	\$ -	\$ 27,502
MyState	20/04/2019	Open	20/04/2020	324	1.70%	\$ 1,500,000	\$ 8,448	\$ -	\$ 9,445	\$ 9,445	\$ -	\$ 17,893
MyState	16/12/2019	Open	15/04/2020	121	1.75%	\$ 2,000,000	\$ 11,603	\$ -	\$ 1,438	\$ 1,438	\$ -	\$ 13,041
MWP	30/11/2019	Open	30/05/2020	186	1.75%	\$ 2,000,000	\$ 18,327	\$ -	\$ 2,040	\$ 2,040	\$ -	\$ 20,367
Defence Bank	1/11/2019	Open	30/05/2020	196	1.68%	\$ 2,000,000	\$ 16,918	\$ -	\$ 1,435	\$ 1,435	\$ -	\$ 18,353
MWP	01/11/2019	Open	30/05/2020	194	1.75%	\$ 2,000,000	\$ 17,452	\$ -	\$ 1,974	\$ 1,974	\$ -	\$ 19,426
Total Interest on Investments								\$ 63,298	\$ 64,600	\$ 69,678	\$ 100,392	\$ 213,314
Interest on General Acct Cash											\$ 10,251	\$ 10,251
Interest on interest (taken in previously funded projects)											\$ -	\$ -
Net Interest on Investments											\$ 10,643	\$ 121,564

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

Current Investments:		
Members Equity Bank	A2/BBB	0.0%
NAB	A1+AA	8.1%
MyState	A2/BBB+	18.9%
AMP	A2/BBB+	32.4%
Macquarie Bank	A1/A	8.1%
Defence Bank	A2/BBB	10.8%
Bendigo & Adelaide Bank	A2/BBB+	21.6%
Council Funds on Term Deposit		100%



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.

2.2 Operating expenditure

Total operating expenditure for December was \$2.43M.

Expenditure YTD is at 86% compared to YTD budget or \$2.49M behind.

2.2.1 Materials and services

Materials and services are behind YTD budget by \$1.96M or 31%.

The main variations that are behind budget due to works progressing slower than expected or commencing later in the year than originally budgeted are:

- outdoor exercise equipment of \$122K
- plant operating costs of \$154K
- Bridgewater Football/Netball change facilities \$100K
- Laanecoorie boat ramp of \$90K
- scar trees campaign of \$55K
- landfills and transfer stations of \$129K
- urban drainage strategy of \$117K
- service delivery reviews of \$50K
- L2P program of \$29K.

2.2.2 Contract payments

Contract payments are behind YTD budget by \$148K or 19%.

The main variation to budget is kerbside collection service and cleaning of public facilities, due to a delay in receiving monthly invoices.

2.2.3 Payments

During the month the following payments were made:

Creditor payments - cheque	\$17,722.75
Creditor payments - electronic funds transfer	\$1,152,667.23
Payroll (2 pays)	\$708,602.06
TOTAL	<u>\$1,878,992.04</u>

2.3 **Operating surplus**

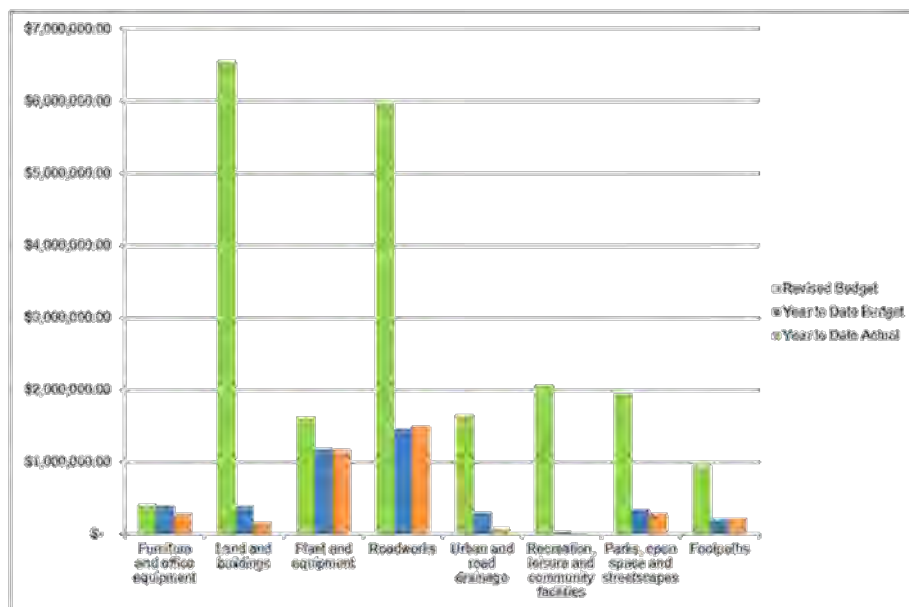
The operating surplus to date is \$1.93M.

2.4 **Capital expenditure**

Total capital works expenditure for December was \$1.22M.

The total revised budget for the 2019/20 capital works program is \$21.1M.

The total capital works expenditure is 17% complete in financial terms.



Within the asset types the major variations to YTD budget are:

2.4.1 Furniture and office equipment

Furniture and office equipment is behind of YTD budget by \$121K, the main variance is PC replacement, and IT strategy implementation with the programs expected to be ongoing for the remainder of the year.

2.4.2 Land and buildings

Land and buildings is behind YTD budget by \$214K, the main variance is the energy efficient upgrades, with the project progressing but invoices being submitted slower than expected.

2.4.3 Urban and road drainage

Urban and road drainage is behind YTD budget by \$224K, the main variance to budget is Verdon South Street Inglewood and Old Lead Dam Dunolly where the projects are progressing slower than expected.

2.4.4 Recreation leisure and community facilities

Recreation leisure and community facilities are behind YTD budget by \$17K, the main variance to budget is caravan park trees and Inglewood Town Hall landscaping, due to slower than expected commencement of these projects.

2.4.5 Parks, open space and streetscapes

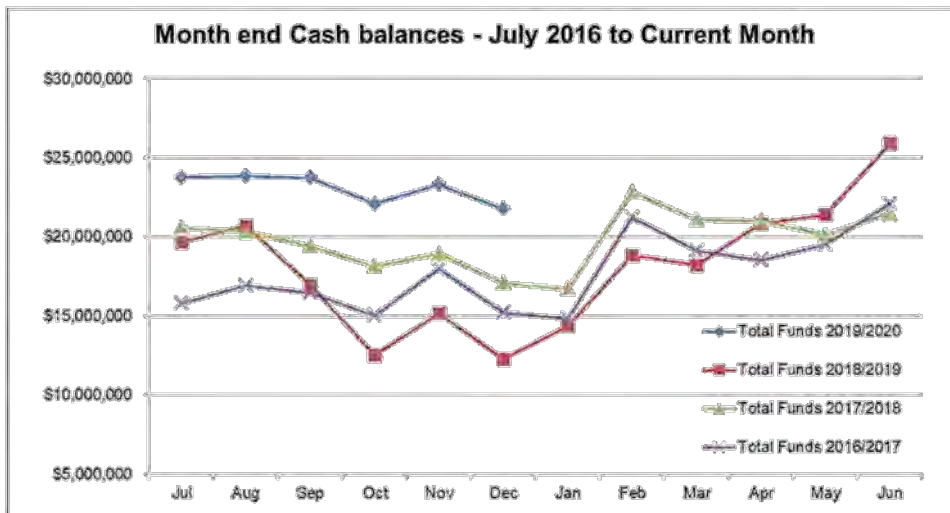
Parks, open space and streetscapes are behind of YTD budget by \$64K, the variation relates to delay in commencement of many smaller projects.

3 STANDARD BALANCE SHEET

3.1 Cash

At the end of the month, Council’s overall cash total was \$22.0M which includes a balance of \$2.27M in general accounts.

Month end balances for Council’s cash, from July 2016 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	December 2018	October 2019	November 2019	December 2019
Rates	8,104,829	9,332,678	8,744,005	8,306,827
Fire Services Property Levy	849,326	1,071,720	1,001,027	947,138
Total Rates & Fire Services Property Levy	8,954,156	10,404,398	9,745,032	9,253,965
Sundry debtors	1,044,368	1,354,981	890,139	914,736
Community loans/advances	3,600	2,400	2,400	2,400
Long term loans/advances	80,000	-	-	-
Employee superannuation	-	6,738	2,822	(1,096)
Magistrates court fines	100,319	100,319	100,319	100,319
LESS provision for doubtful debts	(112,950)	(118,867)	(118,867)	(118,867)
Total	10,068,413	11,749,948	10,621,824	10,151,438

3.2.2 Rates debtors

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

	Dec 2018 (3/1/2019)	Oct 2019 (1/10/2019)	Nov 2019 (2/11/2019)	Dec 2019 (3/1/2020)
2006/07	\$ 277	\$ 300	\$ 305	\$ 305
2007/08	\$ 436	\$ 473	\$ 480	\$ 480
2008/09	\$ 465	\$ 494	\$ 501	\$ 501
2009/10	\$ 1,752	\$ 1,534	\$ 1,435	\$ 1,434
2010/11	\$ 3,214	\$ 2,783	\$ 2,823	\$ 2,818
2011/12	\$ 5,528	\$ 4,134	\$ 4,195	\$ 4,188
2012/13	\$ 5,948	\$ 3,403	\$ 3,453	\$ 3,445
2013/14	\$ 6,030	\$ 1,721	\$ 1,765	\$ 1,756
2013/14 Fire Services Property Levy	\$ 1,658	\$ 693	\$ 703	\$ 703
2014/15	\$ 14,508	\$ 3,685	\$ 3,766	\$ 3,758
2014/15 Fire Services Property Levy	\$ 2,535	\$ 1,325	\$ 1,344	\$ 1,343
2015/16	\$ 22,850	\$ 11,647	\$ 11,413	\$ 10,929
2015/16 Fire Services Property Levy	\$ 3,978	\$ 2,610	\$ 2,607	\$ 2,562
2016/17	\$ 42,310	\$ 25,630	\$ 25,456	\$ 25,048
2016/17 Fire Services Property Levy	\$ 6,689	\$ 4,448	\$ 4,316	\$ 4,160
2017/18	\$ 98,505	\$ 43,598	\$ 42,312	\$ 41,674
2017/18 Fire Services Property Levy	\$ 15,025	\$ 8,567	\$ 8,392	\$ 8,193
2018/19	\$ -	\$ 108,497	\$ 102,403	\$ 98,468
2018/19 Fire Services Property Levy	\$ -	\$ 18,640	\$ 16,977	\$ 16,810
2019/20	\$ -	\$ -	\$ -	\$ -
2019/20 Fire Services Property Levy	\$ -	\$ -	\$ -	\$ -
Sub-total: arrears	\$ 231,698	\$ 244,185	\$ 234,646	\$ 226,673
Current year (outstanding but not due)	\$ 7,903,016	\$ 9,131,763	\$ 8,551,246	\$ 8,120,127
Fire Services Property Levy	\$ 819,441	\$ 1,028,451	\$ 959,140	\$ 907,165
Total outstanding	\$ 8,954,156	\$ 10,404,398	\$ 9,745,032	\$ 9,253,965
<i>Summary</i>				
Rates in arrears	\$ 201,813	\$ 207,901	\$ 200,307	\$ 192,802
FSP in arrears	\$ 29,885	\$ 36,284	\$ 34,339	\$ 33,871
Total arrears	\$ 231,698	\$ 244,185	\$ 234,646	\$ 226,673

The second rate instalment for 2019/20 was due in November 2019.

3.2.3 Sundry debtors

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

Current	\$98,862	39%
30 days	\$70,125	28%
60 days	\$38,812	15%
90 + days	\$44,875	18%
Sub total routine debtors	\$252,675	100%
Paid Parental Leave	\$1,481	
Government departments	\$526,759	
GST	\$130,859	
Total	\$911,773	
60 + days consists of:		
Community Wellbeing debtors	\$11,394	
Local community groups	\$913	
Others	\$32,569	
Total	\$44,875	

Total outstanding sundry debtors as at 31 December 2019 are \$912K.

The mainstream sundry debtors (\$253K) have been broken into the amount of time they have been outstanding. At the time of this report \$45K or 18% 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.

There were no valuation changes and the current balances at end of December 2019 remain:

Valuation type	Opening balance	Supplementary changes	Closing balance
Site Value	\$ 1,556,244,100	\$ -	\$ 1,556,244,100
Capital Improved Value	\$ 2,347,296,100	\$ -	\$ 2,347,296,100
NAV	\$ 120,427,785	\$ -	\$ 120,427,785

The total rateable CIV at the end of December 2019 remains around \$2.35B.

3.3 Water rights

Council-owned water rights were valued at \$2.70M at 30 June 2019.

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

There has been no purchase to date this financial year, and no future purchases are budgeted for the remainder of 2019/20.

APPENDIX 1: STANDARD INCOME STATEMENT

	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
REVENUE FROM ORDINARY ACTIVITIES							
Rates	\$11,027,275	\$11,027,275	\$11,027,275	\$10,938,607	(\$88,668)	99%	90%
Revenue grants	\$6,222,978	\$6,404,196	\$3,326,007	\$3,280,864	(\$45,143)	99%	51%
Capital grants	\$5,916,828	\$8,380,514	\$2,871,792	\$1,036,172	(\$1,835,620)	36%	12%
Vic Roads	\$524,064	\$524,064	\$262,032	\$270,041	\$8,009	103%	52%
User fees	\$1,836,005	\$1,874,431	\$911,542	\$1,061,127	\$149,585	116%	57%
Capital contributions	\$0	\$0	\$0	\$0	\$0	0%	0%
Recurrent contributions	\$310,000	\$330,000	\$20,000	\$1,165	(\$18,835)	0%	0%
Interest income	\$375,125	\$375,125	\$187,566	\$232,326	\$44,760	124%	62%
* Reversal of impairment losses	\$0	\$0	\$0	\$103	\$103	0%	0%
* Library equity	\$0	\$0	\$0	\$0	\$0	0%	0%
Reimbursements	\$295,833	\$295,833	\$147,912	\$152,279	\$4,367	103%	51%
Total revenue	\$26,508,108	\$29,211,439	\$18,754,126	\$16,972,682	(\$1,781,445)	91%	58%
EXPENDITURE FROM ORDINARY ACTIVITIES							
Labour	\$10,796,481	\$10,832,561	\$5,422,304	\$5,018,793	(\$403,511)	93%	89%
Materials & services	\$8,638,752	\$12,149,689	\$6,216,985	\$4,259,993	(\$1,956,992)	69%	35%
Depreciation	\$9,431,014	\$9,431,014	\$4,715,484	\$4,715,508	(\$24)	100%	50%
Utilities	\$507,274	\$507,274	\$268,443	\$281,985	(\$13,542)	105%	56%
Contract payments	\$1,638,038	\$1,750,369	\$781,521	\$633,042	(\$148,479)	81%	36%
Loan interest	\$0	\$0	\$0	\$0	\$0	0%	0%
Auditor costs	\$84,631	\$84,631	\$20,250	\$17,885	(\$2,365)	88%	21%
Councillor costs	\$226,166	\$226,166	\$113,082	\$116,796	(\$3,714)	103%	52%
Loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
* Impairment losses	\$0	\$0	\$0	\$0	\$0	0%	0%
Bad debts expense	\$0	\$0	\$0	\$288	(\$288)	0%	0%
Total expenditure	\$31,322,355	\$34,981,703	\$17,538,069	\$15,044,301	\$2,493,769	86%	43%
NET RESULT FOR THE PERIOD	(\$4,814,247)	(\$5,770,265)	\$1,216,057	\$1,928,381	(\$712,324)	159%	-33%
The operating expenditure shown above is represented in Council's key direction areas as follows:							
	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Revised Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
EXPENSE FROM ORDINARY ACTIVITIES							
Economic development & tourism	\$1,449,827	\$1,832,867	\$862,477	\$739,026	(\$123,451)	86%	40%
Leadership	\$1,688,427	\$1,783,405	\$872,441	\$803,126	(\$69,315)	92%	45%
Works & infrastructure	\$14,542,506	\$14,730,343	\$7,210,531	\$6,720,563	(\$489,968)	93%	46%
Good management	\$4,353,730	\$4,835,276	\$2,472,083	\$2,100,472	(\$371,611)	85%	43%
Environment	\$2,287,172	\$2,313,250	\$1,168,483	\$947,596	(\$220,887)	81%	41%
Community services & recreation	\$7,000,694	\$9,406,772	\$4,952,055	\$3,733,519	(\$1,218,536)	75%	39%
Loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
Total operating expenditure	\$31,322,355	\$34,981,703	\$17,538,069	\$15,044,301	\$2,493,769	86%	43%
NET RESULT FOR THE PERIOD	(\$4,814,247)	(\$5,770,265)	\$1,216,057	\$1,928,381	(\$712,324)	159%	-33%

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

APPENDIX 2: STANDARD CAPITAL WORKS STATEMENT

	2019/20 Original Budget	2019/20 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
FUNDING DECISIONS							
Add loan interest accrued	\$0	\$0	\$0	\$0	\$0	0%	0%
Less loan repayments	\$0	\$0	\$0	\$0	\$0	0%	0%
Add transfer from reserves	\$7,812,974	\$17,294,846	\$19,996	\$0	(\$19,996)	0%	0%
Less transfer to reserves	(\$2,518,186)	(\$2,811,392)	\$0	\$0	\$0	0%	0%
Add proceeds from sale of assets	\$429,537	\$383,617	\$228,613	\$295,953	(\$66,440)	129%	77%
TOTAL FUNDING DECISIONS	\$5,624,325	\$14,867,073	\$248,611	\$295,953	(\$46,442)	119%	124%
NET FUNDS AVAILABLE FOR CAPITAL	\$810,073	\$9,096,808	\$1,464,668	\$2,223,434	(\$758,766)	152%	24%
CAPITAL EXPENDITURE BY ACCOUNT							
Furniture and office equipment	\$405,500	\$405,500	\$394,267	\$273,361	\$120,906	69%	67%
Land and buildings	\$4,984,164	\$6,580,825	\$330,208	\$165,888	\$214,320	44%	28%
Plant and equipment	\$1,275,763	\$1,611,609	\$1,163,991	\$1,158,816	\$25,175	99%	98%
Roadworks	\$4,711,536	\$5,970,450	\$1,451,932	\$1,482,925	(\$30,993)	102%	102%
Urban and road drainage	\$350,000	\$1,641,240	\$301,662	\$77,530	\$224,130	26%	5%
Recreation, leisure and community facilities	\$885,822	\$2,051,912	\$34,716	\$17,087	\$17,629	49%	1%
Parks, open space and streetscapes	\$800,000	\$1,941,632	\$344,996	\$281,313	\$63,682	82%	45%
Footpaths	\$261,057	\$953,807	\$199,129	\$213,760	(\$14,631)	107%	22%
TOTAL CAPITAL EXPENDITURE PAYMENTS	\$13,683,842	\$21,127,455	\$4,290,900	\$3,670,680	\$620,221	86%	17%
NON CASH ADJUSTMENTS							
Less depreciation	\$9,431,014	\$9,431,014	\$4,715,484	\$4,715,508	(\$24)	100%	99%
Add reversal of impairment losses	\$0	\$0	\$0	(\$100)	\$100	0%	0%
Less loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
Less bad debts expense	\$0	\$0	\$0	\$298	(\$298)	0%	0%
TOTAL NON CASH ADJUSTMENTS	\$9,431,014	\$9,431,014	\$4,715,484	\$4,715,704	(\$220)	100%	99%
Accumulated surplus brought forward	(\$3,591,683)	(\$3,980,817)	\$0	\$0	\$0	0%	0%
NET CASH (SURPLUS)/DEFICIT	(\$148,932)	(\$1,261,184)	(\$1,889,252)	(\$3,268,458)	\$1,379,206	173%	25%

APPENDIX 3: STANDARD BALANCE SHEET

	December 2019 As per trial balance	June 2019 As per financial statements	December 2018 As per trial balance
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$21,968,979	\$25,893,132	\$12,269,893
Trade and other receivables	\$10,149,042	\$2,498,935	\$9,989,482
Financial assets	\$9,424	\$801,952	\$16,729
Inventories	\$35,354	\$40,279	\$49,296
Non-current assets classified as held for sale	\$556,091	\$556,092	\$690,322
TOTAL CURRENT ASSETS	\$32,718,889	\$29,790,390	\$23,015,732
NON-CURRENT ASSETS			
Trade and other receivables	\$2,397	\$2,397	\$80,000
Financial assets	\$775,196	\$269,572	\$545,985
Intangible assets	\$2,702,545	\$2,702,545	\$1,979,130
Property, infrastructure, plant and equipment	\$352,394,035	\$353,733,913	\$336,634,467
TOTAL NON-CURRENT ASSETS	\$355,874,173	\$356,708,427	\$339,239,582
TOTAL ASSETS	\$388,593,062	\$386,498,817	\$362,255,314
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	\$410,269	\$1,174,480	\$157,012
Trust funds and deposits	\$1,251,067	\$340,748	\$1,179,392
Provisions	\$2,432,164	\$2,412,407	\$1,777,869
Interest bearing loans and borrowings	\$0	\$0	\$0
TOTAL CURRENT LIABILITIES	\$4,093,500	\$3,927,635	\$3,114,273
NON-CURRENT LIABILITIES			
Provisions	\$1,797,418	\$1,797,418	\$2,324,221
Interest bearing loans & borrowings	\$0	\$0	\$0
TOTAL NON-CURRENT LIABILITIES	\$1,797,418	\$1,797,418	\$2,324,221
TOTAL LIABILITIES	\$5,890,918	\$5,725,053	\$5,438,494
NET ASSETS	\$382,702,145	\$380,773,764	\$356,816,820
EQUITY			
Accumulated Surplus	\$95,549,037	\$93,620,656	\$90,486,823
Asset Revaluation Reserve	\$265,442,673	\$287,153,108	\$247,387,367
Other Reserves	\$21,710,435	\$0	\$18,932,630
TOTAL EQUITY	\$382,702,145	\$380,773,764	\$356,816,820

9.4 AMENDED FEES AND CHARGES FOR THE YEAR 1 JULY 2019 TO 30 JUNE 2020

File Number: 07/01/006
Author: Deanne Caserta, Manager Financial Services
Authoriser: Sharon Morrison, Director Corporate Services
Attachments: 1. Fees and Charges 1 July 2019 to 30 June 2020 v3

RECOMMENDATION

That Council:

1. approves the amended Fees and Charges Schedule v3 for the year 1 July 2019 to 30 June 2020
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 2019 to 30 June 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

Council adopted version two of the Fees and Charges Schedule (Schedule) at a Council meeting held on 24 September 2019.

BACKGROUND

Each year, as a part of the budget process, a Schedule is prepared and submitted for approval by Council.

Minor amendments occur throughout the year as a result of legislation changes. Other changes are required to be resubmitted to Council for approval.

ISSUES/DISCUSSION

The change for version two of the Schedule related to boat launching fees as a result of the State Government introducing the Boat Launching and Parking Fees Abolition Program.

The proposed changes to version three is the inclusion of the new swimming pool legislation fees along with further clarification around animal registration fees with dates added.

COST/BENEFITS

The Schedule will raise an equitable contribution of revenue towards the cost of service delivery.

RISK ANALYSIS

There is a risk that if the Schedule is not updated there will be no ability to raise fees for swimming pool inspections along with rectifying the confusion around animal registrations which apply from 1 April 2020 to 31 March 2021.

CONSULTATION AND ENGAGEMENT

The recommendations in the report have been considered by management.

LODDON SHIRE COUNCIL

FEES AND CHARGES FOR THE YEAR 1 JULY 2019 TO 30 JUNE 2020



DOCUMENT INFORMATION

DOCUMENT TYPE: Strategic document

DOCUMENT STATUS: Draft

POLICY OWNER POSITION: Financial Accountant

INTERNAL COMMITTEE ENDORSEMENT: Not applicable

APPROVED BY: Council

DATE ADOPTED:

VERSION NUMBER: 3

REVIEW DATE: 30/06/2020

DATE RESCINDED:

RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:

RELATED LEGISLATION: Local Government Act 1989
Australian Taxation Office Goods and Services Tax Act (GST)

EVIDENCE OF APPROVAL:

Chief Executive Officer

FILE LOCATION: K:\FINANCE\Budget\2019-20\Fees and Charges\STR
Fees and Charges 2019-20 v3.docx

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.

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1 PURPOSE

This document is provided to Loddon Shire Council staff and customers to provide clear advice on Council's fees and charges for the financial year 1 July 2019 to 30 June 2020.

2 BUDGET IMPLICATIONS

The fees and charges included in the document will be incorporated into Council's 2019/2020 Budget.

3 FEES AND CHARGES

The fees and charges contained in this document apply for the period 1 July 2019 to 30 June 2020. There may be some alterations to legislated fees and charges contained in the document. Where this occurs, the document will be updated with the new fees and charges, which will be effective at the date deemed in the legislation.

PLEASE NOTE: M or D determines the type of fee or charge as below:

M = Mandatory and is set by another organisation/government department

D = Discretionary and is set by Council

3.1 Building fees

3.1.1 Building fees

Building fees	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
New dwellings, dwelling additions, sheds, carports, veranda	Application	D	Yes	\$480.00 (Cost Of Building Works (COBW) / \$200.00)
Fences, retaining walls and swimming pools (including safety barriers)	Application	D	Yes	\$430.00
Other classes - fee will be determined depending on type of building e.g. factory, retail shop, workshop etc.	Application	D	Yes	On request
Demolitions	Application	D	Yes	\$505.00
Re-erection of a dwelling	Application	M	Yes	\$900.00 + (COBW / \$200.00)
Retention of building works (Works less than \$5,000)	Application	D	Yes	\$500.00
Retention of building works (Works more than \$5,000)	Application	D	Yes	\$1,000.00
Additional inspections	Inspection	D	Yes	\$185.00
Extensions of time on permits	Application	D	Yes	\$265.00

Building fees	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Application to register swimming pool	Application	M	No	\$31.80
Swimming pool archive search fee	Application	M	No	\$47.20
Lodgement of swimming pool certificate of compliance	Lodgement	M	No	\$20.40
Lodgement of swimming pool certificate of non-compliance	Lodgement	M	No	\$385.00
Swimming pool safety barrier inspection fee	Initial inspection	D	Yes	\$485.00
Swimming pool safety barrier inspection fee	Additional inspection	D	Yes	\$185.00
State Building Levy	Application	M	No	0.128%
Re-erection of a dwelling – bond / surety	Application	D	No	\$10,000.00
Lodgement fee	Lodgement	M	No	\$121.90
Property information	Per application	M	No	\$47.20
Report and consent fee	Application	M	No	\$290.40
Minor amendment fee	Application	D	Yes	\$97.00
File retrieval from archive system (photocopying additional)	Application	D	Yes	\$84.00
Application under section 29A of the Building Act 1993	Application	M	No	\$85.20
Point of discharge for stormwater	Application	M	No	\$144.70
Inspection compliance report	Application	D	Yes	\$485.00
PoPE fee with a paid entry event (per event)	Application	D	Yes	\$602.00
Temporary structure within paid entry PoPE event	Application	D	Yes	\$117.00
PoPe fee with a free entry event (per event)	Application	D	Yes	\$300.00
Temporary structure within free entry PoPE event	Application	D	Yes	\$58.00
Application for Protection of Public Regulation 116(4)	Application	M	No	\$294.70
Application to build above or below Public Facilities Regulation 134(2)	Application	M	No	\$290.40

3.2 Caravan parks

3.2.1 Bridgewater Public Caravan Park

Cabins and sites	Unit rate per night or week	M or D	Is GST applicable?	2019/2020 Adopted fee
Cabins				
Cabin (peak period)	Per night 2 people	D	Yes	\$135.00
Cabin additional persons	Per night per person	D	Yes	\$10.00
Cabin (off peak period)	Per night 2 people	D	Yes	\$115.00
Additional person	Per night per person	D	Yes	\$10.00
Sites				
Powered site (peak period)	Per night 2 people	D	Yes	\$40.00
Additional persons	Per night per person	D	Yes	\$5.00
Powered site (off peak period)	Per night 2 people	D	Yes	\$35.00
Additional persons	Per night per person	D	Yes	\$5.00
Powered site (peak period)	Per week 2 people	D	Yes	\$180.00
Additional persons	Per person per night for the week	D	Yes	\$5.00
Powered site (off peak period)	Per week 2 people	D	Yes	\$155.00
Additional persons	Per person per night for the week	D	Yes	\$5.00
Unpowered site (peak period)	Per night 2 people	D	Yes	\$30.00
Additional persons	Per night per person	D	Yes	\$5.00
Unpowered site (off peak period)	Per night 2 people	D	Yes	\$25.00
Additional persons	Per night per person	D	Yes	\$5.00
Unpowered site	Per week 2 people	D	Yes	\$125.00
Additional persons	Per person per night for the week	D	Yes	\$5.00
Other				
Washing machine use	Per cycle	D	Yes	\$6.00
Tumble dryer	Per cycle	D	Yes	\$2.00

- Peak periods means:
 1. Victorian school holidays
 2. Victorian public holiday long weekends (being Labour Day, Easter, ANZAC Day (if this falls on a Friday or Monday), Queens Birthday, Melbourne Cup and AFL Grand Final).
- Normal check out time is: 10.00am.

- \$10.00 late stay fee: to enable campers to remain on the current site until 6:00pm on the day of check out if the site is not required for new campers to check in.
- Caravan and Motorhome Club Group bookings: A flat discount rate of 10.00% is offered for both powered and unpowered sites during both peak and non-peak rates under the following conditions:
 1. the group must be a formalized caravan or motorhome club
 2. a group is defined as 10 or more caravans or motorhomes
 3. two night minimum booking
 4. discounts are at the discretion of the Park Managers, who will take into account the demand for occupancy at the time the group booking is required.
- Individual arrangements for variations to fees may be endorsed by the Chief Executive Officer Loddon Shire Council to assist with accommodation of Council staff for employment purposes.
- Deposits: a deposit is at least the cost of the first night's tariff and must be received by the park within 7 days of booking to confirm a guest's reservation.
- Cancellations: when making a direct booking with a caravan park managed on behalf of Loddon Shire Council, it is acknowledged and agreed that all reservations and deposits are accepted by park managers and are subject to the following cancellation policy guidelines. Any reservations through agents or other third parties may be subject to separate policies, and it is recommended that park managers advise guests to check those conditions.
Park managers should advise guests of the cancellation policy for the park at the time of reservation.
- Low-season cancellations: during the low season, deposits will only be refunded if the park managers are notified of the cancellation prior to 9am on the day prior to the scheduled arrival. If notice of the cancellation is received after 9am on the day prior to the scheduled arrival, the park manager may retain the full deposit paid.
- Peak-season cancellations: deposits for reservations made wholly or partially in peak seasons will only be refunded if the guest notifies the park manager of the cancellation at least 30 days prior to the scheduled arrival. If less time is provided than the required period of notice of cancellation, the deposit will only be refunded if the site or cabin is able to be rebooked.
- Early departures: Council will not refund amounts paid should the guest cut short the reservation or holiday.
- Failure to notify of cancellation: if the park manager has not been notified of the cancellation, or the guest does not arrive by 10am on the day after the scheduled arrival date, the reservation may be cancelled by the park managers without refund of any paid deposit.

3.2.2 Pioneer Caravan Park – Wedderburn

Cabins and sites	Unit rate per night or week	M or D	Is GST applicable?	2019/2020 Adopted fee
Deluxe cabin self-contained	Per night 2 people	D	Yes	\$125.00
Deluxe cabin self-contained	Per week 2 people	D	Yes	\$735.00
Additional to two people staying	Per person per night	D	Yes	\$15.00
Deluxe cabin	Per night 2 people	D	Yes	\$95.00
Deluxe cabin per week	Per week 2 people	D	Yes	\$545.00
Deluxe cabin - more than 2 people staying	Per person per night additional to above	D	Yes	\$15.00
Standard cabin	Per night 2 people	D	Yes	\$85.00

Cabins and sites	Unit rate per night or week	M or D	Is GST applicable?	2019/2020 Adopted fee
Standard cabin per week	Per week 2 people	D	Yes	\$460.00
Standard cabin – additional to 2 people staying	Per person per night additional to above	D	Yes	\$10.00
Powered sites				
Overnight fee	Per night 2 people	D	Yes	\$20.00
Weekly fee	Per week 2 people	D	Yes	\$100.00
Additional to 2 people staying	Per person per night	D	Yes	\$5.00
Unpowered sites				
Overnight fee	Per night 2 people	D	Yes	\$15.00
Weekly fee	Per week 2 people	D	Yes	\$100.00
Additional to 2 people staying at an unpowered site	Per person per night	D	Yes	\$5.00
Permanent resident				
Weekly fee (GST @ 5.5%)	Per week	D	Yes	\$66.00
Annual fee (GST @ 5.5%)	Per year	D	Yes	\$3,270.00
Power charges - as per tariff supplied by electrical supplier	As metered	D	Yes	
Annual tenant				
Annual fee - holiday caravan site	Per year	D	Yes	\$1,140.00
Power charges - as per tariff supplied by electrical supplier	As metered	D	Yes	
Other				
Washing machine	Per cycle	D	Yes	\$6.00
Tumble dryer	Per cycle	D	Yes	\$2.00
Storage	Per week	D	Yes	\$10.00
Shower	Per shower	D	Yes	\$7.00

- Deposits: a deposit is at least the cost of the first night's tariff and must be received by the park within 7 days of booking to confirm a guest's reservation.
- Cancellations: when making a direct booking with a caravan park managed on behalf of Loddon Shire Council, it is acknowledged and agreed that all reservations and deposits are accepted by park managers and are subject to the following cancellation policy guidelines. Any reservations through agents or other third parties may be subject to separate policies, and it is recommended that park managers advise guests to check those conditions.
Park managers should advise guests of the cancellation policy for the park at the time of reservation.
- Low-season cancellations: during the low season, deposits will only be refunded if the park managers are notified of the cancellation prior to 9am on the day prior to the scheduled arrival. If notice of the cancellation is received after 9am on the day prior to the scheduled arrival, the park manager may retain the full deposit paid.
- Peak-season cancellations: deposits for reservations made wholly or partially in peak seasons will only be refunded if the guest notifies the park manager of the cancellation at least 30 days prior to the scheduled arrival. If less time is provided

than the required period of notice of cancellation, the deposit will only be refunded if the site or cabin is able to be rebooked.

- Individual arrangements for variations to fees may be endorsed by the Chief Executive Officer Loddon Shire Council to assist with accommodation of Council staff for employment purposes.
- Early departures: Council will not refund amounts paid should the guest cut short the reservation or holiday.
- Failure to notify of cancellation: if the park manager has not been notified of the cancellation, or the guest does not arrive by 10am on the day after the scheduled arrival date, the reservation may be cancelled by the park managers without refund of any paid deposit.

3.3 Rental properties

3.3.1 Elderly persons units

Elderly persons units	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Dingee				
Unit 1	Per week	D	No	\$94.00
Unit 2	Per week	D	No	\$94.00
Unit 3	Per week	D	No	\$94.00
Unit 4	Per week	D	No	\$94.00
Unit 5	Per week	D	No	\$94.00
Pyramid Hill				
Unit 1	Per week	D	No	\$80.00
Unit 2	Per week	D	No	\$87.00
Unit 3	Per week	D	No	\$80.00
Unit 4	Per week	D	No	\$80.00
Serpentine				
Unit 1	Per week	D	No	\$94.00
Unit 2	Per week	D	No	\$94.00
Unit 3	Per week	D	No	\$94.00
Unit 4	Per week	D	No	\$94.00
Unit 5	Per week	D	No	\$94.00

3.4 Public health

3.4.1 Food Act registration fees

Food premises	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Registration of premises (class 1)	Each	D	No	\$375.00
Registration of premises (class 2)	Each	D	No	\$290.00
Community group with Liquor Licence (class 2)	Each	D	No	\$155.00
Community group without Liquor Licence (class 2)	Each	D	No	\$108.00
Registration of premises (class 3)	Each	D	No	\$180.00
Community group with Liquor Licence (class 3)	Each	D	No	\$97.00
Community group without Liquor Licence	Each	D	No	\$72.00
Notification of premises (class 4) Not permitted under the Food Act 1984	Each	M	No	N/A
Community groups operating a class 2 or class 3 premises less than 10 times per year	For the year	D	No	\$26.00
Inspection and report	Each	D	Yes	\$200.00
Transfer of registration (includes mandatory inspection charge)	Each	D	No	\$185.00
Late payment of annual registration fee (additional charge added to annual registration fee)	Each	D	No	50% of applicable fee
Additional inspection fee (applied to each subsequent inspection beyond the 3 allowed in each registration year)	Each	D	Yes	\$200.00

3.4.2 Public Health and Wellbeing Act registration fees

Health premises	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Registration of premises (prescribed accommodation)	Each	D	No	\$208.00
Registration of health premises (undertaking 1 activity)	Each	D	No	\$148.00
Registration of health premises (undertaking 2 or more activities)	Each	D	No	\$170.00
Inspection and report	Each	D	Yes	\$200.00
Late payment of annual registration fee	Each	D	No	50% of applicable fee
Transfer of registration	Each	D	No	50% of applicable fee

3.4.3 Residential Tenancies Act and Regulations (caravan parks)

Caravan parks	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Three year registration - as per schedule in regulations	Per site	M	No	As set within Regulation
Transfer of premises - as per schedule in regulations	Each	M	No	As set within Regulation
Transfer inspection report	Each	D	Yes	\$200.00
Application to install a moveable dwelling / rigid annex	Each	D	Yes	\$69.00

3.4.4 Environment Protection Act application fees

Septic tanks	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Installation of new septic tank or significant alterations	Each	D	No	\$497.00
Minor amendments to recently issued permits and completion of expired permit without inspection	Each	D	No	\$77.00
Permit extension - 1 year	Each	D	No	\$174.00
Alteration to an existing septic tank system	Each	D	No	\$266.00
Inspection fee	Each	D	Yes	\$200.00
File retrieval from archive system (photocopying additional)	Application	D	Yes	\$84.00

3.5 **Aged and disability services**3.5.1 Home and community care for younger people program

Aged care services	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Home care – low	Per hour	D	No	\$6.24
Home care – medium	Per hour	D	No	\$15.84
Home care – high	Per hour	D	No	\$35.04
Personal care – low	Per hour	D	No	\$4.64
Personal care – medium	Per hour	D	No	\$9.44
Personal care – high	Per hour	D	No	\$39.20
Respite care – low	Per hour	D	No	\$3.12
Respite care – medium	Per hour	D	No	\$4.76
Respite care – high	Per hour	D	No	\$36.08
Negotiated fee variation – home care	Per hour	D	No	\$2.48
Negotiated fee variation – personal care	Per hour	D	No	\$1.48

Aged care services	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Meals on wheels – low and medium	Per meal	D	No	\$9.50
Meals on wheels – high	Per meal	D	No	\$11.70
Property maintenance – low	Per hour	D	No	\$12.52
Property maintenance – medium	Per hour	D	No	\$18.76
Property maintenance – high	Per hour	D	No	\$49.84
Property maintenance – mod construction	Per hour	D	No	\$23.96
Planned activity group – core	Per session	D	No	\$8.00
Planned activity group – high	Per session	D	No	\$8.00

3.5.2 Commonwealth home support program

Home support program	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Domestic assistance – low	Per hour	D	No	\$6.24
Domestic assistance – medium	Per hour	D	No	\$15.84
Domestic assistance – high	Per hour	D	No	\$35.04
Personal care – low	Per hour	D	No	\$4.64
Personal care – medium	Per hour	D	No	\$9.44
Personal care – high	Per hour	D	No	\$39.20
Flexible respite – low	Per hour	D	No	\$3.12
Flexible respite – medium	Per hour	D	No	\$4.76
Flexible respite – high	Per hour	D	No	\$36.08
Meals on wheels – low and medium	Per meal	D	No	\$9.50
Meals on wheels – high	Per meal	D	No	\$11.70
Meals – other	Per meal	D	No	\$9.50
Home maintenance – low	Per hour	D	No	\$12.52
Home maintenance – medium	Per hour	D	No	\$18.76
Home maintenance – high	Per hour	D	No	\$49.64
Home maintenance – mod construction	Per hour	D	No	\$23.96
Social support – group	Per session	D	No	\$8.00
Social support – individual	Per session	D	No	\$8.00

3.5.3 Transport for aged service clients

Transport for aged service clients	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Transport within town	Per trip	D	No	\$5.50
Transport under 20km to destination	Per trip	D	No	\$10.85
Transport 20-50km to destination	Per trip	D	No	\$21.80
Transport 50-100km to destination	Per trip	D	No	\$32.80
Transport 100-150km to destination	Per trip	D	No	\$43.70
Transport over 150km to destination	Per trip	D	No	\$54.60

3.5.4 Brokered services: linkages, post-acute care, aged care packages, carer support services, WorkCover

Services	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Home care	Per hour	D	Yes	\$50.60
Personal care	Per hour	D	Yes	\$50.60
Respite care	Per hour	D	Yes	\$50.60
Weekend personal / respite care	Per hour	D	Yes	\$100.76
Property maintenance	Per hour	D	Yes	\$65.56
Meals on wheels	Per meal	D	Yes	\$12.98
Travel	Per km	D	Yes	\$1.21
Annual home safety check	Per check	D	Yes	\$55.00

3.5.5 Capped account limits

Capped account limits	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Client monthly account - single - 4 week account cycle	Per month	D	No	\$243.00
Client monthly account - single - 5 week account cycle	Per month	D	No	\$304.00
Client monthly account - single - 6 week account cycle	Per month	D	No	\$364.00
Client monthly account - double - 4 week account cycle	Per month	D	No	\$433.00
Client monthly account - double - 5 week account cycle	Per month	D	No	\$541.00
Client monthly account - double - 6 week account cycle	Per month	D	No	\$649.00

3.5.6 Department of Veteran Affairs

Department of Veterans Affairs	Unit rate per client	M or D	Is GST applicable?	2019/2020 Adopted fee
Home care	Per hour	M	Yes	\$60.61
Personal care	Per hour	M	Yes	\$75.24
Personal care – weekend	Per hour	M	Yes	\$92.62
Respite care	Per hour	M	Yes	\$57.31
Respite care – weekend	Per hour	M	Yes	\$75.85
Emergency respite	Per hour	M	Yes	\$61.16
Emergency respite – weekend	Per hour	M	Yes	\$69.03
Property maintenance	Per hour	M	Yes	\$63.03
Co-payment – average of all fees	Per session	M	No	\$5.00

3.6 **Local laws**3.6.1 Domestic Animals Act 1994

Animal registration period 1 April 2020 to 31 March 2021

Domestic animals	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Registration fee - unsterilized animal	Per animal	D	No	\$121.00
Registration fee - unsterilized animal - pensioners' concession	Per animal	D	No	50% of above fee
Registration fee - reduced fee (refer criteria)	Per animal	D	No	\$29.00
Registration fee - reduced fee (refer criteria) - pensioners' concession	Per animal	D	No	50% of above fee
Registration fee - dangerous / menacing or restricted breed dog (no reduced fee available under S 15(7) of the Act)	Per animal	D	No	\$121.00
Impounding of dog or cat	Per animal	D	No	\$73.80
Annual licence fee for Domestic Animal Business Registration	Per licence	D	No	\$150.00
Transfer from another council (registration must be for current period)	Per animal	D	No	Nil

3.6.2 Domestic Animals Act 1994 - reduced fee criteria

<i>Registration fee for an animal registered for the first time after 10 October will be one half the applicable annual fee</i>
<i>Where the animal has been registered for the full year dies within six months of the commencement of the registration year the owner shall be entitled to a refund of one half of the registration fee paid</i>
<i>Animal desexed</i>
<i>Animal over 10 years old</i>
<i>Farm working dog</i>

<i>Animal kept as part of a registered domestic animal business or applicable organisation</i>
<i>A dog that has undergone approved obedience training in accordance with Regulation 52 of the Domestic Animals Regulations</i>
<i>Dogs and cats registered with an 'applicable organisation' in accordance with the Domestic Animals Act 1994</i>

3.6.3 Impounding of Livestock Act 1994

Livestock	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Sheep or goat (per head, up to 10 head)	Impoundment	D	No	\$74.00
Sheep or goat (per head, more than 10)	Impoundment	D	No	\$1.40
Sheep or goat (per head)	Daily feeding	D	Yes	\$2.40
Sheep or goat (per head)	Daily feeding	D	Yes	\$2.40
Horse, cow or ram (per head)	Impoundment	D	No	\$74.00
Horse, cow or ram(per head)	Daily feeding	D	Yes	\$11.00
Other livestock (per head)	Impoundment	D	No	\$74.00
Other livestock (per head)	Daily feeding	D	Yes	\$11.00

With regard to the items below, please see the relevant Local Law or associated Act for fines and penalties

3.6.4 Local Law No. 4 – Environment (2015) infringements

3.6.5 Local Law No. 2 - Street and Roads (Amendment No 2 2010) infringements

3.6.6 Environment Protection Act 1970 penalties

3.6.7 Country Fire Authority Act 1958

3.6.8 Local Law No. 5 – Livestock (2005)

3.6.9 Domestic Animals Act 1994

3.6.10 Local Law No. 2 – Streets and Roads - Part 4

Local laws permits	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Division one – Advertising signs	Per sign	D	No	\$52.00
Division two – Trading from road	Per day	D	No	\$52.00
Division three – Display of goods	Per site	D	No	\$52.00
Division four – Street furniture and outdoor eating	Per permit	D	No	\$27.00

3.6.11 Local laws permits

Local laws permits	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
All other local laws permits	Per permit	D	No	\$27.00

3.6.12 Clearing fire hazard blocks

Fire hazard blocks	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Clearing of fire hazards – blocks	Per block	D	Yes	At cost plus \$100.00 admin fee plus GST

3.7 **Town planning**3.7.1 Planning fees

Permits	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Use only	Application	M	No	\$1,318.10
VicSmart applications (confirm with Planning Officer if your application qualifies)				
Less than \$10,000	Application	M	No	\$199.95
More than \$10,001	Application	M	No	\$429.50
Application to subdivide or consolidate land (as permitted by VicSmart regulations)	Application	M	No	\$199.95
Single dwelling and ancillary to dwelling (based on value of development)				
Less than \$10,000	Application	M	No	\$199.95
\$10,001 to \$100,000	Application	M	No	\$629.40
\$100,001 to \$500,000	Application	M	No	\$1,288.45
\$500,001 to \$1,000,000	Application	M	No	\$1,392.15
\$1M > \$2M	Application	M	No	\$1,495.80
Other development (based on value of development)				
\$10,001 to \$100,000	Application	M	No	\$1,147.75
\$100,001 to \$1,000,000	Application	M	No	\$1,547.65
\$1M to \$5M	Application	M	No	\$3,413.70
\$5M to \$15M	Application	M	No	\$8,700.85
\$15M to \$50M	Application	M	No	\$25,658.30
\$50M to \$100M	Application	M	No	\$57,670.15
Subdivision				
To subdivide an existing building	Application	M	No	\$1,318.10
To subdivide land into 2 lots	Application	M	No	\$1,318.10
To subdivide land into <u>more than 2</u> lots	Application	M	No	\$1,318.10 per 100 lots
To remove a restriction (within the meaning of the Subdivision Act 1988) over land	Application	M	No	\$1,318.10
To create, vary or remove a restriction within the meaning of the Subdivision Act 1988, or to create or remove a right of way	Application	M	No	\$1,318.10

Permits	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
To create, vary or remove an easement other than a right of way, or to vary or remove a condition in the nature of an easement in a Crown grant.	Application	M	No	\$1,318.10
Secondary consent	Application	M	No	\$195.10
Extension of time to permit	Application	M	No	\$200.00
Certification of plan of subdivision	Application	M	No	\$174.75
Alteration of a plan under Section10(2) prior to Certification	Application	M	No	\$111.05
Amendment of a certified plan under section11(1) of the Act	Application	M	No	\$140.70
Planning enquiry	Application	D	Yes	\$41.00
File retrieval from archive system (photocopying additional)	Application	D	Yes	\$84.00

3.8 Swimming pools

3.8.1 Pool fees

Pool fees	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Season tickets				
Family	Per season	D	Yes	\$130.00
Adult	Per season	D	Yes	\$75.00
Child	Per season	D	Yes	\$50.00
Entrance fees				
Family (for 1 or 2 adults and their children)	Per entry	D	Yes	\$10.00
Adult	Per entry	D	Yes	\$5.00
Child	Per entry	D	Yes	\$2.50
School groups	Per entry	D	Yes	\$1.20
Adult - non-swimmer	Per entry	D	Yes	Nil
Child - non-swimmer	Per entry	D	Yes	Nil
School groups				
One lifeguard in attendance	Per hour	D	Yes	\$18.50
Two lifeguards in attendance	Per hour	D	Yes	\$55.50

3.9 Roads

3.9.1 Road reinstatement fees

Roads	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Minimum charge	Event	D	Yes	\$115.00
Sealed pavement (surface only)	Per m ²	D	Yes	\$141.00
Unsealed pavement	Per m ²	D	Yes	\$94.00
Trench off pavement	Per m ²	D	Yes	\$47.00
Footpath (100-200mm concrete)	Per m ²	D	Yes	\$151.00
Footpath (other sealed asphalt)	Per m ²	D	Yes	\$151.00

3.9.2 Application for consent to work within municipal road reserve

Roads	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Fee structure determined pursuant to the Roads Management (Works and Infrastructure) 2015 Regulations. Current fee unit rate is available at www.vicroads.vic.gov.au	Application	M	Yes	See relevant legislative document

3.10 Tourism

3.10.1 Loddon Discovery Tours

- Loddon Discovery Tours are priced based on full cost recovery to Council; therefore as prices change, tour prices are amended.
- Details on all tours with inclusions/exclusions are located in the various Loddon Discovery Tour brochures available on Council's website.
- These prices stated are subject to minimum booking numbers.

3.11 Waste management

3.11.1 Domestic waste, e-waste and recyclables

Waste, e-waste and recyclables	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Minimum Fee	Min. charge	D	Yes	\$9.00
General waste (up to 4m ³)	Per m ³	D	Yes	\$30.00
Recyclable materials (up to 1m ³)	Per m ³	D	Yes	Nil
Recyclable materials (1m ³ to 4m ³)	Per m ³	D	Yes	\$6.00
Domestic green waste (up to 4m ³)	Per m ³	D	Yes	\$12.00
Refrigerators, freezers, and air conditioners (e-waste)	Each	D	Yes	\$17.00
Televisions and computer monitors (e-waste)	Each	D	Yes	\$13.00
Uncontaminated bricks and concrete (up to 4m ³)	Per m ³	D	Yes	\$32.00

Waste, e-waste and recyclables	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Mattress (single)	Each	D	Yes	\$12.00
Mattress (double or larger)	Each	D	Yes	\$17.00
Metals (up to 4m ³)	Per m ³	D	Yes	Nil
Cars (complete or close)	Each	D	Yes	\$27.00

- Loads over the quoted volumes will not be accepted at any Loddon waste site.
- Commercial waste is no longer accepted at any Loddon waste site.
- Council has the right to waive or reduce fees for approved community benefit events.
- More information on Council's e-waste program can be found at www.loddon.vic.gov.au/Live/Your-home/Garbage-and-recycling/E-waste.

3.11.2 Tyres

Tyres	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Car tyre	Each	D	Yes	\$12.00
Car tyre on rim	Each	D	Yes	\$29.00
4 wheel drive / light truck tyre	Each	D	Yes	\$16.00
Truck tyre	Each	D	Yes	\$34.00
Super single tyre	Each	D	Yes	\$54.00
Truck tyre on rim	Each	D	Yes	\$54.00
Small tractor tyre	Each	D	Yes	\$125.00
Large tractor tyre	Each	D	Yes	\$205.00

3.12 Miscellaneous

3.12.1 Rates

Rates	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Land information certificates	Application	M	No	\$27.00
Rates search	Application	D	Yes	\$52.00

3.12.2 Photocopying, faxing and printing

Photocopying, faxing and printing	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Black and white - single sided	Per page	D	Yes	\$0.70
Black and white - double sided	Per page	D	Yes	\$1.10
Colour - single sided	Per page	D	Yes	\$1.10
Colour - double sided	Per page	D	Yes	\$1.50
Fax – Send first page	First page	D	Yes	\$2.10
Fax – Send subsequent pages	Subsequent	D	Yes	\$1.10

Photocopying, faxing and printing	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Fax – Receive per page	Per page	D	Yes	\$0.60

3.12.3 Private works

Private works	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
For community groups	Per job	D	Yes	At cost
For private residents	Per job	D	Yes	At cost plus 30%

3.12.4 Insurance

Insurance	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Casual hirer's public liability insurance	Per event	D	Yes	\$18.00
Stall holder's and performer's public liability	Per event	D	Yes	\$39.50

3.12.5 Freedom of information requests

Freedom of information	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Freedom of information requests	Per request	M	No	\$29.60
FOI search charge	Hourly	M	No	\$21.70
FOI supervision charge	Quarter hourly	M	No	\$5.45

3.12.6 Water charges

Water	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Water via standpipes (Inglewood, Tarnagulla, Mitiamo, Pyramid Hill and Wedderburn)	Per kilolitre	D	No	\$5.10
Emergency water supply point - Bridgewater (non-potable water)	Per kilolitre	D	No	\$3.20
Water via Skinners Flat and Inglewood Reservoir pipelines	Per kilolitre	D	No	\$0.55
Truck wash facility use	Per minute	D	No	\$0.90

3.12.7 Senior citizens room hire

Room hire	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Community group session	Per session	D	Yes	\$16.50
Private / commercial session	Per session	D	Yes	\$70.40
Government session	Per session	D	Yes	\$41.80
Daily government rate	Per day	D	Yes	\$82.50
Weekly government rate	Per week	D	Yes	\$110.00
Monthly government rate	Per month	D	Yes	\$409.20

3.12.8 Other room hire

Room hire	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Large meeting rooms in Wedderburn Office or Council Chambers in Serpentine				
Community group session	Per session	D	Yes	\$24.50
Private / government session	Per session	D	Yes	\$48.00
Daily government rate	Per day	D	Yes	\$96.00
Weekly government rate	Per week	D	Yes	\$157.00
Monthly government rate	Per month	D	Yes	\$420.00
Small meeting room in Wedderburn Office (sits up to 4 people)				
Community group session	Per session	D	Yes	\$12.50
Private / government session	Per session	D	Yes	\$24.00
Daily government rate	Per day	D	Yes	\$48.00
Weekly government rate	Per week	D	Yes	\$83.50
Monthly government rate	Per month	D	Yes	\$313.00

- Council has the right to waive or reduce fees for approved special community benefit bookings.

3.12.9 Boat launching fees

Boat launching fees	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Boat launching fees at Little Lake Boort (powerboats and jet skis are charged, small fishing boats with outboards, and sailing craft are not)	Per season	D	Yes	Nil
Boat launching fees at Little Lake Boort (powerboats and jet skis are charged, small fishing boats with outboards, and sailing craft are not)	Per month	D	Yes	Nil

Boat launching fees	Unit rate	M or D	Is GST applicable?	2019/2020 Adopted fee
Boat launching fees at Little Lake Boort (powerboats and jet skis are charged, small fishing boats with outboards, and sailing craft are not)	Per day	D	Yes	Nil
Boat launching fees at Bridgewater Caravan Park	Per season	D	Yes	Nil
Boat launching fees at Bridgewater Caravan Park	Per day	D	Yes	Nil

For 2019/20, no boat launching fees will be charged. The revenue is covered by the Boat Launching and Parking Fees Abolition Program provided by the State Government and is to be reviewed in subsequent years.

9.5 WEDDERBURN TOWNSHIP ENTRANCE SIGNS

File Number: FOL/19/432616
Author: David Southcombe, Manager Assets and Infrastructure
Authoriser: Steven Phillips, Director Operations
Attachments: 1. Wedderburn Township Signs Design Details
2. Wedderburn Township Entrance Signs Cost Estimate

RECOMMENDATION

That Council resolve to:

1. Approve the design and proposed locations for the Wedderburn Township Entrance Signs.

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

There has been no previous Council discussion.

BACKGROUND

The Wedderburn Development Association has approached Council seeking permission and project management assistance to install two stone township entrance signs in Wedderburn beside the Calder Highway at the entrances at each end of Wedderburn. They have funding of \$40,000 allocated to undertake the project.

A design has been developed for the signage (see Attachment 1 for details). The signs are to be constructed with black granite capping, Harcourt granite stone on the front and rear walls, and quartz stone to signify the Mallee Fowl. The signs will be constructed on a reinforced concrete footing and concrete fill-in.

The Entry wall also include a laser cut "Miner Panel" of selected colours on aluminium sheet, a curved bronze strip reflecting the gold history and a rebated Black Granite panel with "Wedderburn" as bronze lettering.

ISSUES/DISCUSSION

The Wedderburn Development Association has a budget of \$40,000 assigned to the project. \$4,160 has currently been expended on the project resulting in \$35,840 remaining for project completion. The estimated cost for both signs is \$58,500 ex GST including \$5,375 as contingency (refer Attachment 2).

Additional funding of \$22,660 is required if the project is to be completed this financial year. Rather than source additional funding, it is proposed to deliver the project over multiple years. This would be achieved by delivering different sections of the project in subsequent years such as installing foundations in the first year and manufacturing and erecting the signs in the second. This will allow the Wedderburn Development Association to source and allocate additional funding for the project, it will also accommodate the expected lead time of over a year for the stone mason to complete the manufacture of the signs.

For the project to be fully completed either the Wedderburn Development Association would have to source additional funds or Council would be required to provide additional funding. It is not preferred that Council contribute additional funds as this would create an inequity between Wards.

The proposed signs are a different design to Council's current township signs. Whilst they are more expensive than other Council signage it is expected the life of the signs will be greater, the estimate is 30 years.

The Works Department have been consulted regarding maintenance on the signs. They have indicated they will be able to maintain the signs and don't anticipate any substantial problems with the signs during their life.

COST/BENEFITS

The signs are greater in cost than the township signage used in other locations around Loddon Shire. The Wedderburn Development Association is currently providing all the funding for the signs so there is no additional expense to Council. It is not expected that maintenance costs associated with the sign will be prohibitive and should be similar to the signs that currently exist.

RISK ANALYSIS

One of the risks associated with the project is other Loddon Shire towns may expect upgrade of their township entrance signs. This will be managed by ensuring each town and associated development/progress associations understand the project was funded by the Wedderburn Development Association.

CONSULTATION AND ENGAGEMENT

The Wedderburn Development Association has been in contact with Council officers on a number of occasions regarding the development and progress of the project. Council have consulted with a number of contractors to develop the project including local stonemasons to determine the feasibility and timing of completing the project. It is expected the stonemason works will have the longest lead time and could take up to two years.

NOTES: STONE ENTRY FEATURES

Two no. entry features are to be constructed at the southern and northern entries to the township.

The entry features are to be constructed of local Black Granite Capping (top and end section), Harcourt Granite stone to front and rear walls and a Quartz Mound to signify the Mallee Fowl.

All constructed on a reinforced concrete footing and concrete in-fill.

The Entry walls also include a laser cut "Miner Panel" of selected colours on aluminum sheet, a curved bronze strip reflecting the gold history and a rebated Black Granite panel with "Wedderburn" as bronze lettering.

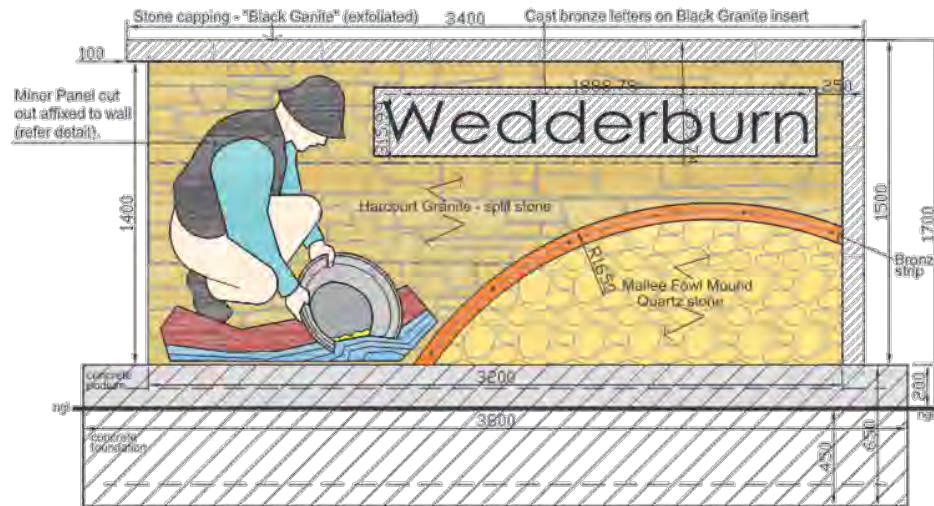
Walls set in a gravel surround with selected planting and quartz gravel mulch. Up-lights are included as an option subject to power availability.

SHEETS IN THIS SET

- sheet 1: Cover Sheet
- sheet 2: Set-out Plan
- sheet 3: Details Sheet 1
- sheet 4: Details Sheet 2
- sheet 5: Schedules - Materials and Colours
- sheet 6: Landscape plan

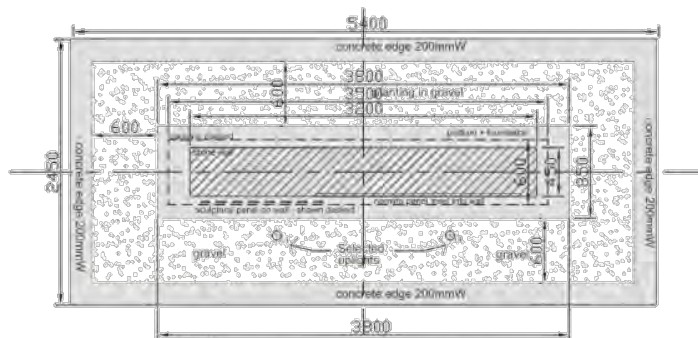
APPROVALS

- Locations of Entry Features to Vicroads approval.
- Confirmation of services prior to construction.
- Construction to Engineering Specifications.



Elevation Typical (1:20)

Miner panning for gold as steel cut out with selected painted finish to reflect the Miner's clothes, the pan and gold deposits, the brown earth and flowing water.



Plan View (1:40)

Typical set-out: Entry sign set in graveled area with selected low planting to rear and sides. "Miner" sculpture panel affixed to front of wall offset 50mm. Up-lighting (UL) shown indicatively. 200mmWx150mmD Concrete edge to perimeter.

**Entry Features
Wedderburn Township**

Date: May 2018
For: Loddon Shire Council
Scale: as shown
Drawn: DT
Drawing No: 17001-DOC1

Cover Sheet
issue LSC 03022019

sheet 1

Notes: Miner Panel Aluminium Sheet + Finish

Aluminium Sheet: Backing sheet 5mm aluminium sheet standard mill finish grade cut to shape. Tape and screw backing sheet steel frame using counter-sunk screws. Then affix cover sheet in 1mm mill finish aluminium with suitable adhesive.

Painting: Etch prime + 2 coats of 2 pack solid automotive paint.

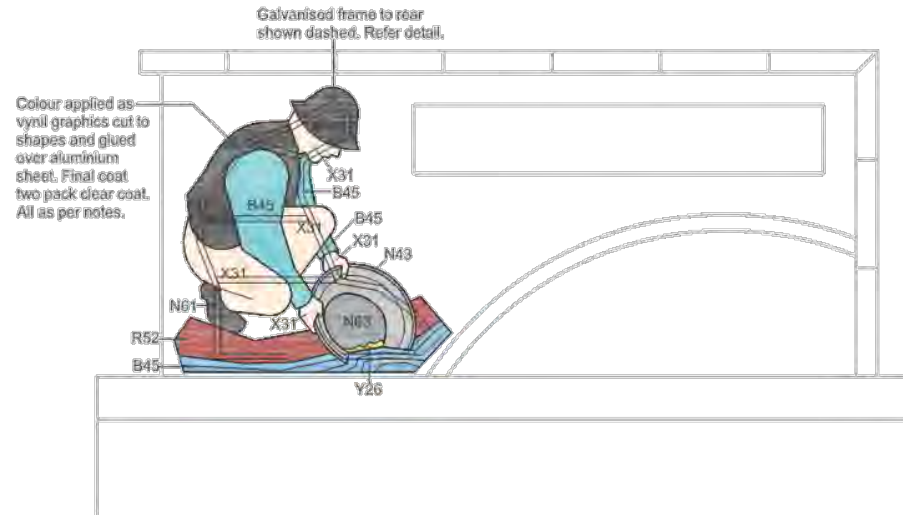
Vinyl: Apply 3mmW vinyl strips to highlight line-work for the water, earth and gold pan and separation of the coloured segments of the miner.

Finish: 2 pack clear coat, 10/20% gloss then applied as a final protective paint finish.

Silicon: Use silicon sealant to eliminate rust at fixing points.

Colour Schedule

All colours recommended as per Colour Schedule to Australian Standard AS 2700 Colour Chart. The colours depicted on the following chart are for guidance only. The displayed colour will depend on your monitor and browser and/or printer. The finished colours, therefore, may vary from that shown here. All colours to be confirmed with client prior to manufacture.



Colour Scheme - Miner Panel (Typical) nts

Stone Schedule.

Capping: Selected "Black Granite" exfoliated finish. Or similar Australian stone eg BAM Bluestone.



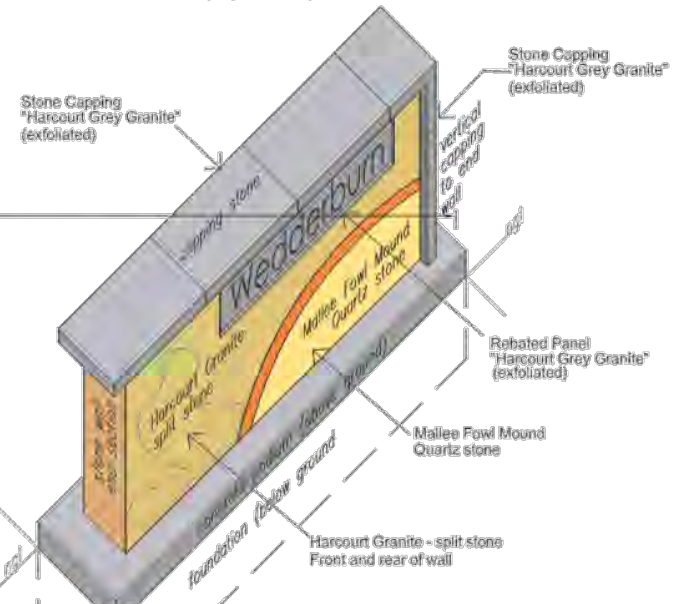
Walls: Harcourt Grey Granite split walling stone variable size to a maximum of 300mmLx200mmH.



Mallee Fowl Mound: Local quartz stone selected split pieces of variable size to a max size of 150mmL x 150mmH.



Recommended Supplier:
 Pyrenees Quarries
 18 Martin Street, Castlemaine, Victoria. 3450
 P: (03) 5470 5288
 M: 0417 035 083
 E: info@PyreneesQuarries.com.au
 W: www.pyreneesquarries.com.au



**Entry Features
 Wedderburn Township**

Date: May 2018
 For: Loddon Shire Council
 Scale: as shown
 Drawn: DT
 Drawing No: 17001-DOC1

Schedules - Materials and Colours
 issue LSC 03022019

LANDSCAPE NOTES
Soil Preparation:
 De-compact base soil and incorporate gypsum at the rate of 2.0 kg/square metre through garden bed by rotary hoe or similar.
Planting Soil:
 Planting soil blend should consist of the following, or similar approved:
 • 60% sandy loam
 • 20% aged sawdust
 • 20% composted pine bark fines
 The pH value of imported topsoil should be between 5.5 - 6.5. The organic additives to the sandy loam should be based on well rotted vegetative material or composted animal manure, or other approved material, free from harmful chemicals, grass and weed growth. Ensure soil mix complies with AS 4419-1998 Soils for Landscaping and Garden Use.


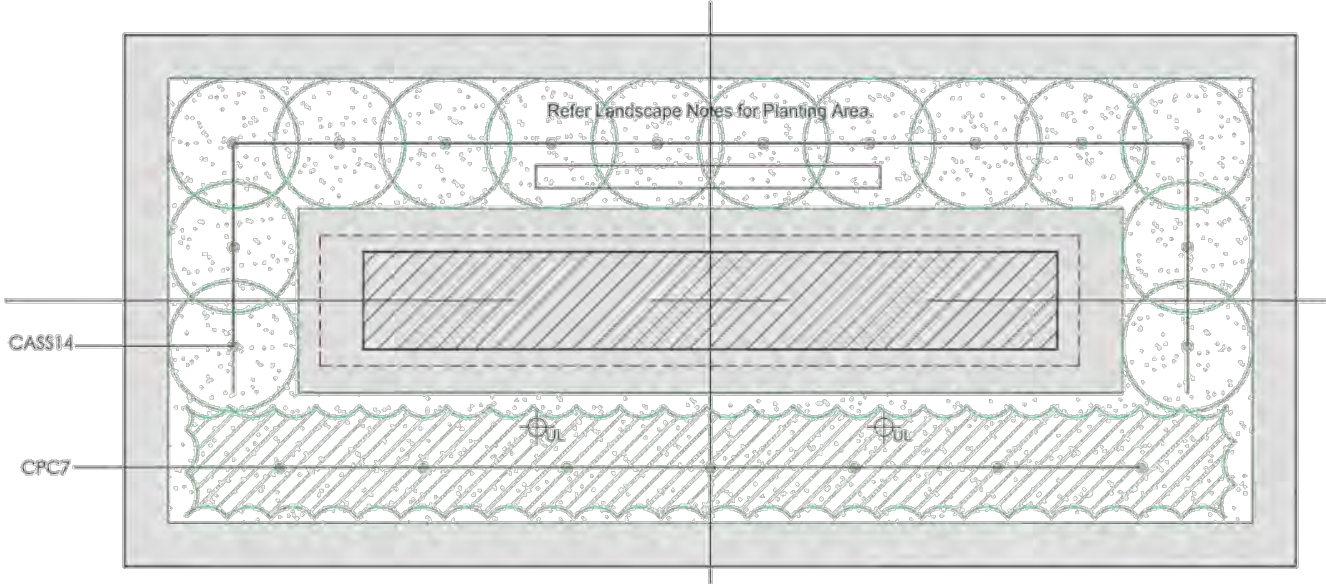
Garden Beds:
 Spread 200mm minimum depth of topsoil and incorporate into prepared base.
Gravel Mulch:
 Place 75 mm depth of 20mm local Quartz aggregate washed (or similar approved). Gravel mulch spread evenly over synthetic weed mat. Lay 'Weedmat' (black woven plastic), overlap and pin matting as per manufacturers specification. 'Weedmat' available from Suregrow ph. 1800 643 364.
Planting:
 All plants are to be true to species, healthy and free from pests, disease and stress. At the time of planting fertilize all shrubs and ground covers with 10 grams of 'Osmocote'. Ensure all plants are well watered in at the time of planting and as necessary for the first year until establishment. Apply 10 litres of water immediately following planting.

PLANT SCHEDULE

CASS - Chrysocephalum apiculatum 'Silver Sunburst'
 Qty: 14
 Pot size: 150mm



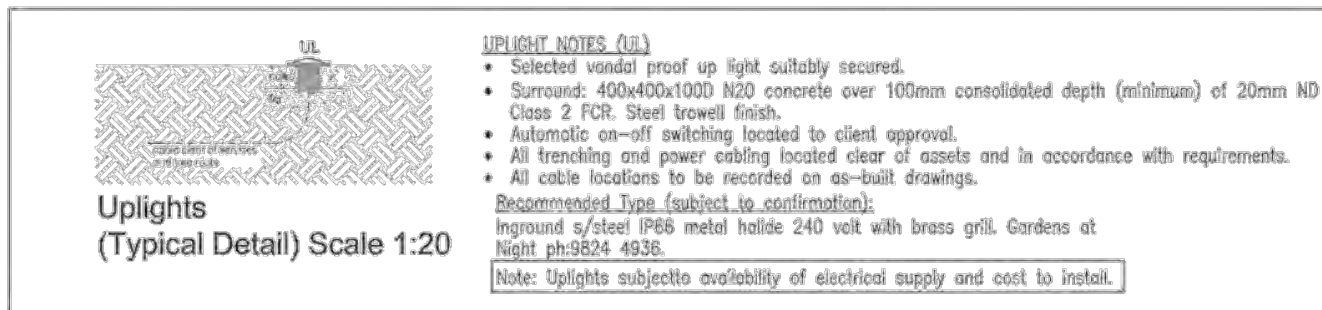
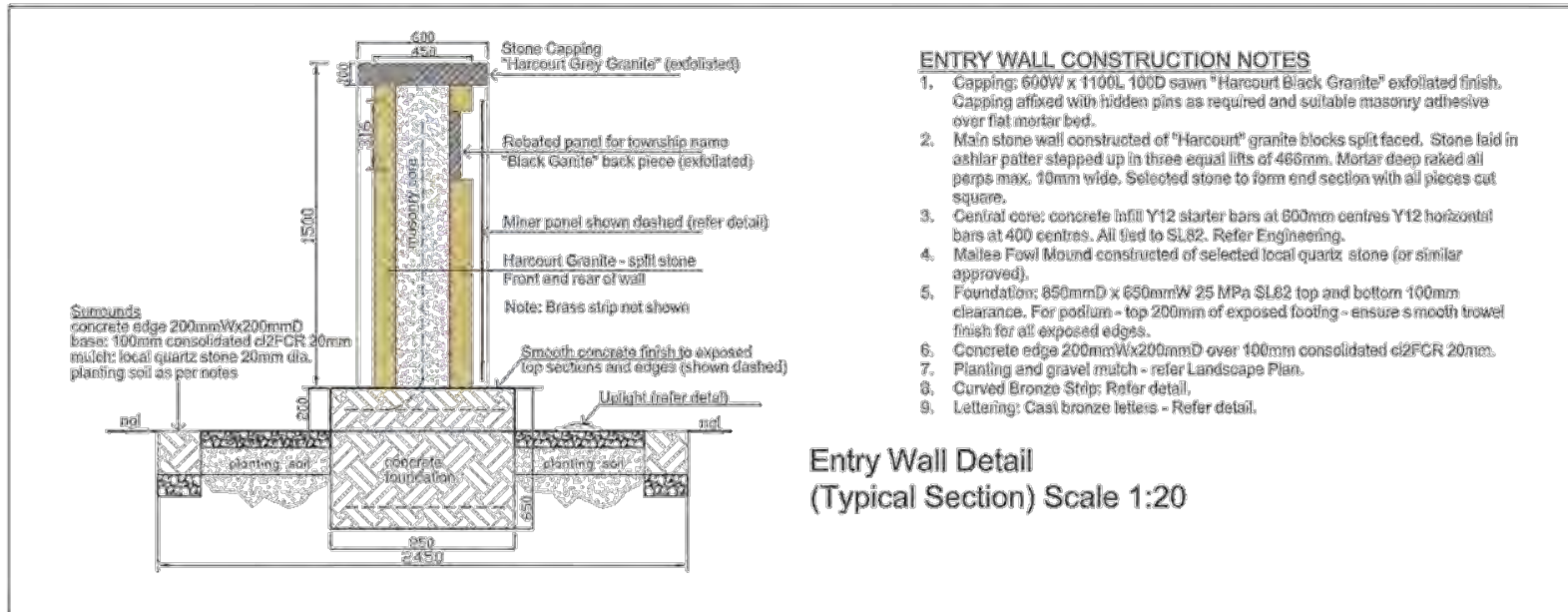
CPC - Carpobrotus 'Pink Passion'
 Qty: 7
 Pot size: 150mm

Entry Features
Wedderburn Township

Date: May 2018
 For: Loddon Shire Council
 Scale: as shown
 Drawn: DT
 Drawing No: 17001-DOC1

Landscape Plan
 issue LSC 03022019



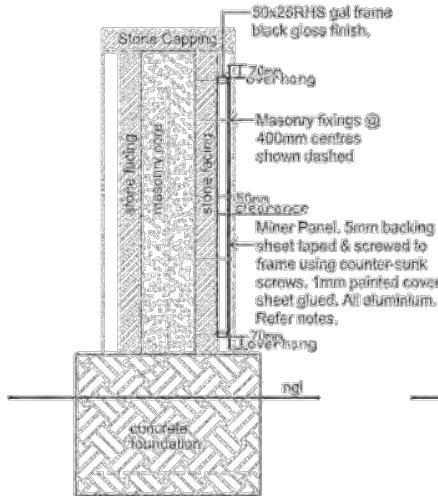
Entry Features Wedderburn Township

Date: May 2018
For: Loddon Shire Council
Scale: as shown
Drawn: DT
Drawing No: 17001-DOC1

Details Sheet 1
issue LSC 03022019

Notes: Miner Panel

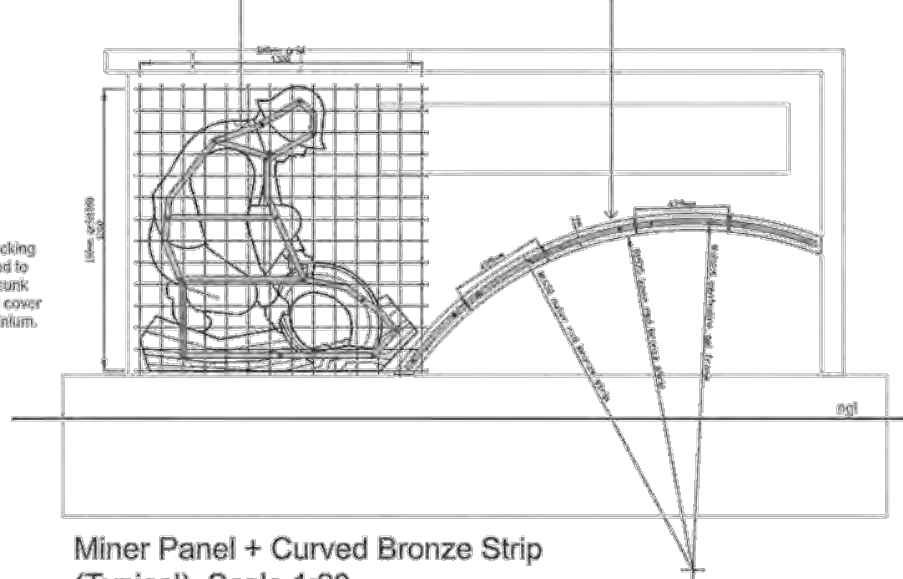
50x25RHS medium gauge galvanised frame to rear suitably primed and painted in a black gloss finish. Frame outline shown indicatively and to have maximum 70mm over hang of aluminium sheet to all edges. Masonry fixings shown typically at 400mm centres and key corners as required to provide secure and rigid fixing to wall.



Miner Panel - Frame and Fixing Detail (Typical Section) Scale 1:20

Notes: Curved Bronze Strip

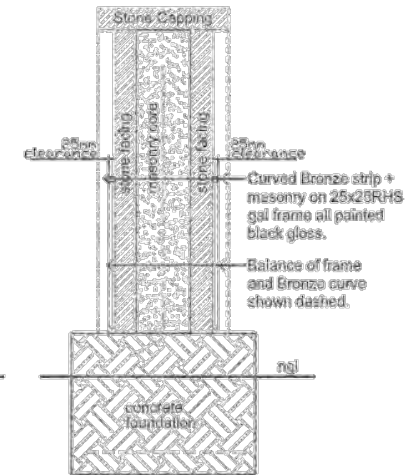
Curved Bronze Strip to front and rear of wall: Strip made up of sections 429mmL cut from 3mm plate bronze to 75mm width. Sections of equal distance and arranged with 5mm separation. Note end sections cut to fit neatly into end wall and footing with 5mm separation. Affix bronze sections to 25x25RHS medium gauge galvanised frame primed and painted black gloss finish. Affix bronze sections to frame with suitable adhesive and use selected bronze masonry fixings with domed nut to secure frame and strip to wall. Bronze fixings at equal centers all pre-drilled.



Miner Panel + Curved Bronze Strip (Typical) Scale 1:20

Curved Bronze Strip Schedule

Galvanised Frame: 25x25RHS rolled frame. Finish: black gloss. Radius 1612.5mm to centreline.
Bronze Strip: 75mmWx3mm plate. Segment length 429mm. Gap b/w segments: 5mm. Inner radius 1575mm outer radius 1650mm.



Curved Bronze Strip - Frame and Fixing Detail (Typical Section) Scale 1:20

Bronze Lettering

Material: Letters from cast bronze
Style: "Century Gothic" (or similar approved)
Size: Upper case 200mmH, lower case 148mmH
Fixing: fixing lugs drilled and glue fixed.
Backing Panel: Letters affixed to a panel of sawn "Black Granite" exfoliated built into wall (refer wall detail).



**Entry Features
Wedderburn Township**

Date: May 2018
For: Loddon Shire Council
Scale: as shown
Drawn: DT
Drawing No: 17001-DOC1

Details Sheet 2
issue LSC 03022019

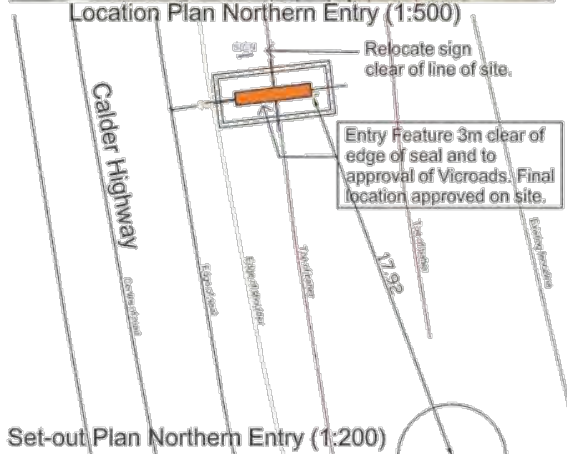
sheet 4



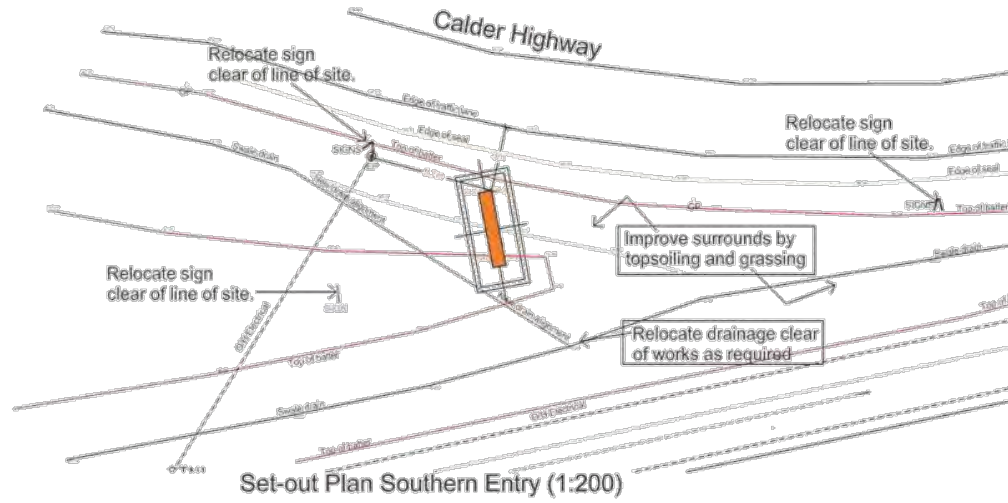
Location Plan Northern Entry (1:500)



Location Plan Southern Entry (1:500)



Set-out Plan Northern Entry (1:200)



Set-out Plan Southern Entry (1:200)

Entry Features Wedderburn Township

Date: May 2018
For: Loddon Shire Council
Scale: as shown
Drawn: DT
Drawing No: 17001-DOC1

Set-out Plan
issue LSC 03022019

sheet 2

PROJECT ESTIMATE TEMPLATE

PROJECT DESCRIPTION: Wedderburn Township Entrance Signs

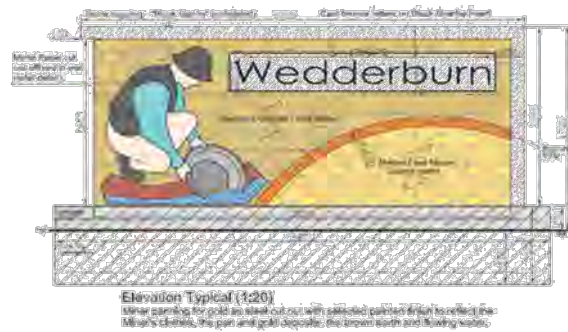
PROJECT CODE: NA

PREPARED BY: Dale Jackson

DATE PREPARED: 25/11/2019

LOCATION OF PROJECT: Int Calder Logan Wedderburn Road & 60m South of Boundry Rd on Calder Highway

SCOPE OF PROJECT: Install 2 Stone Town Entrance Signs Each End of Wedderburn Township on Calder Highway



Item No.	Description of Work	Estimated Quantity	Unit	Rate \$	Extended Amount \$
1	Site Establishment	1	Item	275	\$275.00
2	Service location	1	Item	100	\$100.00
3	Install Concrete Footings x 2, internal pillar & edge plinth	2	Item	4250	\$8,500.00
4	Backfill with soil and seed area	50	m2	27	\$1,350.00
5	Remove existing signage	2	Item	175	\$350.00
6	Labour to Build 1 Entrance Sign by "Billy Elliott"	2	Item	9500	\$19,000.00
7	Harcourt Copping Stoness	2		3100	\$6,200.00
8	Sand and Cement adhesive	2		675	\$1,350.00
9	Bronze Cast Letters 10 x 2 (Wedderburn)Inc Installation	20		165	\$3,300.00
10	Cut Bronze Strip Inc Installation x 4 sides	40		182.5	\$7,300.00
11	Minor Panning for Gold	2		1800	\$3,600.00
12	Building Stones "Supplied by WDA"				
13	Lighting	4		450	\$1,800.00
	Sub-total				\$53,125.00
	10 % contingency				\$5,375.00
	Total Project - Cost Excluding GST				\$58,500.00

9.6 PLANNING PERMIT APPLICATION 5475 - USE AND DEVELOPMENT OF THE LAND FOR A RENEWABLE ENERGY FACILITY (55 MW SOLAR ENERGY FACILITY) AND THE REMOVAL OF NATIVE VEGETATION.

File Number: 5475

Author: Carolyn Stephenson, Statutory / Strategic Planner

Authoriser: Glenn Harvey, Manager Development and Compliance

Attachments: 1. **Decision Report: 5457 Use and development of the land for a renewable energy facility (55 MW solar energy facility) and removal of native vegetation**

RECOMMENDATION

That Council grant a planning permit for the use and development of 217 Burkes Lane Bridgewater for a renewable energy facility (55 MW solar energy facility) and the removal of native vegetation subject to the conditions set out in the attached decision report.

CONFLICT OF INTEREST

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

PREVIOUS COUNCIL DISCUSSION

There have been no previous Council discussions on this matter.

BACKGROUND

Applicant: BayWa r.e.

Contact: Fi Cotter, Energy Forms Pty Ltd

Subject land: 217 Burkes Lane Bridgewater

The application proposes the use and development of the land for a renewable energy facility (55 MW solar energy facility) and the removal of native vegetation.

The proposed solar facility will have a total area of approximately 134 ha. The development will consist of solar arrays, a control compound, substation, a number of internal access tracks, laydown areas and general grid connection infrastructure. Stage 2 of the project will involve installation of batteries.

The proposed native vegetation removal consists of 0.094 ha (three scattered trees).

ISSUES/DISCUSSION

Under the Planning and Environment Act 1987 the Minister for Planning delegates a municipal council power to become the planning authority for any planning scheme in force in its municipal district.

A municipal council is obligated to enforce and administer the relevant Planning Scheme and must use the Scheme to determine relevant applications.

For Council the Loddon Planning Scheme is the relevant Planning Scheme which must be used by Council when determining applications.

Council has delegated authority to its Planning officer to determine outcomes of applications, however it is the policy of Council to make the final determination for applications which:

- receive one or more public objection

and/or

- are to be recommended for refusal by the Planning officer.

Although this application is recommended to be approved and there are no objections, it is being put to Council for determination given the significant change in land use. This is consistent with other renewable energy facility proposals that have been received by Council. Any future applications for renewable energy facilities that have not already been submitted to Council are now required to be determined by the Minister for Planning. A detailed decision report is included in attachment 1 outlining the Planning officer's assessment and considerations in determining the recommendation to Council.

COST/BENEFITS

There are various cost associated with having a delegated Planning Officer consider an application and make a recommendation as well as with the time of the Councillors to consider this recommendation.

The benefits associated with this cost are the ability for Council to fulfil its requirement under law and provide the community with a statutory service that delivers well managed and appropriate development.

RISK ANALYSIS

The risks of Council not fulfilling its statutory obligation under the Planning and Environment Act 1987 include:

- inappropriate development which could endanger life and property
- Council's reputation as a responsible Authority
- breaches of the Act requiring compliance action.

CONSULTATION AND ENGAGEMENT

Please refer to the decision report for further detail on the application.

LODDON SHIRE COUNCIL

DECISION REPORT: 5475 Use and development of the land for a renewable energy facility (55 MW solar energy facility) and the removal of native vegetation



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SUMMARY

Application Number:	5457
Applicant:	David Shapero- BayWare
Subject Land:	217 Burke Road, Bridgewater
Owner:	David, Donald and Judith Wilson
Zone:	Farming Zone
Overlay(s):	Nil
Existing use:	Agriculture
Proposal:	Use and development of the land for a renewable energy facility (55 MW solar energy facility) and the removal of native vegetation

1 RECOMMENDATION

That the Responsible Authority having considered all matters required under the Planning and Environment Act resolves to issue a planning permit for the use and development of 217 Burkes Lane Bridgewater for a renewable energy facility (55 MW solar energy facility) and the removal of native vegetation subject to the following conditions:

Endorsed plans

1. Before the use and/or development start(s) (or stages thereof), detailed development plans must be submitted to and approved by the Responsible Authority. Once approved, the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale with dimensions, be generally in accordance with the plans provided in the application and three copies must be provided.

The detailed plans to be provided for each applicable stage (where applicable) are:

- a. a project layout plan (site plan) detailing the following:
 - ii. the location of all solar panels that are to be constructed showing a setbacks to boundaries, roads and the cultural sensitivity overlay
 - iii. construction compound(s)
 - iv. location of the transmission line
 - v. location and type of security/perimeter fencing
 - vi. vehicle access points to the property
 - vii. internal access tracks
 - viii. proposed finished surface levels of the site
 - ix. location of native vegetation to be removed and retained.
- b. elevation and floorplans of all buildings including, substation(s), battery storage area(s) and terminal station(s)
- c. elevation plans of the solar panels to be constructed
- d. vehicle access points to the property designed to accommodate the vehicles (size and type) to be accessing the site during construction and operation

No alteration to plans

2. The use and development as shown on the endorsed plans must not be altered without the written consent of the Responsible Authority.

Native vegetation

3. Before any native vegetation is removed, evidence that the required offset for the project has been secured must be provided to the satisfaction of the responsible authority. This evidence is one or both of the following:
 - a. credit extract(s) allocated to the permit from the Native Vegetation Credit Register, and/or
 - b. an established first party offset site including a security agreement to the required standard, signed by both parties, and a 10-year offset management plan to the satisfaction of the Department of Environment, Land, Water and Planning and approved by the Responsible Authority. The offset management plan must detail the 10-year management actions and ongoing management of the site. Every year, for ten years, after the responsible authority has approved the offset management plan, the applicant must provide notification of the management actions undertaken towards implementing the offset management plan, to the

responsible authority. An offset site condition statement, including photographs must be included in this notification.

A copy of the offset evidence must be endorsed by the responsible authority and form part of this permit.

Local Roads

4. Before the use starts, a Traffic Management Plan which is to the satisfaction of the Responsible Authority must be submitted to and approved by the Responsible Authority. When approved, the plan will be endorsed and will then form part of the permit. The TMP must:
 - a. be prepared by a suitably qualified and experienced civil or traffic engineer;
 - b. identify the final route to site that minimises use of local roads and avoids load limited bridges
 - c. specify measures to be taken to manage traffic impacts associated with the construction of the facility, including detailed plans of any required works and the timing of the proposed works
 - d. include a program to inspect, maintain and (where required) repair public roads used by construction traffic
 - e. include a legal provision for a bond relating to any required road works of 5% held till practical completion and 5% held for a 12 month defect liability period
 - f. include a legal provision for a \$20,000 bond relating to road maintenance to be held for the construction period of the facility.

Any mitigating works identified on the road network in the Traffic Management Plan must be undertaken to the satisfaction and at no cost to the relevant road management authority.

5. Before construction commences a condition report of the existing council managed/owned infrastructure along the preferred construction vehicle route(s) identified for use during construction, including but not limited to sealed surface, pavement, drainage, culverts and bridges and condition of such infrastructure must be recorded to Council's satisfaction. The pre-construction condition report must be facilitated and paid for by the applicant.
6. It will be the applicant's responsibility to inspect the roads (and the associated infrastructure) nominated for use during construction at a frequency no lesser than stipulated in Council's Road Management Plan 2017.
7. It will be the applicant's responsibility to maintain and repair throughout construction the sections of the road nominated for use during construction to a standard no lesser than that identified in the pre-construction condition report.
8. At the end of the construction period, a post-construction condition report of the council managed/owned infrastructure (including any new infrastructure constructed by Council during the construction period) along the preferred construction vehicle route(s) identified in the condition report required by this permit or subsequent inspections, must be undertaken. The condition of such infrastructure must be recorded to Council's satisfaction. Any variation in the condition of the infrastructure must be identified within the post-construction condition report. The post-construction condition report must document how any variation in the condition of the infrastructure will be addressed. The post construction condition report must be facilitated and paid for by the applicant.
9. Any repair work identified within the post-construction condition report required to re-instate local roads (to at least their pre-existing condition as documented) must be addressed and repaired by the applicant at their cost to Council's satisfaction.

10. Any repair, maintenance and/or rehabilitation work on Council infrastructure identified within the post-construction condition report must be undertaken to current engineering standards and to the satisfaction of Council's Technical Services Department.
11. Vehicle access points must be designed and located to the following standards, to the satisfaction of the responsible authority:
 - a. Truck movements to and from the site must be able to accommodate turning movements without vehicles encroaching onto the incorrect side of the road.
 - b. To the extent practicable, access points must be able to accommodate turning movements without vehicles encroaching onto the incorrect side of the road.
 - c. Safe sight distances must be provided.
 - d. Potential through traffic conflicts must be avoided.

Landscaping

12. Prior to the plans being endorsed, a landscape plan to the satisfaction of the Responsible Authority must be submitted to and approved by the Responsible Authority. When approved, the plan will be endorsed and will then form part of the permit. The plan must be drawn to scale with dimensions and three copies must be provided. The plan must include plantings within the site that will provide screening along the southern boundary. The landscape plan must consist of indigenous trees and shrubs and ensure an effective visual screen to the satisfaction of the Responsible Authority.
13. Before the use/occupation of the development starts or by such later date as approved by the Responsible Authority in writing, the landscaping works shown on the endorsed plans must be carried out and completed to the satisfaction of the Responsible Authority.
14. The landscaping shown on the endorsed plans must be maintained to the satisfaction of the Responsible Authority. Any dead, diseased or damaged plants are to be replaced within twelve months.

Construction management

15. During construction phase(s) appropriate dust suppression measures must be implemented to ensure that a nuisance is not caused to adjoining landowners or the general public to the satisfaction of the Responsible Authority.
16. Dust suppression measures must be incorporated during the construction phase of the development.
17. Construction may only occur during the following times:
 - a. Monday through to Sunday from 7 am to 7 pm.

Environmental Management Plan

18. Before development starts, an Environmental Management Plan must be submitted to, approved and endorsed by the responsible authority. Once endorsed, the Plan will form part of the permit.

The Environmental Management Plan must:

- a. Describe measures to minimise the amenity and environmental impacts of the construction, operation and decommissioning of the facility.
- b. Include organisational responsibilities, and procedures for staff training and communication.
- c. Detail measures to ensure that no vehicular access is permitted through areas of native vegetation.

- d. Procedures to manage dust and noise emissions, erosion, mud and storm water runoff.
- e. Procedures to remove temporary works, plant equipment, buildings and staging areas, and reinstate the affected parts of the site when construction is complete.

19. The endorsed Environmental Management Plan must be implemented to the satisfaction of the responsible authority. The endorsed Environmental Management Plan must not be altered or modified without the written consent of the responsible authority.

Lighting

20. External lighting is not permitted on the site other than:
- a. Low-level, low-intensity security lighting.
 - b. Lighting necessary in the case of an emergency or for operational call-outs at reasonable times.

General Amenity

21. The use of land including, but not limited to the following, must not negatively affect the amenity of the surrounding area to the satisfaction of the Responsible Authority:
- a. the transportation of materials, goods or commodities to or from the subject land
 - b. the appearance of any buildings, works or materials
 - c. the emission of noise, artificial light, vibration, smell, fumes, smoke vapor, steam, soot, ash, dust, waste water, waste products, grit, or oil
 - d. the presence of vermin, or otherwise
22. Any complaints or matters raised by members of the public in relation to the site must be recorded within a complaint and investigation record. A copy of this record must be made available on request to the Responsible Authority.

Decommissioning

The following requirements must be met when the Renewable Energy Facility ceases operation permanently.

23. The site must be decommissioned and rehabilitated for agricultural purposes to the satisfaction of the responsible authority. The responsible authority must be notified within two months after the facility permanently ceases operation.
- a. All infrastructure, plant, equipment and access tracks that are no longer required for the on-going use of the land, or decommissioning of the facility, must be removed.
 - b. Footings must be capped with topsoil and rehabilitated as pasture.
 - c. The site or the relevant part of the site must be reinstated to the condition it was in prior to the commencement of development to the satisfaction of the responsible authority.
24. Twelve month prior to the planned decommission of the site the proponent must supply to council a plan/document which outlines details relating to the decommission of the site and should include, but not limited to the following details:
- a. a timeframe for the decommission of the site
 - b. nominate a responsible party and contact for the decommission of the site
 - c. details of any rehabilitation required as part of the decommission

Permit Expiry

25. This permit will expire if one of the following circumstances applies:
- a. The development is not started within 4 years of the date of this permit.

- b. The use is not commenced within 4 years of the date of this permit.
- c. The development is not completed within 6 years of the date of this permit.

The responsible authority may extend the periods referred to if a request is made in writing before the permit expires, or within three months afterwards.

Department of Environment, Land Water and Planning

26. Before the use and/or development start(s), amended plans to the satisfaction of the Department of Environment, Land, Water and Planning must be submitted to and approved by the responsible authority. When approved, the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale with dimensions and three copies must be provided. The plans must be generally in accordance with the plans submitted with the application but modified to show the government road east of Crown Allotment A, Parish of Leichardt excluded from the layout of solar arrays and other infrastructure. Before works start, the permit holder must advise all persons undertaking the vegetation removal or works on site of all relevant permit conditions.

Country Fire Authority

Access

27. A four (4) metre perimeter road should be constructed within the ten (10) metre perimeter Fire Break.
28. Roads are to be of all-weather construction and capable of accommodating a vehicle of fifteen (15) tonnes.
29. Constructed roads should be a minimum of four (4) metres in trafficable width with a four (4) metre vertical clearance for the width of the formed road surface.
30. The average grade should be no more than 1 in 7 (14.4% or 8.1°) with a maximum of no more than 1 in 5 (20% or 11.3°) for no more than fifty (50) metres.
31. Dips in the road should have no more than a 1 in 8 (12.5% or 7.1°) entry and exit angle.
32. Incorporate passing bays at least every 600 metres which must be at least 20 metres long and have a minimum trafficable width of 6 metres. Where roads are less than 600 metres long, at least one passing bay is to be incorporated.
33. Road networks must enable responding emergency services to access all areas of the facility.
34. Two but preferably more access points to the site, to ensure safe and efficient access to and egress from areas that may be impacted or involved in fire. The number of access points is to be informed through a risk management process.

Water Supply

35. The static water storage tank shall be of not less than 45,000 litres effective capacity.
36. The static water storage tank(s) must be an above-ground water tank constructed of concrete or steel. The location and number of tanks should be determined as part of the site's risk management process and in consultation with a CFA delegated officer.
37. The static storage tanks shall be capable of being completely refilled automatically or manually within 24 hours.
38. The hard-suction point shall be provided, with a 150mm full bore isolation valve equipped with a Storz connection, sized to comply with the required suction hydraulic

performance. Adapters that may be required to match the connection are 125mm, 100mm, 90mm, 75mm, 65mm Storz tree adapters with a matching blank end cap to be provided.

39. The hard-suction point shall be positioned within 4 metres to a hardstand area and provide clear access for fire personnel.
40. An all-weather road access and hardstand shall be provided to the hard-suction point. The hardstand shall be maintained to a minimum of 15 tonne GVM, 8 metres long and 6 metres wide or to the satisfaction of the relevant fire authority.
41. The road access and hardstand shall be kept clear at all times.
42. The hard-suction point shall be protected from mechanical damage (i.e., bollards) where necessary.
43. Where the access road has one entrance, a 10 metre radius-turning circle shall be provided at the tank.
44. An external water level indicator is to be provided to the tank and be visible from the hardstand area.
45. Signage shall be fixed to each tank.

Fuel/Vegetation Management

46. Grass is to be maintained at below 100mm in height during the declared Fire Danger Period.
47. A fire break area of ten (10) metres width is to be maintained around the perimeter of the facilities, electricity compounds and substations. This area is to be of non-combustible mulch or mineral earth.
 - a. The fire break area must commence from the boundary of the facility or from the vegetation screening (landscape buffer) inside the property boundary.
 - b. The fire break must be constructed using either mineral earth or non-combustible mulch such as crushed rock.
 - c. The fire break must be vegetation-free at all times.
 - d. No obstructions are to be within fire break area (e.g., no stored materials of any kind).
41. All plant and heavy equipment is to carry at least a 9-litre water stored-pressure fire extinguisher with a minimum rating of 3A, or firefighting equipment as a minimum when on-site during the Fire Danger Period.
42. There is to be no long grass or deep leaf litter in areas where plant and heavy equipment will be working.

Solar installation

43. Solar facilities are to have a 6 metre separation between solar panel banks/rows. Where this cannot be achieved, advice is to be sought from CFA's State Infrastructure and Dangerous Goods Unit (sidgu@cfa.vic.gov.au).
44. Solar farm operators must provide specifications for safe operating conditions for temperature and the safety issues related to electricity generation, including isolation and shut-down procedures, if solar panels are involved in fire. This information must be provided within the content of the Emergency Information Book at the main entrance of the facility.

45. Solar arrays are to have grass or other vegetation maintained to 100mm under the array installation or mineral earth or non-combustible mulch such as stone.
46. Where practicable, solar energy installations can be sited on grazed paddocks. In this case, vegetation is to be managed as per the requirements of this guideline, or as informed through a risk management process.

North Central CMA

47. All buildings, works and solar panels (excluding any approved crossings, fencing and cabling) must be set back a minimum 30 metres from the top of bank of the designated waterway that traverse the northern part of the property.
48. The proposed development must maintain all existing flow paths on the site. Prior to commencement of works, details of any proposed earthworks to level or alter the topography of flood prone land must be provided to the North Central CMA and the Responsible Authority for approval. In this case, additional flood modelling may be required to demonstrate how flow paths will be retained.
49. Prior to the commencement of works a stormwater management plan must be submitted to the responsible authority and North Central CMA for approval.
50. Any infrastructure such as site offices, inverter power control units, battery energy storage systems and substation infrastructure (excluding solar panels) must be sited outside of all defined flow paths.
51. Any infrastructure such as site offices, inverter power control units, battery energy storage systems and substation infrastructure must be constructed a minimum of 300 millimetres above the applicable 1% AEP flood level.
52. The solar panels must be constructed so that the underside of the panels are a minimum of 300 millimetres above the applicable 1% AEP flood level when in a horizontal position.
53. Fencing within the defined flood extent must be of an open style construction up to the 1% AEP flood level to allow the passage of flood waters through the site. Prior to the commencement of works, plans of the proposed fencing style must be submitted to the North Central CMA.

2 DISCUSSION

2.1 Site & location

The subject site is located along Burkes Lane Bridgewater, some 8km east of Bridgewater township. The site is approximately 134 ha in size and is within the Farming Zone. The site is not currently covered by any planning overlays. The site is an irregular shape which is bound to the east by the Bullock Creek, the south by Baileys Road and the west by Burkes Lane. Land to the north of the subject site is currently used for farming purposes.

The subject sites contain a single dwelling and shedding associated with agricultural practices. The site is generally flat and contains a small number of scattered native trees.

Adjoining and surrounding properties are used for agricultural purposes with some containing single dwellings. The nearest dwelling not within the same ownership is located approximately 380 metres from the south eastern most corner of the subject site.

The Bullock Creek is covered by the Cultural Sensitivity Overlay however there will be no works occurring within this area.



Subject site Source: Pozi Loddon

2.2 Site history

There is no relevant site history for the subject site.

2.3 Proposal

The application is proposing the use and development of the land for a renewable energy facility (55 MW solar energy facility) and the removal of native vegetation.

The proposed solar facility will have a total area of approximately 134 ha. The development will consist of solar arrays, a control compound, substation, a number of internal access tracks, laydown areas and general grid connection infrastructure. Stage 2 of the project will involve installation of batteries.

The proposed native vegetation removal consists of 0.094 ha (three scattered trees).



2.4 Loddon Planning Scheme

2.4.1 Zone

The subject site is within the Farming Zone. Clause 35.07 states that the purpose of the Farming Zone is:

- To implement the Municipal Planning Strategy and the Planning Policy Framework
- To provide for the use of land for agriculture
- To encourage the retention of productive agricultural land
- To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture
- To encourage the retention of employment and population to support rural communities.
- To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision
- To provide for the use and development of land for the specific purposes identified in a schedule to this zone

2.4.2 Overlay

The subject site is not covered by any overlays.

2.4.3 Particular provision

Particular provision Clause 53.13 Renewable energy facility (other than wind energy facility) applies to this application. This provision states that the purpose of this clause is:

- to facilitate the establishment and expansion of renewable energy facilities, in appropriate locations, with minimal impact on the amenity of the area.

Clause 53.13-3 provides a number of decision guidelines which should be considered:

- The Municipal Planning Strategy and the Planning Policy Framework.
- The effect of the proposal on the surrounding area in terms of noise, glint, light spill, vibration, smell and electromagnetic interference.
- The impact of the proposal on significant views, including visual corridors and sightlines.
- The impact of the proposal on strategically important agricultural land, particularly within declared irrigation districts.
- The impact of the proposal on the natural environment and natural systems.
- The impact of the proposal on the road network.
- Solar Energy Facilities Design and Development Guideline (Department of Environment, Land, Water and Planning, August 2019)

2.4.4 Permit trigger

The requirement for a planning permit is triggered under the following clauses within the Loddon Planning Scheme:

- Clause 35.07-1 for the use of the land as a renewable energy facility within the Farming Zone
- Clause 35.07-4 for buildings and works associated with a section 2 use (renewable energy facility & utility installation) within the Farming Zone
- Clause 52.17 for the removal of native vegetation

2.4.5 Restrictive covenant

There are no restrictive covenants listed on the titles included within the subject site.

2.4.6 Planning Policy Framework

The following section gives consideration to the relevant sections of the Planning Policy Framework for this application.

12.01-1S Protection of Biodiversity

Objective

To assist the protection and conservation of Victoria's biodiversity

12.01-2S Native vegetation management

Objective

To ensure that there is no net loss to biodiversity as a result of the removal, destruction or lopping of native vegetation.

14.01-1S Protection of agricultural land

Objective

To protect the state's agricultural base by preserving productive farmland

17.01-1S Diversified economy

Objective

To strengthen and diversify the economy

17.01-1R Diversified economy - Loddon Mallee South

The strategies of Clause 17.01-1R diversified economy- Loddon Mallee South are listed below:

- support the ongoing role and contribution of the region's small towns, settlements and non-urban areas through investment and diversification of their economies.
- Support and develop emerging and potential growth sectors such as tourism, renewable energy, resource recovery and other green industries.
- Facilitate new manufacturing and food processing industries that build on supply chains and take advantage of well-located and affordable land.
- Facilitate access to natural resources where appropriate, including sand and stone, minerals, timber and renewable energy potential.

19.01-1S Energy supply

Objective

To facilitate appropriate development of energy supply infrastructure

19.01-2S Renewable energy

Objective

To promote the provision of renewable energy in a manner that ensures appropriate siting and design considerations are met.

2.4.7 Local Planning Policy Framework

The following section gives consideration to the relevant sections of the Local Planning Policy Framework.

19.01-2R Renewable energy - Loddon Mallee South

Strategy

Support and facilitate development in renewable energy, waste to energy, carbon sequestration and other new energy opportunities

22.05 Development in rural areas

The objectives of Clause 22.05 Development in Rural Areas are listed below.

- To protect the natural and physical resources upon which agricultural industries rely
- To support the ongoing viability of existing farms
- To maintain farmland in productive agricultural use
- To promote the development of new and diverse agricultural industries, fulfilling the potential of existing infrastructure
- To prevent land use conflicts between sensitive uses and agricultural uses
- To ensure that new use and development in the Shire is not prejudicial to agricultural industries or the productive capacity of the land
- To encourage the most productive and sustainable uses of water and soil in the Shire
- To ensure that development in rural areas does not compromise landscapes of significant value
- To encourage safety from structure fires and bushfires

Clause 22.05 Development in Rural Areas specifically references renewable energy facilities as follows:

- Renewable energy facilities will be supported in Loddon Shire but should not be located on high quality agricultural land, in particular, not on land that is and is likely to remain irrigated (or may be irrigated in the future) due to soil type or access to irrigation infrastructure

2.4.8 Solar Energy Facilities: Design and Development Guideline

Clause 53.13-3 of the scheme requires that the Solar Energy Facilities: Design and Development Guideline (the Guideline) must be considered.

The Guideline has been created by the Department of Environment, Land, Water and Planning to help both applicants and Council make sound planning decisions when considering solar farm applications. The planning officer’s response to the Guideline is included within the assessment section of this report.

2.5 Referrals

Table 1: External referrals to Department of Environment, Land, Water & Planning (DELWP)

Response:	No objection subject to the following condition: <ol style="list-style-type: none"> 1. Before the use and/or development start(s), amended plans to the satisfaction of the Department of Environment, Land, Water and Planning must be submitted to and approved by the responsible authority. When approved, the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale with dimensions and three copies must be provided. The plans must be generally in accordance with the plans submitted with the application but modified to show the government road east of Crown Allotment A, Parish of Leichardt excluded from the layout of solar arrays and other infrastructure.
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Table 3: External Referral to County Fire Authority (CFA)

Response:	No objection object and suggested conditions to address emergency management, access to provide for firefighting, water supply for firefighting, vegetation and fuel management including a 10m fire break, a 6m separation between solar panel banks and appropriate siting and management of the battery storage.
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Table 4: External Referral to Goulburn Murray Water (GMW)

Response:	No response.
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Table 5: External Referral to North Central Catchment Management Authority (NCCMA)

Response:	No objection subject to the following conditions: <ol style="list-style-type: none"> 1. All buildings, works and solar panels (excluding any approved crossings, fencing and cabling) must be set back a minimum 30 metres from the top of bank of the designated waterway that traverse the northern part of the property. 2. The proposed development must maintain all existing flow paths on the site. Prior to commencement of works, details of any proposed earthworks to level or alter the topography of flood prone land must be provided to the North Central CMA and the Responsible Authority for approval. In this case, additional flood modelling may be required to demonstrate how
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	<p>flowpaths will be retained.</p> <ol style="list-style-type: none"> 3. Prior to the commencement of works a stormwater management plan must be submitted to the responsible authority and North Central CMA for approval. 4. Any infrastructure such as site offices, inverter power control units, battery energy storage systems and substation infrastructure (excluding solar panels) must be sited outside of all defined flow paths. 5. Any infrastructure such as site offices, inverter power control units, battery energy storage systems and substation infrastructure must be constructed a minimum of 300 millimetres above the applicable 1% AEP flood level. 6. The solar panels must be constructed so that the underside of the panels are a minimum of 300 millimetres above the applicable 1% AEP flood level when in a horizontal position. 7. Fencing within the defined flood extent must be of an open style construction up to the 1% AEP flood level to allow the passage of flood waters through the site. Prior to the commencement of works, plans of the proposed fencing style must be submitted to the North Central CMA. 8. Prior to the commencement of works (including boring to lay the cables under the waterway) a separate works on waterway permit for any works within the bed and banks of any designated waterway must be obtained directly from the North Central CMA.
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Table 5: Internal Referral to Assets & Infrastructure Department, Loddon Shire Council

Response:	<p>Advice from Assets includes:</p> <ul style="list-style-type: none"> • Roads containing load limited bridges are not to be used. This includes, but not limited to the Derby-Serpentine Rd, Baileys Rd and any wooden constructed structure. • Burkes Ln between the last farm property, 300m South of Whites Rd, to Baileys Rd and Baileys Rd between Burkes Ln and Robbins Rd have no protective sheeting cover, would suggest to use internal property tracks than these roads. • The most suitable access is from Burkes Ln off Sebastian Rd using the current farm access. • If Robins Rd is used signs will need to be erected at Connors Rd intersection due to the perceived hazard at the cost of the contractor.
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2.6 Public notification

The application was advertised to surrounding neighbours via letter in the mail on the 25 October 2019. No objections were received.

3 ASSESSMENT

3.1.1 Planner assessment

Clause 53.13 of the Loddon Planning Scheme sets out the decision guidelines for a Renewable Energy Facility. These are addressed below in relation to the subject proposal.

The Municipal Planning Strategy and the Planning Policy Framework

As set out above, there is support at the State, regional and local level set out in planning policy for renewable energy facilities subject to appropriate siting. The appropriateness of the subject site is addressed below.

The effect of the proposal on the surrounding area in terms of noise, glint, light spill, vibration, smell and electromagnetic interference

The application has provided information to demonstrate that the proposal will not have an unreasonable impact on the area in terms of noise, glint, light spill, vibration, small and electromagnetic interference.

Although during the construction phase there will be an increased noise level, beyond that the proposal is not expected to emit any significant noise. Construction is expected to take 12 months, and will be undertaken during standard work hours. EPA regulations will limit hours of operation for construction. Noise from the site once the facility is operating will consist of light vehicle movements involved in monitoring the facility. Operation of the solar panels and associated infrastructure is expected to emit minimal noise levels that are unlikely to be audible beyond the site.

The facility is not expected to emit unreasonable levels of glint and glare. The solar panels are intended to absorb light not reflect. The only time when there may be some glint or glare is late in the day when the sun is low however this is expected to be minimal as the intensity of the reflection will be low.

The only lighting on the site will be motion sensor security lighting, as such light spill would only occur infrequently should the lights be activated.

There should be no smell associated with the facility.

The applicant has provided advice from the Australian Radiation Protection and Nuclear Safety Agency that the risk of electromagnetic interference is very low from solar facilities.

The impacts of the proposal on significant views, including visual corridors and sightlines

The subject site is located within a relatively isolated rural location. The solar panels are a subdued grey colour and under 3m in height. There are two dwellings within 1km of the subject site (one is owned by the owner of the subject site). The dwelling beyond the subject site is unlikely to be subject to any visual impact from the proposal due to existing vegetation along the Bullock Creek. Other dwellings beyond this dwelling are also unlikely to be able to see the facility due to distance and existing vegetation.

The impact of the proposal on strategically important agricultural land, particularly within declared irrigation districts

The site is located within an area that is considered to be of reasonable to good agricultural value within this municipality. Although this property is not irrigated, there are properties in this area that are irrigated due to access to water from the Loddon Deep Lead. The site would not be considered strategically significant.

The impact of the proposal on the natural environment and natural systems

The site is cleared farming land that adjoins the Bullock Creek. The proposed development will require the removal of a small area of native vegetation, including three trees. Evidence has been provided that this vegetation will be offset. A buffer of approximately 200m will be provided to the creek. The site is not subject to flooding. It is considered that the proposal will not result in any significant impact to the natural environment or natural systems.

The impact of the proposal on the road network

Council's Assets staff have been consulted in relation to the proposal. They have raised some concerns over some of the access routes proposed for construction traffic in particular. They

have suggested alternative routes to ensure that the most suitable roads are used. It has been agreed that:

- Traffic Management Plan (TMP) will be required as a Condition of any permit
- TMP will determine the final route to site and have to be signed off by Council's assets department
- TMP will outline the road maintenance schedule and other matters as required by Council
- a bond may be required relating to road works.

Solar Energy Facilities Design and Development Guideline (Department of Environment, Land, Water and Planning, August 2019)

The Victorian State Governments Solar Energy Design Facilities: Design and Development Guideline (August 2019) (The Guidelines), provide guidance to applicants and council when considering appropriate locations for solar farm facilities. The Guidelines state that a solar energy facility should not lead to:

- the loss or interruption of supply to the immediate or broader electricity transmission network
- the loss of vegetation, habitat or species of environmental importance
- the loss of cultural heritage or landscape values of significance
- the loss of productive, state-significant agricultural land
- increased exposure of the area to fire, flood or other natural or environmental hazard.

The Guidelines also state that, ideally a solar energy facility should be located:

- on land with topographical conditions that avoids the need for unnecessary or excessive earthworks or changes to the natural landscape
- to avoid the loss of native vegetation and biodiversity and if losses cannot be avoided, they are minimised and can be offset
- close to the electricity grid network, to minimise the need for additional infrastructure and associated impacts
- a sufficient distance from existing urban areas or designated urban growth areas
- where there can be adequate space between facilities within an area to avoid cumulative impacts of built form concentration
- away from the floodplain of a major water course or wetland
- where it has ready access to main roads.

The application put forth to Council is considered to be consistent with the above mentioned matters, as the subject site is:

- generally flat with minimal earthworks required for construction
- is within close proximity to the 66KV transmission line
- within 5km of the Calder Highway and 3km of a rural sealed collector road. Some road upgrade or traffic management may be required however the proposal relies on minimal use of the local road network
- is not located with close proximity to major residential development or significant environmental landscape
- the application proposes minimal loss of native vegetation and has avoided removal where possible.

4 CONCLUSION

The application seeks approval for a solar farm that will cover approximately 135ha. The merits of this site for a solar farm include solar access, grid access, topography, lack of native vegetation or flood risk and it is in a relatively isolated location. The nearest dwelling to the site (beyond the subject property) is unlikely to be able to see the development due to existing native vegetation. Although the site has some agricultural value, it is not high quality land or

strategic significance. The proposal will not affect the use of surrounding land for agriculture. The proposal is consistent with State, regional and local policy that supports the development of renewable energy facilities and the proposal is considered to be consistent with the State guidelines for the location and development of such facilities. The proposal is not considered inconsistent with the purpose of the Farming Zone as although this proposal is not agricultural related it does not affect the use of the surrounding land, and the balance of the subject property can be retained in agricultural use. The Farming Zone is realistically the main land use zoning where these facilities are able to be located due to the extent of land required. The native vegetation to be removed is minimal and will be offset in accordance with the States requirements.

10 INFORMATION REPORTS**10.1 SMALL BUSINESS FRIENDLY CHARTER**

File Number: DOC/19/4433

Author: Lynne Habner, Manager Executive and Commercial Services

Authoriser: Allan Bawden, Acting Chief Executive Officer

Attachments: 1. Proposed Small Business Friendly Charter for Loddon Shire

RECOMMENDATION

That Council sign up to the Victorian Small Business Commission Small Business Friendly 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 COUNCIL DISCUSSION

A report was provided to the January 2020 Council Forum on this matter.

BACKGROUND

In May 2019, the Victorian Small Business Commission (VSBC) wrote to Loddon Shire about signing up to the Small Business Friendly Charter.

The Victorian Small Business Commission (VSBC) recognises the important role that councils play in supporting local small businesses, and it has looked at ways it can work in partnership with councils to the benefit of Victorian small businesses.

The VSBC worked with 12 councils to develop a charter that summarises shared goals of the VSBC and councils in working to create a fair and competitive trading environment for Victorian small businesses.

The charter is the foundation of the initiative and talks to a variety of areas where the VSBC and councils can work in partnership to deliver better outcomes for businesses, such as:

- mitigating the impact of disruptive infrastructure projects on small businesses
- supporting small businesses to build stronger business networks
- streamlining permit approvals processes for small businesses
- faster payment of invoices for small businesses
- coordinating resources available to small businesses from local councils, Small Business Victoria and the VSBC
- creating strong and mutually beneficial channels of communication between the VSBC and local councils.

The VSBC intends to review the charter in mid 2020 for its efficacy. It hopes that the charter is the pivot point for a range of new ideas so new projects and resources can be developed that meet practical needs.

According to the vsbc.vic.gov.au website, the 34 councils that have currently signed up to the initiative are:

Gannawarra Shire Council	Greater Shepparton City Council
Mount Alexander Shire Council	Cardinia Shire Council
Northern Grampians Shire Council	Moonee Valley City Council
City of Greater Bendigo	Mornington Peninsula Shire
Buloke Shire Council	City of Greater Dandenong
Swan Hill Rural City Council	Pyrenees Shire Council
Ararat Rural City Council	City of Whittlesea
City of Wodonga	Bass Coast Shire Council
City of Kingston	Hume City Council
Yarra Ranges Council	Melton City Council
Wyndham City	Manningham Council
City of Casey	City of Greater Geelong
Frankston City Council	City of Yarra
South Gippsland Shire Council	Glen Eira City Council
Moreland City Council	Corangamite Shire
Hepburn Shire Council	Baw Baw Shire Council
Colac Otway Shire	Latrobe City Council

ISSUES/DISCUSSION

The charter initially provided to Loddon Shire was reviewed internally, and ideas for amendment to the charter were fed back to the VBSC and discussed over the next few months. These were around making some adjustments to provide flexibility to allow for Loddon Shire's resource limitations, and not committing Council to actions that may not be possible or appropriate, such as "identify new opportunities for development".

The original charter had required that councils would register with the Better Approvals Project and complete it as scheduled, and the VBSC was advised that the resources required to join this project would be prohibitive for our Council. The VBSC was asked to investigate whether the Better Approvals Project would eventually produce generic supporting documentation/guidelines to help permit applicants through the process, which would be a valuable tool to address the most significant causes of delays in the permit application processes with Loddon Shire. Often the lack of understanding of the required information up-front can be a point of frustration for both the potential new small businesses/applicants and to Council staff in trying to work within statutory requirements. Council staff are working towards streamlining the permit application processes in other ways.

Amendments were made to the charter to address Loddon Shire's concerns, and the attached revised charter is presented for consideration by Council.

COST/BENEFITS

There are no additional costs to Council associated with signing the charter. Activities such as streamlining permit application processes are underway, and payments of invoices to small business by Council are already very fast.

Benefits from adopting the charter include access to additional tools and guidelines to assist Council to support and work with small businesses.

RISK ANALYSIS

There are no identified risks associated with signing up to this charter.

CONSULTATION AND ENGAGEMENT

Council staff who would be impacted by the charter were consulted, in addition to the consultation with the VBSC outlined in the Discussion above.



Charter Agreement

Introduction

This Charter is a commitment between your council and the Victorian Small Business Commission (VSBC) to work together to create a fair and competitive trading environment for Victorian small businesses. It also tells you what you can expect as a business owner from your local council and the VSBC. By signing the charter, the VSBC and local councils agree to meet these commitments within 12 months.

Commitments and what you can expect from us

Part 1 | Work with small businesses disrupted by infrastructure projects

The VSBC will:

- a. provide councils with VSBC resources for managing the impacts of disruption
- b. provide dispute resolution services in relevant matters
- c. advocate on behalf of small businesses with authorities who undertake major works
- d. work collaboratively with council to develop practical initiatives that benefit small businesses

Your council will:

- a. refer to the VSBC's [Small Business Engagement Guidelines](#) when planning new works and request that external project managers do the same
- b. provide small businesses with the VSBC's guide for small businesses on [Managing Disruption](#) where appropriateⁱ

Part 2 | Support the creation of small business networks across Victoria

The VSBC and your council will:

- a. distribute the VSBC's guide to building [Stronger Networks](#)
- b. actively engage with small business networks and supportⁱⁱ opportunities for development
- c. include representatives of associations in conversations concerning small businesses where appropriateⁱⁱⁱ

Part 3 | Faster permit approvals processes for small businesses

Your council will:

- a. work towards faster permit approvals for new small businesses. This may mean:
 - i. registering with the Better Approvals Project and completing this as scheduled; or
 - ii. implementing strategies to streamline permit approvals processes for small businesses

Part 4 | Prompt payment to small businesses

The VSBC will:

- a. raise awareness of the Australian Supplier Payment Code³ across Victoria to ensure your business is paid within 30 days of issuing an invoice

Your council will:

- a. initiate processes to ensure invoices from small businesses are paid promptly; or
- b. commit to signing up to the Australian Supplier Payment Code to pay small businesses within 30 days

Part 5 | Easy to read, easy to understand information for Victorian small businesses

The VBSC will:

- a. liaise with Small Business Victoria on the development of new resources for your business and communicate requests from your council about what is needed
- b. refer your council to new resources as they are made available

Your council will:

- a. link your business with the resources available at business.vic.gov.au
- b. provide the VSBC [Retail Lease Checklist](#) to prospective tenants

Both parties will:

- a. identify opportunities for the development of new resources for your business

Part 6 | Open channels of communication between the VSBC and local councils

The VSBC will:

- a. advocate on behalf of small business when your council notifies VSBC of key issues of concern
- b. work with relevant agencies to progress matters of concern to local councils and small businesses

Your council will:

- a. notify the VSBC of systemic^{vi} issues affecting local small business communities in a quarterly report
- b. refer commercial disputes to the VSBC dispute resolution team as appropriate
- c. provide details of the VSBC's dispute resolution services on its website

³ Further information on the Australian Supplier Payment Code can be found on the website of the Business Council of Australia | www.bca.com.au

Additional commitments

Promotion of Initiative

The VSBC will:

- a. provide all participating councils with the Small Business Friendly Council Initiative logo to use in their own materials
- b. provide all participating councils with an animated video promoting the benefits of having a small business friendly council to Victorian small businesses
- c. share success stories and case studies from participating councils in the VSBC eNewsletter and on social media
- d. list all participating councils on the VSBC website

Your council will:

- a. utilise the Small Business Friendly Council Initiative and videos in relevant communications
- b. provide VSBC with case studies and success stories associated with the initiative

Quality assurance and review

The VSBC will:

- a. contact your council 12 months after signing the charter to assess their status on each commitment
- b. review feedback from your council about the value of the charter and modify it as appropriate after 12 months

Your council will:

- a. work towards fulfilling each commitment within the first 12 months of signing the charter
- b. work with the VSBC to amend the charter if required

Acceptance

On behalf of we agree to the terms outlined in this Charter and agree to implement the Small Business Friendly Council Initiative.

Name
Position
Signature

.....

Date / /

Name Judy O'Connell
Position Victorian Small Business Commissioner
Signature

.....

Date / /



ⁱ Where appropriate added for Loddon Shire on 1 August 2019

ⁱⁱ Identify new opportunities amended to Support opportunities for Loddon Shire on 1 August 2019

11 COMPLIANCE REPORTS

Nil

12 GENERAL BUSINESS

13 CONFIDENTIAL ITEMS**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 89(2) of the Local Government Act 1989:

13.1 Review of confidential actions

This matter is considered to be confidential under Section 89(2) - (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 Any other matter which the Council or special committee considers would prejudice the Council or any person.

13.2 Contract 472 - Annual Reseal Program 2019-2020

This matter is considered to be confidential under Section 89(2) - (d) 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 contractual matters.

13.3 Old Inglewood Reservoir Upgrade Works

This matter is considered to be confidential under Section 89(2) - (d) 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 contractual matters.

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 25 February 2020 at Serpentine commencing at at 3pm.

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

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

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